



**ST. MARY'S UNIVERSITY**

**SCHOOL OF GRADUATE STUDIES**

**RECRUITMENT AND SELECTION PRACTICES THE CASE OF COMMERCIAL  
BANK OF ETHIOPIA.**

**BY**

**HIWOT MERGIA WOLDIE**

**January, 2019**

**ADDIS ABABA, ETHIOPIA**

**RECRUITMENT AND SELECTION PRACTICES AND CHALLENGES AT  
COMMERCIAL BANK OF ETHIOPIA.**

**BY**

**HIWOT MERGIA WOLDIE**

**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF GRADUATE  
STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE  
DEGREE OF MASTER OF BUSINESS ADMINISTRATION (MBA)**

**DECEMBER, 2018  
ADDIS ABABA, ETHIOPIA**

**ST MARY'S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES  
FACULTY OF BUSINESS  
RECURITMENT AND SELECTION PRACTICES AND CHALLENGES AT  
COMMERCIAL BANK OF ETHIOPIA.**

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## DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Goitom Abrham (AS.Profesor). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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## ENDORSEMENT

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

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Advisor

St. Mary's University, Addis Ababa

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Signature

May, 2018

## TABLE OF CONTENTS

Acknowledgement .....	<b>Error! Bookmark not defined.</b>
Contents.....	i
List of Table.....	<b>iError! Bookmark not defined.</b>
Abbreviations and Acronyms.....	<b>Error! Bookmark not defined.</b>
<i>Abstract</i> .....	<b>Error! Bookmark not defined.</b>
<b>CHAPTER Error! Bookmark not defined.</b>	
INTRODUCTION .....	<b>Error! Bookmark not defined.</b>
1.1. Background of the Study .....	<b>Error! Bookmark not defined.</b>
1.2. Back ground of the Organization.....	3
1.3. Statement of the Problem.....	<b>Error! Bookmark not defined.</b>
1.4. Research Questions.....	<b>Error! Bookmark not defined.</b>
1.5 Objectives of the Study .....	<b>Error! Bookmark not defined.</b>
1.5.1 General Objective .....	<b>Error! Bookmark not defined.</b>
1.5.2 Specific Objectives .....	<b>Error! Bookmark not defined.</b>
1.6 Significance of the Study .....	<b>Error! Bookmark not defined.</b>
1.7 Scope of the Study .....	<b>Error! Bookmark not defined.</b>
1.8 Limitation of the Study .....	9
1.9 Definition of Terms .....	9
1.10 Organization of the Study.....	<b>Error! Bookmark not defined.</b>
<b>CHAPTER TWO</b>	
LITERATURE REVIEW .....	11
2.1 Overview of Employees Job satisfaction .....	11
2.1.1 Importance of Employees Job Satisfaction.....	13
2.1.2 Theories of Employees job satisfaction .....	<b>Error! Bookmark not defined.</b>
2.1.3 Empirical Literature on Employees Job Satisfaction .....	<b>Error! Bookmark not defined.</b>
2.2 Overview of Recruitment and Selection .....	<b>Error! Bookmark not defined.</b>

2.2.1	Definition of Recruitment and selection .....	<b>Error! Bookmark not defined.</b>
2.2.2.	Importance of Recruitment and Selection.....	<b>Error! Bookmark not defined.</b>
2.2.3	The Goal of Recruitment and selection.....	20
2.2.4	Process of Internal Recruitment and selection .....	<b>Error! Bookmark not defined.</b>
2.2.4.1	Promotion.....	<b>Error! Bookmark not defined.</b>
2.2.4.1.1	Sourcing .....	<b>Error! Bookmark not defined.</b>
2.2.4.1.2	Importance of Sourcing.....	<b>Error! Bookmark not defined.</b>
2.2.1.1.3	The Process of Sourcing .....	<b>Error! Bookmark not defined.</b>
2.2.1.1.4	Theoretical review on Sourcing .....	<b>Error! Bookmark not defined.</b>
2.2.1.1.5	Empirical Review on sourcing .....	<b>Error! Bookmark not defined.</b>
2.2.4.1.2	Attracting .....	<b>Error! Bookmark not defined.</b>
2.2.4.1.2.1	Importance of Attracting .....	<b>Error! Bookmark not defined.</b>
2.2.4.1.2.2	Process of Attracting.....	<b>Error! Bookmark not defined.</b>
2.2.4.1.2.3	Theoretically review on attracting .....	<b>Error! Bookmark not defined.</b>
2.2.4.1.2.4	Empirically review on attracting.....	<b>Error! Bookmark not defined.</b>
2.2.4.3.	Screening.....	<b>Error! Bookmark not defined.</b>
2.2.4.3.1	Importance of screening.....	<b>Error! Bookmark not defined.</b>
2.2.4.3.2	Theoretical review of screening.....	<b>Error! Bookmark not defined.</b>
2.2.4.3.3	Empirical review of screening .....	<b>Error! Bookmark not defined.</b>
2.2.4.4	Selecting.....	<b>Error! Bookmark not defined.</b>
2.2.4.4.1	Importance of selecting .....	<b>Error! Bookmark not defined.</b>
2.2.4.4.2	Process of selecting .....	<b>Error! Bookmark not defined.</b>
2.2.4.4.3	Theoretical review on selecting .....	<b>Error! Bookmark not defined.</b>
2.2.4.4.4	Empirical review on selecting.....	<b>Error! Bookmark not defined.</b>
2.2.4.2	Lateral Transfers .....	<b>Error! Bookmark not defined.</b>
2.2.4.2.1.	Importance of Lateral Transfer .....	<b>Error! Bookmark not defined.</b>
2.2.4.2.2.	Process of lateral Transfer.....	<b>Error! Bookmark not defined.</b>
2.2.4.2.3.	Theoretical Review on Lateral Transfer .....	<b>Error! Bookmark not defined.</b>

2.2.4.2.4. Empirical review Lateral Transfer .....	<b>Error! Bookmark not defined.</b>
2.3 Recruitment and Selection and Employees' Job Satisfaction .....	<b>Error! Bookmark not defined.</b>
2.4 The practice of Internal Recruitment and Selection in Commercial Bank of Ethiopia.....	<b>Error! Bookmark not defined.</b>
2.4.1 Internal Vacancy Announcement.....	<b>Error! Bookmark not defined.</b>
2.4.2 Components of Vacancy Announcement.....	<b>Error! Bookmark not defined.</b>
2.4.3 Selection Process of CBE .....	27
2.4.4 Participants for Selection .....	28
2.5 Theories of Recruitment and Selection.....	28
2.5.1 The Equity Theory .....	28
2.5.2 Value Congruence Model .....	<b>Error! Bookmark not defined.</b>
2.5.3The Human Capital Theory.....	29
2.6 Challenges of Recruitment and Selection .....	30
2.7 Conceptual Frame work on Internal Recruitment and Selection .....	32
<b>CHAPTER THREE</b>	
<b>RESEARCH METHODOLOGY.....</b>	<b>Error! Bookmark not defined.</b>
3.1 Description of the Study Area.....	<b>Error! Bookmark not defined.</b>
3.2 Research Approach and Design .....	<b>Error! Bookmark not defined.</b>
3.3 Study Population (Sample Frame) .....	<b>Error! Bookmark not defined.</b>
3.4 Sampling Technique and Sample Size Determination.....	<b>Error! Bookmark not defined.</b>
3.5 Data Types and Sources .....	<b>Error! Bookmark not defined.</b>
3.6 Measurement Instruments .....	<b>Error! Bookmark not defined.</b>
3.6.1 Questionnaire .....	<b>Error! Bookmark not defined.</b>
3.6.2. Interview .....	<b>Error! Bookmark not defined.</b>
3.6.3 Document Analysis .....	<b>Error! Bookmark not defined.</b>
3.7 Data Collection Procedures.....	<b>Error! Bookmark not defined.</b>
3.8 Ethical consideration.....	<b>Error! Bookmark not defined.</b>
3.9 Data Analysis .....	<b>Error! Bookmark not defined.</b>

## CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS .....	<b>Error! Bookmark not defined.</b>
4.1 Introduction.....	<b>Error! Bookmark not defined.</b>
4.2 Job Satisfaction at CBE .....	<b>Error! Bookmark not defined.</b>
4.3 Internal Recruitment and selection process at CBE.....	<b>Error! Bookmark not defined.</b>
4.4 Summary of the Means .....	<b>Error! Bookmark not defined.</b>
4.5 Cross Tabulation between some Background Profiles and Job Satisfaction .....	<b>Error! Bookmark not defined.</b>

## CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS .....	<b>Error! Bookmark not defined.</b>
5.1 Introduction.....	<b>Error! Bookmark not defined.</b>
5.2 Summary of Major Findings .....	57
5.3 Conclusions.....	58
5.4 Recommendations .....	<b>Error! Bookmark not defined.</b>
Reference .....	<b>Error! Bookmark not defined.</b>
Appendices.....	<b>Error! Bookmark not defined.</b>

## **DEDICATION**

This work is dedicated to my parents, Mr. Mergia Woldie and Mrs. Miser Afework for their unflinching support and good counsel. It is also dedicated to all my siblings; Selam, Ermias and Besrat for making me their mentor. Last but not least, it is dedicated to Muluneh Seid for coauthoring another interesting chapter of my life.

## **ACKNOWLEDGEMENTS**

Unto the Lord be the glory, great things he has done! My heartiest gratitude to God Almighty; for the abundant grace and mercies in my life. My heartfelt appreciation to my supervisor, Mr.Goitom Abrham (Ass.prof) for his enormous contributions to this work. I am extremely grateful for his time, advice and painstakingly reviewing and suggesting amendments to this work. I appreciate the help of the management and staff of the Commercial Bank of Ethiopia I researched on. My next dose of gratitude goes to all those friends and family who carried this work along with them in their hearts; Genet, Selamawit, Tsion for your immense contributions to the completion of this work. To My all families, I say God richly bless you for being there for me through thick and thin. A loving, understanding, thoughtful and helpful companion did I find in Andargachew Worku; may the good Lord grant you all that is beautiful. Finally, to all the authors whose work I consulted for this research, thank you in Advance.

## **LIST OF ACRONYMS AND OR ABBREVIATIONS**

<b>CBE</b>	Commercial Bank of Ethiopia
<b>HR</b>	Human Resource
<b>HRM</b>	Human Resource Management
<b>SMT</b>	Senior Management Team
<b>SPSS</b>	Statistical Package for Social Science

## **LIST OF TABLES**

Table 1:	HR data of CBE
Table 2:	sample population of CBE
Table 3:	Reliability of Instrument
Table 4:	Demographic and Personal Information of Respondents
Table 5	Vacancy Advertisement Practice
Table 6	Recruitment and Selection Practice
Table 7	Source of Recruitment
Table 8	Availability and Implementation of Recruitment and Selection
Table 9	Overall Satisfaction of Employee with the Recruitment and Selection process

## **ABSTRACT**

*This research looked at the Recruitment and Selection Practices and challenges at Commercial Bank of Ethiopia. Research over the years, has established significantly a positive correlation between HR recruitment and selection practice. The purpose of this study, therefore was to assess the recruitment and selection practices and challenges of Commercial Bank of Ethiopia. To achieve the objective of this study, descriptive method was used, self-administered questions were distributed to 100 respondents and 87(87%) of the respondents returned the questionnaires the respondents were selected using simple random sampling technique. Secondary data were also extracted from prospectus and other published materials of the bank. The data collected from the questionnaire were analysed using statistical tools such as percentage, mean and standard deviation. The result of this study illustrates, the respondents are moderately satisfied with the recruitment and selection practices of the bank. Based on the findings of the study, the researcher forwarded some recommendations to the manager of commercial Bank of Ethiopia to achieve to the interests of employees by improving the recruitment and selection policies of the bank and by creating equal opportunities to the employees and Commercial Bank of Ethiopia should conduct Job analysis to determine job description, job specification, and job evaluation. The researcher believed that conducting similar research works on other service giving sectors may help identifying established trends or relationships. The result of this study may help policy makers, practitioners and concerned ministry.*

**Key words:** *training and development, management, reward and compensation recruitment, selection, human resource.*

# **CHAPTER ONE**

## **INTRODUCTION**

The focus of this chapter is mainly to address the background of the study, background of the organization, Statements of the Problem, Research Questions, Objectives of the study, Significance of the study, Scope of the study, and Limitation of the study.

### **1.1 Back ground of the study**

One of the most significant developments in the field of organizations in recent times is the increasing importance given to human resource. People are vital to organizations as they offer perspectives, values and attributes to organizational life; and when managed effectively, these human characters can be of considerable benefits to the organization. As revealed in Djabatey (2012) this scenario lends credence to the increasing attention being paid to the people aspect of organizational wealth. This is so because the development of people, their competencies, and the process development of the total organization are the fulcrum of human resource management (Mullins, 1999; Djabatey, 2012). Thus the impact of continued growth of the enterprise depends on its ability to recruit and select high quality personnel at all levels. While recruitment is the process of identifying and attracting potential candidates from within and outside an organization to begin evaluating them for future employment, selection begins when the right caliber of candidates are identified (Walker, 2009). This would reflect the fact that the management would particularly shortlist able candidates who are well equipped with the requirements of the position they are applying for, including team work. Work of Silzer. (2010) was largely concerned with Talent management, and through their work they were successful that was a core challenge in designing talent systems, facing the organization and among the senior management. The only solution to resolve the concern of attaining efficient talent management was by adopting fully-executable recruitment techniques. Regardless of a well-drawn practical plan on recruitment and selection as well as involvement of highly qualified management team, companies following recruitment processes may face significant obstacles in implementation. As such, theories of HRM can give insights in the most effective approaches to recruitment even though companies

will have to employ there in house management skills for applying generic theories across particular organizational contexts. Work conducted by Silzer (2010) described that the primary objective of successful talent strategies is to create both a case as well as a blueprint for developing the talent strategies within a dynamic and highly intensive economy wherein acquisition, deployment and preservation of human capital-talent that matter,, shapes the competitive advantages and success of many companies. The recruitment practice differs from one organization to others. According to Edwin B. Flippo oct 12, 2014. Recruitment is the process of attracting the candidates and making them to apply for the job. Recruitment is the first step then after selection and placement comes in the employment process (Rao, 2010). Employers aim is to choose an appropriate candidate suitable for that particular job. Recruitment is the activity done by the HR's in many organizations. Selection is the second step in the in the process of manpower planning. Finding competent workers is an important organizational challenge (McEvoy, 1984; Deshpande & Golhar, 1994; Atkinson & Storey, 1994), with the difficulty centering on recruiting and selecting employees with the correct qualifications to help achieve goals (Priyanath, 2006). As further argued in Priyanath (2006), this problem is compounded by the lack of systematic method for recruiting and selecting employees.

A systematic recruitment process according to Gamage (2014) involves indentifying vacancies, job analysis, job description, person specification and advertising. As against informal process for recruiting and selecting employees, a systematic selection process involves the recruiting process, gathering information about qualified applicants, evaluating the qualification of each applicant and making decisions about employment (Gamage, 2014). Recruiting and selecting the wrong candidates who are not capable come with a huge negative cost which businesses cannot afford. Thus, the overall aim of recruitment and selection within the organization is to obtain the number and quality of employees that are required to satisfy the strategic objectives of the organization, at minimal cost (Ofori & Aryeetey, 2011). The purpose of the study therefore to assess the recruitment and selection practice and challenges in Commercial Bank of Ethiopia, specifically grade three and four branches which are located at North Addis districts, this

research work seeks to identify employee recruitment and selection practices in Commercial Bank of Ethiopia. The finding of the research was merely or purely based on human resource department of commercial bank of Ethiopia. To provide the best available information and research material on different procedures adopted by organization on the recruitment and selection methods and analyzes their expectations and outcomes of the procedures

## **1.2 Background of the Organization**

Commercial Bank of Ethiopia was established in August 1942 G.C. as a State Bank of Ethiopia by proclamation with the aim of providing commercial banking service to the public. But a year later, in addition to its commercial banking functions, the bank was entrusted with three basic duties of a central bank i.e. controlling the issuance of currency, holding the foreign reserves of the country and acting as fiscal agent of the government. Since its creation up to 1963 GC Commercial Bank of Ethiopia combined these official and private functions acting at the same time as a Central Bank of Issue and the only important deposit Bank operating in the country.

Now a days, Commercial Bank of Ethiopia carries a comprehensive banking business such as, providing different types of loans for borrowers, different types of saving deposits, providing local and foreign money transfer and facilitating domestic and international trade in and between the country with the help of its above 1288 (one thousand two hundred eighty eight) branches and around 30,000 employees all over the country and two abroad to its corporate, business, commercial and retail customer which makes it a truly national as well as the largest and dominant Commercial Bank in Ethiopia.

The Commercial Bank of Ethiopia is one of the largest employers in the country. Currently, it has more than fifty two thousand employees. To make the staff fit to ‘service excellence’ which the bank upholds as its central motto, CBE has developed a comprehensive human resource development (HRD) strategy. Of the HRD development strategy packages, “Learning and Development” that largely relies on-the-job training is conducted extensively and on a continuous basis at a dedicated training center of the bank.

There are sufficient reasons that back the above assertion. In the past decade alone, CBE has registered impressive growth. When the implementation of the first Five-Year Corporate Business Strategy started in 2010, the bank's total deposit position was barely Birr 56.1 billion. As of June 2018, it stood at Birr 451.8 billion, which is about 64 percent of the total deposit mobilized by the banking sector in Ethiopia. The bank's total asset as well grew from Birr 74.2 billion in 2010 to Birr 565.5 billion as of June 30, 2018. Moreover, its capital and reserve was raised at different times; and by 2017/18 FY, it reached Birr 43.1 billion.

The Commercial Bank of Ethiopia is expected to play a pivotal role in financing the development efforts of the country and national priority areas. Driven by the ambitious and ever-growing demand of stakeholders, the Bank has been working hard to become a World-Class Commercial Bank that meets the expectations of all stakeholders which is the vision of the bank that is expected to be attained in the year 2025. To this end, Commercial Bank of Ethiopia has re-engineered its business process and is being transformed from a functionally-oriented bank into a process-based institution that strives for efficient and effective service delivery. This paradigm shift has radically changed the bank in general and its human resources management system in particular (Commercial Bank of Ethiopia Human Resources Manuals, 2010). The human resources structure of the bank is led by a Vice President level, and has two main wings: Human Resources Development and Human Resources Management. Under Human Resources wings there are Human Resource Recruitment and Selection, Employees Relations and Communication, and Human Resources Transactions (Commercial Bank of Ethiopia Human Resources Manuals, 2010). In resolving issues like whether or not talent is something one can be born with or is it something that can be acquired through development. According to Silzer et al (2010),

### **1.3 Statement of the problem**

As per the strategic document (2016/17-2020/21) and profile of the Bank (2014/15), currently Commercial Bank of Ethiopia is implementing the Human Resource Development strategy. To achieve the success of the strategy and become competent enough in the banking sector

domestically as well as internationally, the Bank has been exerting a lot of resources. In this regard, the strategies of the bank (2015-2020) clearly reveal why the bank has designed its vision as," Becoming a world Class Commercial Bank by the year 2025."

According to Kelly (2006), for any organization to achieve its stated objectives and goals, there is a need for management to put in place policies or strategies that will help attract the best employees to strive towards the achievement of organizational objectives. Organization should constantly evaluate their workforce to ensure that they have the right people with the right skills in the right places to ensure sustained competitive advantage and when this is not the case, firms should make-up for the shortfall by employing appropriate recruitment and selection criteria.

According to Kelly (2006), for any organization to achieve its stated objectives and goals, there is a need for management to put in place policies or strategies that will help attract the best employees to strive towards the achievement of organizational objectives.

To achieve the vision, the bank in collaboration with the Frankfurt School of Finance and Management consultants had started to implement improved recruitment assessment and selection process with the ultimate goal of enhancing continuous improvement on the performance of the organization that align with the strategy and objectives of the organization (Frankfurt Report , 2010).

The premise in the human capital theory, according to Armstrong (2006) is that people and their collective skills, abilities and experience, coupled with their ability to deploy these in the interests of the employing organization, are now recognized as making a significant contribution to organizational success and also constituting a significant source of competitive advantage. By the same token, under-achievement can be a result of workplace failures. Because hiring the wrong people or failing to anticipate fluctuations in hiring needs can be costly, it is important that conscious efforts are put into human resource planning (Biles & Holmberg, 1980; Djabatey, 2012).

It has also been argued that in order for the enterprise to build and sustain the competitive advantage, proper staffing is critical thus, recruitment and selection have become imperative in organizations because individuals need to be attracted on a timely basis, in sufficient numbers and with appropriate qualifications. Therefore, this study sets to examine the effectiveness of recruitment and selection process on commercial Bank. Hence, the recruitment practice on internal recruitment and selection of the bank, this study is limited to investigate in to the overall process of recruitment and selection practice and challenges made internally on employee's recruitment and selection and the magnitude of the challenges therein, and to suggest recommendations that will help improve the capacity to recruit high quality candidates, meeting the entire requirement for employees for the bank in required numbers.

#### **1.4The Research Questions**

Hence, this study is primarily aimed to answer, the existing practice of recruitment and selection and challenges of recruitment and selection implementation and more specifically to answer the following basic research questions.

- ❖ How is the recruitment and selection process carried out at the bank?
- ❖ What are the challenges associated with the recruitment and selection practices of the bank?
- ❖ Does the bank have clearly designed recruitment and selection policy?
- ❖ To what extent are employees satisfied with the recruitment and selection practices of the bank?

#### **1.5 Objective of the Study**

There are two objectives

##### **1.5.1. General Objectives**

The general objective of this study was to assess the recruitment and selection practice and challenges of commercial bank of Ethiopia.

### **1.5.2. Specific Objectives**

The specific objectives of this study are

1. To identify the recruitment and selection process carried out at the Commercial bank of Ethiopia.
2. To investigate major challenges associated with the recruitment and selection practices of the bank?
3. To assess whether the bank have clearly designed recruitment and selection policies
4. To assess the satisfaction of employees with the recruitment and selection practices of the bank?

### **1.6 Significance of the Study**

Organizations success can be measured mainly through delivery of quality service to their beneficiaries. This can be achieved through well formulated plans and programs, recruiting the right person for the right position, selecting employee with the appropriate document, assignment and retention of committed and competent staffs. The assessment of recruitment and selection practices aims to provide an integrated view of an organization's performance, including both financial and non-financial indicators, and from both internal and external perspectives by recruiting and selecting suitable advertisements. Therefore, the researcher highly anticipates that the results of this study will have the following significance.

- ❖ It provides important information about the existing problem which triggered the assessment of recruitment and selection practice and provides possible suggestions for improvement.
- ❖ It will serve as a benchmark to those organizations that do not properly recruit and select employees.

- ❖ It helps the researcher to acquire knowledge and practical experience about recruitment and selection practice and also for the partial fulfillment of the requirements for master's degree in business administration (HRM concentration)
- ❖ Moreover, the researcher also believes that this study can potentially serve as a stepping stone for the future research in this area.

### **1.7 Scope of the Study**

The researcher believes that it would be appropriate to conduct the study in the large scale. However, Commercial Bank of Ethiopia is one of the largest Banks in Ethiopia having more than 1288 branches stretched across the country. Commercial bank of Ethiopia has also 15 districts across the country of which 4 are in Addis Ababa. In addition there is various Head office organs (Trade service, customer Account and transaction services and credit) founded only in Addis Ababa. This is the reason that the banks studies (e.g. Employees recruitment survey report 2014) showed that the recruitment and selection of employees various schemes of the bank was comparatively higher in Addis Ababa than outline districts. Time wise the study used document of the Bank used secondary data that cover the period between May2012-Dec 2016 G.C. This is because the Banks new operational system (core banking) came in to effect starting from May 2012 which changed various structure of the bank mainly the Human resource and IT section of the bank. Besides, as source of data regarding respondents section, only CBE's permanent and non-employees were part of the study. Therefore, conducting the study in large scale would be unmanageable in terms of time, finance and research manageability. Hence, the scope of the study is delimited to assess the practice and challenges of recruitment and selection process in Commercial Bank of Ethiopia head office.

## **1.8 Organization of the study**

This thesis was organized in to five chapters. The first chapter dealt with the introductory part of the study, which includes back ground of the study, significance of the study, statement of the problem, objectives of the study, scope of the study, definition terms and organization of the paper are incorporated. The second chapter provides a brief literature review regarding the research topic. The research methodology and design were discussed in the third chapter. Chapter four dealt with research analysis and interpretation of the finding and finally summery of the major findings, conclusions and recommendations were discussed under in chapter five. The survey questionnaire and the interview that was used for data collection is attached to this document as an appendix.

## **1.9Limitation of the Study**

Due to the bulky nature of the document striating from even the core banking system, the student researcher had no sufficient time to see each and every employee and file of the bank which is used as secondary sources of data that are important for the study under analysis. To solve this constraint, therefore, major employees' group and files which greatly contributed to gain the required level of data had been used.

## **1.10 Definition of Terms**

**Recruitment-**The set of activities and processes used to legally obtain a sufficient number of qualified people at the right place and time (Costello, 2006)

**Selection-** It is a process of selecting individuals who possess suitable qualifications to fill an existing or future job vacancy (Yahaya et al.2009)

**HR:** As defined by (Bloisi 2007) is the viewpoint of the organization in the how people are developed and nurtured to achieve organizational goal.

**HRM practices:** The ways that organizations use to shape or redirect employee behavior, perception and attitudes towards the desired ends (Ulrich, 1997).

## **CHAPTER TWO**

### **LITERATURE REVIEW**

This chapter deals with the assessment of literatures which relate to the topic to assess the practice and challenges of recruitment and selection in case of commercial bank of Ethiopia. Several literatures would be selected and relevant areas would be reviewed. This chapter provides information about aspect of previous works which relate to this study.

#### **2.1 Theoretical Literature Review**

##### **2.1.1 The Concept of recruitment**

Recruitment is the process of generating a pool of qualified applicants for organizational job vacancies. For Ofori and Aryeetey (2011) recruitment is the process of generating a pool of competent individuals to apply for employment within an organization. Evidence has shown that larger corporations are more likely than smaller organizations in implementing sophisticated recruitment processes (Bacon & Hoque, 2005) with majority of smaller organizations relying on referrals and advertising as their recruitment practices of choice (Barber, Wesson, Roberso & Taylor, 1999). Several definitions of recruitment have been proposed over the last two decades. Recruitment is defined as a process encompassing all organizational practices and decisions that affect either the number or types of individuals that are willing to apply for or to accept a given vacancy (Rynes, 2001). Employee recruitment involves those organizational activities that influence the number or types of applicants who apply for a position and affect whether a job offer is accepted (Breaugh, 1992). Emphasizing the strategic importance of the recruitment function, Saks (2007) put forward the following definition: "Recruitment involves actions and activities taken by an organization in order to identify and attract individuals to the organization who have the capabilities to help the organization realize its strategic objectives." In particular, such activities should generate a pool of desirable candidates and enhance their interest in and attraction to the organization. There is another definition "Recruitment is the

process of searching the candidates for employment and stimulating them to apply for job in the organizations; recruitment is the activity that links the employers and the job seekers” (Flipo, 1988). According to Mondy (2010), Selection refers to the process of choosing from a group of applicants those individuals best suited for a particular position in an organization. As well as Mathis and Jackson (2006), define Selection as the process of selecting the most suitable applicants. The process, according to them, is guided by predetermined selection criteria such as job descriptions, job specifications and job profiling and commences after the recruitment process has been completed. Work by Alan Price (2007) Price (2007), in his work Human Resource Management (HRM) in a Business Context, formally defines recruitment and selection as the practices of retrieving and attracting able applications for the purpose of employment. He states that the practice of recruitment is not a simple selection process, while it needs management decision making and broad planning in order to appoint the most appropriate manpower. Their existing competition among business enterprises for recruiting the most potential workers in on the pathway towards creating innovations, with management decision making and employers attempting to hire only the best applicants who would be the best fit for the corporate culture and ethics specific to the company (Price 2007). This would reflect the fact that the management would particularly shortlist able candidates who are well equipped with the requirements of the position they are applying for, including team work. Since possessing qualities of being a team player would be essential in any management position. However, most recruitment and selection practices have elements of subjective judgment inherent in them. But treating job applicants in a professional and positive manner is more likely to leave them, whether they are successful or not, with a positive view of the organization and how it has dealt with the applicants. The recruitment and selection practices of employees also provide an opportunity for the organization to present itself in a favorable light (National University of Ireland, 2006).Price (2007).Deployment and preservation of human capital-talent that matter, shapes the competitive advantages and success of many companies. According to the Burack (1985) recruitment sources are closely linked to the organizational activities as performance of employees, employee turnover, employee satisfaction, employee wishes and the commitment of

the organization (Burack, 1980). These recruitment and selection practices should be done at each and every sector for fulfilling their organizational goals (Nartey, 2012).

### **2.1.2. Process of Internal Recruitment**

When an organization makes the decision to fill an existing vacancy through internal recruitment, the first stage in the process involves conducting a comprehensive job analysis. This may already have been conducted through the human resource planning process, particularly where recruitment is a relatively frequent occurrence. Once a job analysis has been conducted, the organization has a clear indication of the particular requirements of the job, where that job fits into the overall organization structure, and can then begin the process of internal recruitment to attract suitable candidates for the particular vacancy (Smith, 1989). The process of Internal and external Recruitment and Selection comprises different steps. These are Promotion, Transfer, Job Posting, Job Bidding, Advertisement, E-Recruitment, Employee referrals, Labor Offices Employment Agencies. Each of the steps is stated below sequentially.

#### **2.1.2.1. Sources of Recruitment**

Full-cycle recruiting is a term used by human resources specialists who manage the recruitment process. Full-cycle recruiting begins with sourcing candidates, which means looking for prospective applicants whose qualifications might be suitable for the job openings you have. Internal sources refer to recruiting employees from within the organization. In deciding requirement of employees, initial consideration should be given to a company's current employees, which is concerned with internal recruitment. They include those who are already available on the pay roll of the company. This is important source of recruitment as it provides opportunities for better development and utilization of existing human resources in the organization. Armstrong (2000a) proposed that first consideration should be given to internal candidates, although some organizations with powerful equal opportunity policies (often local

authorities) insist that all internal candidates should apply for vacancies on the same footing as external candidates. Aspects of recruitment under internal sources are as follows:

#### **2.1.2.1 Promotion**

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

#### **2.1.2.2 Transfer**

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

#### **2.1.2.3 Job Posting**

Job posting is an open invitation to all employees in an organization to apply for the vacant position. It provides an equal opportunity to all employees currently working in the organization. Today it has become a very common practice in many organizations across the world. Under

this, vacancy announcement is made through bulletin boards or in lists available to all employees. Interested employees, then apply for the post being advertised. In this way, it has become one of the cost saving techniques of recruitment (Keshav, 2013).

#### **2.1.2.4. Job bidding**

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

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

- ❖ **Labor Turnover:** The turnover of valuable employees is reduced through internal placement. Here, star employees within the company can be reassigned to an area within the organization where the need is greater. Restricting the vacancy to internal candidate can also help retain employees who might otherwise have left the organization (Sunderland & Canwell, 2008).
  
- ❖ **Performance:** Internal recruitment might offer cost saving in the human resource management process because of the record of performance available to recruiters. An internal candidate has developed a record of accomplishment of performance during employment that provides the most accurate assessment of her on the job professional skills and experience. If the company conducts formal performance reviews, the employee performance and goal-setting information will give valuable insight to recruiters when assessing internal candidates (Keshav, 2013).
  
- ❖ **Time Value:** When qualified candidates exist internally, recruiting candidates internally can decrease the time it takes to fill a position. This is particularly useful in a tight job

market, when the number of external candidates applying for a given job opening can become astronomical. In such cases, selecting among qualified internal candidates may be efficient because it offers costs savings, such as those associated with advertising and from using staffing resources to interview numerous external candidates (Keshav, 2013).

- ❖ **Corporate Culture:** Corporate culture might formally relate to the goals and objectives of the company as articulated in its vision and mission statement. It informally includes the business attitude, customs and etiquette. An external candidate that fulfills the experience and skills needed for a position might not fit into the organizational culture. Internal candidates are already familiar with the company's culture, policies and procedures. For example, this might manifest itself in how meetings are conducted, projects are organized or the use of consensus building in the decision-making process (Keshav, 2013). The principal disadvantages of internal recruitment are:
  - **Limited Choice:** Internal recruitment provides limited choice of talent available in the organization as it avoids the arrival of fresh candidates. Internal recruitment does not tap any candidate from outside the organization; hence, the number of potential candidates for the post is limited to those from within the organization. There may be far better external candidates who have more experience and better qualifications (Sunderland & Canwell, 2008).
  - **Implementation of Traditional System:** Internal recruitment requires the implementation of traditional form, system, process and procedures. In addition, this limits the scope of fresh talent in the organization (Keshav, 2013).

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

### **2.1.3. External Sources of recruitment**

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

**2.1.3.1. Advertisement:** Is the most common form of external sources of recruitment. Organizations advertise vacant position on both electronic print and media to access a larger pool of applicants. As cited by Nel et al. (2009:226), an advertisement has communication as its basic underlying principle and it should be worded in a manner that triggers responses from job seekers. Recruiters should formulate the wording of advertisements in a manner that is not

discriminatory. Advertisements are expensive but attract a larger pool of applicants than internal recruitment processes. It is, however, more difficult to evaluate external applicant than those that are already employed within the organizations. According to Armstrong (2006), the objectives of an advertisement should be to:

**Attract attention:** – it must compete for the interest of potential candidates against other employers; Create and maintain interest – it has to communicate in an attractive and interesting way information about the job, the company, the terms and conditions of employment and the qualifications required;

**Stimulate action:** – the message needs to be conveyed in a manner that will not only focus people's eyes on the advertisement but also encourage them to read to the end, as well as prompt a sufficient number of replies from good candidates (Armstrong, 2006).

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

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

Further, this source enhances the effectiveness of recruitment. HR managers offer various incentives/rewards including cash incentives to the current employees for referring the best candidates (Rajarao, 2010).

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

- When an organization recruits externally, it opens the organization up to a larger pool of applicants, which increases its chance to find the right person for the job.
- Looking outside the organization also allows a company to target the key players that may make its competition successful. Hiring a candidate with a proven record of accomplishment for the competition allows the company to get an insider's view as to what the competition is doing to be successful. This gives the organization a chance to stay a step ahead of the competition.
- Bringing in fresh talent from the outside can help motivate the current employees to produce and achieve more in hopes of obtaining the next promotional opportunity.
- Hiring an external candidate also opens up many opportunities to find experienced and highly qualified and skilled candidates who will help a company meet its diversity requirements.

- The biggest advantage of external recruitment is that the company has no limited supply of candidates and can choose employees all over the world. According to Duggan & Croy (2004) external recruitment in an organization can face challenges.

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

#### **2.1.4. The Goal of Recruitment and Selection**

For recruiting to be effective, attracting a pool of candidates is important since the more the number of the candidates the higher is the chance of getting qualified applicant for post. However, Robbins (2006) noted such a task is not easy especially if the labor market is tight. The source further stated that the goal of recruitment is to communicate the post in such a way that job seekers respond. This is further strengthened by Webb (1999). He mentioned that the goal of recruitment is to identify the pool of qualified people to secure the services of those most qualified who in turn would help the organization to achieve its objectives. To achieve this goal, an organization may choose internal or external recruitment methods.

##### **2.1.4.1 The concept of selection**

Selection is the process by which managers and others use specific instruments to choose from a pool of applicants a person or persons more likely to succeed in the job(s), given management goals and legal requirements. Recruitment and selection forms a core part of the central activities underlying human resource management: namely, the acquisition, development and reward of

workers. It frequently forms an important part of the work of human resource managers or designated specialists within work organizations. It is the human resources that give competitive edge” and therefore should be selected carefully and developed in order to achieve employees’ commitment (Storey, 1995). Selection is the process of choosing the appropriate candidate which matches the candidate skills and the job requirements (Bhattacharyya, 2010). Selection process will be lengthy for large organizations and will be wider for manufacturing organizations and it differs from one industry to other (Venkatesh, 2008).

The selection process is to identify and employ the best-qualified and suitable individuals for specific positions. Traditionally, it was assumed that organizations could choose amongst applicants and that they would accept all job offers. However, attracting a large number of applicants was not the problem, but recruiting the right applicants became the main concern amongst employers (Branine, 2008). With the oversupply of unskilled applicants, it can be assumed that employers would be very careful before selecting any (Nzukuma and Bussin, 2011). Employer decisions about the selection of employees are central to the operation of organizations and to a series of outcomes that matter to individuals, organizations, and society. Robbins (2001), point out that the objective of the selection process is to match the applicants’ ability, knowledge, skills and experience with job requirements in a fair and legal manner.

The literature says that employers are doing the traditional method of recruiting rather than the modern technologies (Schmidt, 1998). Chris Piotrowski and Terry Armstrong say that in their article that around all the organizations are using traditional recruitment sources and 30% of organizations are screening candidates honestly (Armstrong, 2006). According to SHRM (Society for Human Resource Management) says that 15% joined in the organizations are placing false resume (Gusdorf, 2008). Some of the employers select the candidates with discrimination was not supposed to be done in the organizations (Fomunjong, 2009). Bratton and Gold (2007) differentiate the two terms while establishing a clear link between them by stating that recruitment is the process of generating a pool of capable people to apply for employment to

an organization. Recruitment and selection practices were important in the police department as said by Michael D. White and Glipsy Escobar (2008) in the world and this paper shows the importance of seven issues relating to recruitment, selection and training practices in the organizations (M.N.Malhotra, 2014)(Terpstra.D, 1996). Mohammed NurulAbsar (2012) says the importance of recruitment and selection in his paper by considering both public and private manufacturing firms in Bangladesh (M.M.Absar, 2012). Some of the research professionals and scholars say that there is a close linkage between the recruitment selection employee satisfaction organization performance and HR practices (Gorter, 1996). In his paper Recruitment and Selection of financial workers: An international compendium of modern trends and practices say that the importance of using technology in the recruitment and selection process for updating the organizational resources (Hays, 2004). ngori Henry and Temtime Z (2009) say that in their paper the recruitment and selection practices of the organizations and make them to improve their HR practices (R.D.Omolo, 2012). French says that the importance of certain selection and recruitment activities in the organizations (G.R.French, 2012).Among recruitment sources Bernardin say that internal source of recruitment is effective compared to the external source (H.John, 2003). Decker & Cornelius say that compared to the traditional recruiting sources the modern sources like referrals, casual applicants and direct approaches will benefit at large (L.Barclay, 1985) (Cappelli, 2001). Selection procedure also should be in application to the modern techniques (M.Smith, 2001). However, recruitment and selection decisions are often for good reason taken by no specialists, by the line managers (Costello, 2006) There is, therefore, an important sense in which it is the responsibility of all managers, and where human resource departments exist, it may be that Human Resource (HR) managers who play more of a supporting advisory role to those people who will supervise or in other ways work with the new employee. According to Mullins (2010), for the Human Resource Management (HRM) function to remain effective, there must be consistently good levels of teamwork, plus ongoing cooperation and consultation between line managers and the HR manager. This is most definitely the case in recruitment and selection as specialist HR managers (or even external consultants) can be an important repository of up To date knowledge and skills, for example on the important

legal dimensions of this area. By using the right selection methods one can ensure that the candidate does not only has the right skills for the job, but also possesses the right personality to fit into the existing organizational culture. Once that “right” person has been employed, the company has to ensure that the right incentives are put in place. However, recruitment and selection is characterized by potential difficulties and it is necessary to keep abreast of developments in research in the field of construction. Research from the Chartered Institute of Personnel and Concluded that organizations should increasingly be inclusive in their employment offering as younger generations have grown up with the notion of Flexible working, while older people have an interest in flexible working as an alternative to Retirement his research work seeks to identify employee recruitment and selection practices in the construction industry of Ghana. Recruitment and selection are critical human resources functions for service companies. Recruitment is just the initial process to be carried on Rynes (1990) suggested that recruitment encompasses all organizational practices and decisions that affect either the number, or types, of individuals who are willing to apply for, or to accept, a given vacancy. Recruitment and selection also play important role in ensuring worker performance and positive organizational outcomes. As Mullins (2010) notes: ‘If the HRM function is to remain effective, there must be consistently good levels of teamwork, plus ongoing cooperation and consultation between line managers and the HR manager. The success of a business or an organization is directly affected to the performance of those who work for that business. There is a linkage between HR practices, competitive strategy and performance (Jackson 1987). Underachievement can be a result of workplace failures. Because hiring the wrong people or failing to anticipate fluctuations in hiring needs can be costly, it is important that conscious efforts are put into human resource planning (Biles et al, 1980). If organization does not have the right people although it possesses the latest technology and the resources, it will be a need to put strenuous effort to achieve the objective and results required. This is true across the business activities, for example restaurants, hospitals, and airlines industry. As the world’s economy globalizes and competitors proliferate, competitive advantage is a compelling reason to do a business with an organization has become increasingly important. Perhaps the most common approach to create

competitive advantage is to be less expensive than competitors. For industries that are truly commoditized and hence actively competing for customers, cost seems to be a logical option. However, competing on cost is a difficult game to win. In addition, competition comes not only from small players in underdeveloped countries but from large corporations in developed countries. Southwest Airlines, WalMart, and the retail chain Carrefour welcome a commoditized business environment is an issue of services in today's fast paced economy competition. Much more focuses has been brought to a better service and how these objectives can be achieved through the Human Resources Management. It's an issue of services in today's fast paced economy competition. Much more focuses has been brought to a better service and how these objectives can be achieved through the Human Resources Management. The growth of service organizations is important with the reason of customer interface. The importance of the relationship between the customer and the service provider is the point that distinguishes service organizations from manufacturing organizations is. Because of the amount of change that has taken place in the last several decades, it is increasingly clear that the source of competitive advantage in many industries has shifted from effective execution and reliable processes to the ability to provide satisfactory customer service to the ability to excel in the area of customer relationship on a grand scale. Human resources is one of the sources of competitive advantage because they fulfill the criteria for being a source of sustainable competitive advantage (Wright, et al. 1994).

**Selection Process:-**Employer decisions about the selection of employees are central to the operation of organizations and to a series of outcomes that matter to individuals, organizations, and society. Perhaps the most basic question in this area is why employers engage in selection efforts at all. Managers who are involved in hiring employees need to understand the skills and abilities that are required in a particular job and determine which candidates have those capabilities. Interviews, reference checks, tests, applications and résumés can all help identify

differences among candidates. Managers can make their selection decisions with a fuller awareness of the applicants' strengths and weaknesses (Tjosvold and Newman, 2003).

#### **2.1.4.2. Screening**

Screening, popularly known as short listing, is the first step after the recruitment process is completed and applications are received. In this step, all the applications received by the due date are screened and those that do not correspond to the requirements stipulated in the advertisement are immediately eliminated in this step. As Cuming (1994), selection panels have to be careful not to discriminate against applicants with potential. Their decisions should be guided by short-listing criteria that is developed against the job requirements stipulated in the advertisements. Furthermore, they need to ensure that enough time is set aside for short-listing. The screening process provides information about an individual's skills, knowledge and attitudes, enabling a potential employer to determine whether that person is suited to, and qualified for, the position. Experience has shown that hiring an overqualified person can be as harmful as hiring an under qualified person. The application form is the place to begin screening candidates for a job. It provides information on the person's background and training and is the first means of comparing the applicant with the job description. This will ensure that you don't waste time on applicants who clearly do not meet the minimum requirements for the job. (Armstrong, 1988).

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

potentially of greatest value in jobs such as selling where „personality“ is important, and where it is not too difficult to obtain quantifiable criteria for validation purposes.

### **2.1.5. Reference & background check**

Usually advertisements require that applicants provide the names and contact details of people who can serve as referees to them in case their applications are considered. Reference checks are used to verify the information that is supplied by applicant and are usually done telephonically. Although most referees are reluctant to respond to certain questions (Mathis and Jackson, 2006), reference checks can be used to gather as much information that will be used in deciding whether to appoint or decline to appoint the applicants. References provide the organization with other people's perceptions of the candidate's professional ability. The company should contact the candidate's previous employers and colleagues. Questions to ask references might address the candidate's creativity and initiative. This is mostly the reason why conditional job offers are given in order to check the authenticity of what the candidate provided on the application form (Snell and Bohlander, 2010). References are one of the more popular and „traditional“ tools in the selection process. However, the validity and reliability of references has been questioned, particularly with respect to their unstructured and often ambivalent nature (Heraty and Morley, 1998).

#### **2.1.5.1 Interview**

Interviews are virtually used by all organizations for selection purposes. In support of this, Newell and Tansley (2001), indicate that interviews are by far the most widely used personnel selection procedure. With the use of interviews, managers of organizations get an opportunity to meet the applicants directly. The interview also provides the applicants with an opportunity to also learn more about the public institution. The purpose of the selection interview is to gather as much information and to use such information to arrive at a selection decision (Redman & Wilkinson, 2001:31). During the interview, panel members (interviewers) normally pose questions to which the interviewee is expected to respond. Responses to the questions are often captured by means of scores as determined by the interviewers. The applicant that obtains the

highest score is recommended for appointment (Wilkinson, 2001:32). Because of interview ambiguity, efforts must be made to ensure that all interviewees are being asked the same questions (Gomez-Majia et al., 2004:175).

#### **2.1.5.3 Physical Examination**

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

#### **2.1.5.4 Job Offer**

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

#### **2.1.5.5. Selection Practice of CBE**

The selection practice of the Bank comprises of a number of steps. The steps of selection is analyzed and put in the following manner. The steps that are used for internal candidates for promotion are firstly, the collected vacancy is rated based on criteria (performance, education and work experience: general and specific), secondly, the rated result is submitted to the appropriate selection committee. Thirdly, considering the rating result the selection committee decides either for exam or interview or both. Fourthly, Test or exam or both will be made depending up on the decision of the committee. Fifthly, the result of the interview, or exam or both will be compiled. Sixthly, the compiled result is submitted for the committee for decision and lastly the committee decides (selects).CBE employs examination and interview to screen applicants, depending on their applicability, validity and reliability to identify appropriate personnel. If the applicants are less than ten, the procedure of the bank can use interview to screen applicants, considering the cost-benefit of providing exam. Examination can be handled

in-house or outsourced. The types of examination vary as per the type of posts assumed. For professional posts, written examinations on the required field of study are given. For technical posts, both written and practical examinations on the required technical skill are delivered. For semi-professional/clerical posts, written examinations that focus on aptitudes and the required field of study are given. In addition, practical computer applications testing may be given. Once the committee decides which candidates best qualify for the position and select them, the candidates will be notified. The notification is made through letter, notice board and calling to each and every applicant.

#### **2.1.5.6. Participants for Selection**

As per the procedure of the Bank, based on the responsibilities entrusted on the Corporate as well as the District HR teams, the interview panels are formed. For non-managerial roles, the panel consists of User Organ Director/Manager, Legal, Director-HRM, Labor Union Representative, with no voting power as a member and HR Experts/Officers represented as Secretary. On the other hand, interview panel for managerial roles consists of Director HRM, User Organ Director/VP and Chairperson- Commercial Credit participated.

#### **2.1.5.7. Theories of Recruitment and Selection**

In this section of the chapter various theories related to theories on recruitment and selection are presented. These include value congruence model, the equity theory and the human capital theory.

#### **2.1.5.8. The Equity Theory**

The equity theory argues that employees seek to maintain equity between the input that they bring into a job (e.g. education, time, experience, commitment, and effort) and the outcome they receive from it (e.g. promotion, recognition, increased pay) against the perceived inputs and outcomes of other employees. Equity theory proposes that individuals who perceive themselves as either under-rewarded or over-rewarded will experience distress, and that this leads to efforts

to restore equity within the organization. Failing to find any, Messmer (2000) argues that they may behave in ways that harm the organization such as quitting the organization or if they stay, they may react by withholding effort in order to restrict output or lower quality, or embark on deliberate sabotage of equipment.

#### **2.1.5.9. The Human Capital Theory**

People and their collective skills, abilities and experience, coupled with their ability to deploy these in the interests of the employing organization, are now recognized as making a significant contribution to organizational success and also constituting a significant source of competitive advantage. (Armstrong and Baron, 2002). This is the premise in the human capital theory. It underlines that people possess innate abilities, behavior and personal energy and these elements make up the human capital they bring to their work, (Davenport, 1999). It is indeed the knowledge, skills and abilities of individuals that create value. That is why the focus has to be on the means of attracting, retaining and developing the human capital. Armstrong (2009) explains that, individuals generate, retain and use knowledge and skill (human capital) and create intellectual capital. Their knowledge is further enhanced by the interactions between them (social capital) and generates the institutionalized knowledge which organizations possess (organizational capital). As per Davenport (1999) comments that: People possess innate abilities, behaviors' and personal energy and these elements make up the human capital they bring to their work. And it is they, not their employers, who own this capital and decide when, how and where they will contribute it. In other words, they can make choices. Work is a two-way exchange of value, not a one-way exploitation of an asset by its owner. It is indeed the knowledge, skills and abilities of individuals that create value, which is why the focus has to be on means of attracting, retaining, developing and maintaining the human capital they represent, (Armstrong, 2009).

### **2.1.6. Value congruence model**

Value congruence model measures the "fit" between the personal values of employee's and those of coworkers and the company itself. Value congruence can be broken into three main subcategories: person environment ("P-E"), person-person ("P-P"), and perceptual fit ("PF"). Person-environment congruence refers to a harmony between the personal values of the employee and corporate culture of the company in which he or she works. Someone with a high P-E congruence feels personally in tune with his company's stated policies and goals. Conversely, someone with a low P-E congruence feels a sense of disharmony between his own values and the stated policies and goals of his company. A high P-P congruence indicates a sense of solidarity with one's coworkers in terms of shared values and goals. A low P-P congruence indicates a sense of isolation from coworkers brought about by an absence of shared values. Finally, strong PF suggests a strong correspondence between the values that an employee perceives his company to have (whether or not the company actually does) and the values that his co-workers perceive the company to have (again, whether or not it actually does). A weakPF implies that an employee's perception of his company's values differs significantly from that of his coworkers. Research has shown that P-E and PF congruence are important measures of employee satisfaction, commitment, and likelihood of turnover, although P-P congruence has little bearing on these parameters. Moreover, PF is especially important in establishing harmonious relations between workers and managers. These measures give corporations a robust paradigm on the basis of which to create long-term personnel plans and productivity growth targets: in particular, P-E and PF congruence allow companies to discover dysfunctional work relationships and clarify misperceived company policies and goals. With these tools in hand, companies can look forward to increased employee retention and, ultimately, improved company performance.

#### **2.1.6.1 Challenges of Recruitment and Selection**

According to Cooper and Brown (2003) recruitment and selection of employees are the most important jobs in Human Resource management. CIPD (2009), suggest that effective recruitment

is central and crucial to the success of day-to-day functioning of any organization. The success of recruitment depends upon finding the people with the right skills, qualification and expertise to deliver organization objectives and the ability to make a positive contribution to the values and aims of the organization (CIPD, 2009). Briggs (2007) identified some of the problem affecting recruitment and selection Included are the increasing pressure for employment, utilization of informal sources of recruitment and delegation of recruitment function. These problems have resulted inadequate use of job description and standard employee requirement in the process of recruitment. On the other hand, Kaplan and Norton (2004) indicated that a common problem in recruitment and selection is poor human resource planning. The quality of the human resource the firm has heavily depends on the effectiveness of this Recruitment and selections are vital functions of human resource management for any type of business organization. These are terms that refer to the process of attracting and choosing candidates for employment two functions (Gamage, 2014). Recruiting and selecting the wrong candidates who are not capable come with a huge negative cost which businesses cannot afford. Thus, the overall aim of recruitment and selection within the organizations to obtain the number and quality of employees that is required to satisfy the strategic objectives of the organization, at minimal cost (Ofori&Aryeetey, 2011).As explained by Opatha (2010) recruitment are the process of finding and attracting suitably qualified people to apply for job vacancies in the organization. It is a set of activities an organization uses to attract job candidates who have the needed abilities and attitudes. The general purpose of recruitment according to Gamage (2014) is to provide the organization with a pool of potentially qualified job candidates. The quality of human resource in an organization highly depends on the quality of applicants attracted because organization is going to select employees from those who were attracted. In the same vein, Henry and Temtime (2009) construed recruitment as the entry point of manpower into an organization and the path an organization must follow from there on in order to make sure that they have attracted the right individuals for their culture and vibes so that the overall strategic goals are achieved.

## **2.2. Empirical Review on Selection and Recruitment**

Most of the organizations try to follow the policy of filling the job vacancies above the entry-level positions through promotions and transfers. (Shah, 2007) found out making his study on airline aviation in India that by filling vacancies in this way, an organization can capitalize on the investment it has made in recruiting, selecting, training and developing its current employees, who might be dissatisfied and look for jobs elsewhere if they lack promotion opportunities. Following that a study made on the Commercial Airlines regarding the recruitment and retention of commercial pilots in Indian Aviation Industry Companies showed that companies more likely to promote from within than they have been in the past since employees are motivated and perform better boosting their own job satisfaction. Internal sources include present employees, employee referrals, former employees, and former applicants (Messmer, 2004).

Abdullah (2009) conducted studies on the major challenges to the effective recruitment and selection practices; the case of Malaysia; The findings of this study imply that the process of developing knowledge workers towards achieving knowledge economy status is likely to be very challenging and to take a long time to achieve unless employers can surmount these challenges by developing and implementing contemporarily appropriate policies and procedures for HR practices and policies.

Djabatey Edward Nartey (2012), recruitment and selection practice of organizations, case study of HFC bank, was assess the effectiveness of the recruitment and selection practice and procedure .The result of their study indicates that advertising of job vacancies and employee referrals are mostly the mode for recruiting potential employees, it was also realized that the method used in the recruiting and selection process was very effective and more over help improved employee performance.

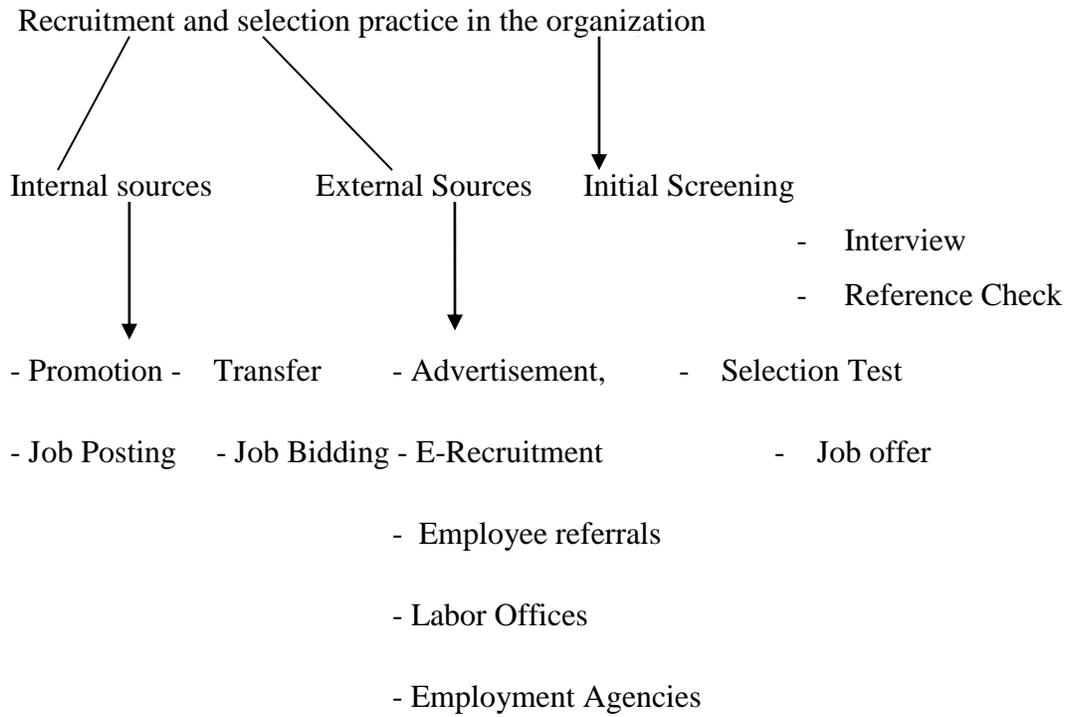
Chekol (2015) conducts studies entitled practices and challenges of human resource management in public sectors, the case of Burji Woreda. The findings reveals that in Woreda there was good practice of HRP however not based on need assessment and not implemented as seated criteria

and scheduled time, there was problem of recruitment and selection i.e., is not merit based , there was insufficient training and development program that is unable to improving and developing skill and capacity of employees, there was practice of employee performance appraisal system however; it suffers from lack of transparency, weak follow up and lack of the linkage between employee performance and reward system. Also managing work place diversity, recruiting skilled manpower , attracting and retaining qualified personnel , inadequate training and development program, creating positive work environment, change management, paying attention to professional development, accepting challenges of modern technology change and officials influence identified as challenge of HRM . To minimize this problems first and foremost the human resource management program in the Woreda should get greatest emphasis while it is foundation for development, proper HRP practice, merit based recruitment and selection practice.

### **2.3. Conceptual Frame work on Recruitment and Selection**

As it can be seen from the above figure there are two independent variables under recruitment and selection which is the dependent variable. Hence, the study tries to relate the degree of relationship between the recruitment and selection (Internal and External sources) and the source of recruitment and selection in light of promotion, transfer, job posting and job bidding and advertisement,E-Recruitment,Employee referrals ,labor offices. The conceptual framework explaining the recruitment and selection practice in organizations as shown in the figure.

**Figure 1:- conceptual framework on Recruitment and Selection**



**Source: Self developed December, 2018**

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

This chapter presents the study areas description, research philosophy, design and strategies, data sources, data collection instruments, sampling design and sample size, data processing procedures, data analysis tools and ethical considerations of the study.

#### **3.1. Research Design and Approach**

Research design is a blue print for selecting the sources and types of data relevant to the research questions. With regard to research application, the study employed both qualitative and quantitative ones. Now a day's mixed method is considered as a tool to triangulate the result of single approach through multiple methods (Johnston, 2010). A quantitative method was selected because it is viewed as an effective to gather large data and comprehensive issues at a specified period of time (Ngwenya, 2010). The quantitative technique was used by considering 100 of the population by using simple random sampling method for employees the questionnaires have been distributed to the respondents. Qualitative technique was used by conducting review of literatures, different books, magazines and articles with similar topics. After the required data were collected, it was processed, and analyzed by using Statistical Package for the Social Sciences, (SPSS).

#### **3.2. Sources of Data**

As indicated in the previous section, the study employed both qualitative and quantitative data. Since, using both types of data are vital to offset the limitations inherent with one method with the strength of other method (Creswell, 2003). The study used both primary and secondary data sources to get consolidated data so as to reach on concrete findings. The primary sources of data were collected from the respondents currently working in Commercial Bank of Ethiopia, North Addis Ababa district namely Addisu gebya, Sheger, Mahelketema and Addis Ababa branches.

As part of secondary sources data were also obtained from other key documents such as development strategies and academic journals related to the study objectives were reviewed to enrich the findings of the study

### **3.3. Data Collection Instruments**

To increase the breadth of information obtained from the respondents in relation to the effectiveness of recruitment and selection in the selected CBE branches this study used two types of data collection instruments.

**Questionnaires:** In this study structured questionnaire prepared in the form of Likert scale used to collect the required data in relation to the practices and awareness of employees on empowerment practices from the sample respondents. Such data collection instrument was developed in order to gather large data and avoid pressure on the respondents (Creswell, 2003).

The primary data was used as the main sources of information and the data was collected from the staff of the commercial bank by using observation in the work place and structured questionnaires.

**Interview:** Is an adaptable way of finding things out. The human language is very useful in opening of what lies behind peoples' action (Zikgmund, 1994). Interview allows person-to-person discussion that can lead to increase insights in to respondents' thoughts, feelings and behavior on important issues of employee empowerment. Another advantage that can be derived from the interview is its flexibility in expressing different viewpoints on the subject under study. Thus, key informants like branch managers will interviewed in depth using unstructured questions during the working hours. The participants were selected through judgmental method because of their closeness to execute the issues.

### 3.4. Sampling technique and Sample Size Determination

The study used four branches of the north Addis Ababa district office of Commercial Bank of Ethiopia (CBE) with a total number of 100 employees. The researcher purposively selects north Addis Ababa district head office which is found in Addis Ababa. This is because the researcher believes that north Addis Ababa district head office having larger employee and full information about the overall employee.

The study used four branches of commercial bank as the study areas with a total number of 100 employee's i.e Addisu Gebaya, Sheger, Addis Ketema and Addis Ababa branches. Therefore, 100 respondents were used as sample for this study to gather data through questionnaire. The researcher deemed necessary to take independent sample for each branch.

**Table 3. 5: Population distribution in the four branches of CBE.**

No.	Campus	Staffs		Total
		M	F	
1.	Addisu Gebaya	8	15	23
2.	Sheger	9	13	22
3.	Mahel ketema	11	14	25
4	Addis Ababa	11	19	30
	<b>Total</b>	<b>39</b>	<b>61</b>	<b>100</b>

**Source: -CBE Human resource 2018**

### **3.6. Data Collection Procedures**

To gather the required data in relation to the practices, awareness of the employees towards employee empowerment, how employee empowerment is administered preliminary visits was made in study CBE (North Addis Ababa district) founded in, Addis Ababa. During this time, secondary data sources pertaining to the subject under study was reviewed and discussions also have held with the respective staff on how and when to make discussions with the respondents. The questionnaire was administered in the selected CBE branches during working hours (Monday to Saturday) through a pre-planned schedule. This is because the respondents were available only during working days in morning and afternoon. After data is gathered using questionnaire the interviews were conducted by the researchers with key informants and discussants.

### **3.7. Data analysis Method**

“Data analysis is a body of methods that help to describe facts, detect patterns, develop explanations, and test hypotheses” Levine, (1996). Yin, (1989) has also stated that, data analysis consists of examining, categorizing, tabulating, or otherwise recombining the evidence, to address the initial proposition of a study. For the purpose of organizing and analyzing the data SPSS 20 was used, data gathered through questionnaires were coded and labeled, entered into computer and analyzed in the following way.

Different statistical techniques were employed on the basis of the basic questions stated. The data obtained through five point Likert scales questionnaire is presented and analyzed using descriptive statistics including mean scores, frequency, and standard deviations. The data was analyzed using descriptive statistics statics such as the mean, frequencies, and percentages. Descriptive analysis were used to reduce the data in to a summery format by tabulation and

descriptive statistics including frequencies, percentage, mean, and standard deviation were used to discuss the data. Regarding the data collection through interview was also interpreted with the data secured by questionnaire.

### **3.8. Validity and Reliability**

#### **3.8.1. Validity**

The issue of validity is the most important concept that researchers are required to deal critically with. The design of the measuring instrument must be valid so that the collected data will lead to sound conclusions. If research is invalid (as a result of a poor instrument), then it is worthless (Cohen, 2007:133). Validity is the extent to which the measuring instrument (e.g., a questionnaire) we are using essentially measures the characteristic or dimension we intend to measure (Leedy & Ormrod, 2001:98).

In this research validity was addressed as follows:

Content validity, as defined by Cohen et al. (2007) is a form of validity that refers to the extent to which the measuring instrument (e.g., test, questionnaire or inventory) shows that it fairly and comprehensively covers the domain or items that it purports to cover. Thus, in the context of the present study, content validity was concerned with the degree to which the designed questionnaire items fairly and accurately represented the main variables (dependent and independent). The content validity was judged by the researcher as well as by his promoter. Face validity refers to the appearance of the test items. It is where, on the surface, the measuring instrument (test) appears, at face value, to test what it is designed to test (Balnaves & Caputi, 2001; Birmingham & Wilkinson, 2003). Like content validity, face validity cannot be checked using statistical significance tests. It is based on subjective judgment.

### 3.8.2. Reliability

Reliability, as defined by Cohen, et al. (2007), is the consistency, dependability and reputability of the measuring instrument over time, and with the same respondents. It is the extent to which the measuring instrument yields consistent and accurate results when the characteristic being measured remains constant (Leedy & Ormrod, 2001).

The reliabilities (Cronbach alphas) were as follows. The internal consistencies for each sub scale are: Advertisement process management .86, Application screening practice .85, Recruitment and selection policy .82, Selection practice .81, and Recruitment and selection process .86. The internal consistency of the survey was reported at .91, which exceeds the widely accepted minimum standard of internal consistency of .70 (Nunnally, 1978). It was observed that the reliability of all the variables was .840 which is greater than .70. This means the measurement scales in this paper were reliable.

Table 1 Reliability Test

Chronbach's alpha	No of Items
.840	30

### 3.9. Ethical Considerations

The researchers followed logical procedures in every stage of data collection processes. Accordingly, the respondents were introduced about the purpose of the study then informed consent from the respondents and responsible officials of the Bank covered by the study was obtained to discuss with and interview them about the subject under study. Therefore, on the basis of these ethical principles, efforts were made and confidentiality would be assured and kept throughout the process of this research work.

## CHAPTER FOUR DATA ANALYSIS AND INTERPRITATION

This chapter discusses the results and interpretations of the primary data which is gathered through the structured questioner. The first part presents the demographic analysis, the process through which the result obtained and the background of the respondents. As per the sampling design 100 questionnaires were distributed. After receiving the questionnaires a thorough verification process was done before going to further analysis to check for completeness and consistency of the questionnaires. From the total distributed questionnaires 100 out of this 87(87%) questionnaire were found to be completed correctly and used for further analysis. The statistical method of analysis which is applied to test the results is such as descriptive analysis through SPSS version 20.

### 4.1 DEMOGRAPHIC PROFILE OF RESPONDENTS

Demographic profile (Gender, Age, Educational background, and Work experience and job titles of respondents. This was analyzed to ascertain the demographic characteristics of the respondents used for the current study.

**Table 4.1. Demographic Profile of Respondents**

<b>Gender</b>	Responses	Frequency	Percent (%)
	Male	32	36.8
	Female	55	63.2
	<b>Total</b>	<b>87</b>	<b>100</b>
<b>Age</b>	Below 25yrs	31	35.6
	26-35yrs	47	54
	36-45yrs	9	10.3
	Above 46yrs	0	0
	<b>Total</b>	<b>87</b>	<b>100</b>
<b>Educational background</b>	Diploma	0	0
	BA/BSC	79	90.8

	MA/MSC	8	9.2
	<b>Total</b>	<b>87</b>	<b>100</b>
<b>Experience</b>	Less than 10years	24	27.6
	10-20year	53	60.9
	21-40year	10	11.5
	<b>Total</b>	<b>87</b>	<b>100</b>
<b>Job title</b>			
	Customer service manager	10	11.5
	Customer service officer	67	77
	juniors	10	11.5
	<b>Total</b>	<b>87</b>	<b>100</b>

Source Own survey, 2018

The demographic profile considered in this research includes gender, age, educational qualification, current position and work experience. Position and to establish whether this will have an impact on performance. The findings are presented here below in the table. Frequencies and percentages were calculated.

The table above shows that 32(36.8%) of the respondents were male while 55(63.2%) of them were female. It means out of the total employees in the organization majority of the employees were female and the rest of the employees were male. It implies that the bank provides more job opportunity to female employees than male employees. Regarding to the age category of the respondents, the majority of the respondents 47(54%) were between the age of 26 and 35, less than 25 years of the employees at the bank accounts 31(35.6%) between 36- 45 years, 9(10.3%), and there is no employee who attained the age above 46 years. From this data one can conclude

that the majority of employees were in there production year in which CBE has the opportunity to achieve its strength goals using its energetic work force.

The table shows the education qualifications of the respondent, accordingly 79(90.8%) are degree holders and 8(9.2%) have MA degree. This shows that CBE staffed with knowledge task force to who have capacity to perform its task effectively and efficiently. The table also elaborates the work experiences of respondents served at CBE. Based on this majority of the respondents worked at the organization less than 10 years accounts 24(27.6%), from 10 years up to 20 years accounts for 53(60.9%) and from 21 up to 40 years accounts 10(11.5%). Thus, this indicates that the bank has large number of experienced work-force who worked longer. Regarding to the job titles of employees at CBE, the majority is Non managerial such as CSO and juniors which accounts 67(77%) and 10(11.5%) respectively. The remain 10(11.5 %) are managerial.

#### **4.2. ANALYSIS OF DATA COLLECTION FOR THE STUDY**

In this section the descriptive analysis was presented, the researcher used frequency, percentage, mean and standard deviation to show the result obtained from the primary source. The respondents were asked to indicate to what extent they agreed with the statements as was listed in the questionnaire. The findings are presented using a mean scale of 1-5. For purposes of interpretation a mean of less than 2.00 dissatisfied, from 2.10 up to 3.5 implies moderate, and greater than 3.6 implies satisfied. A standard deviation of less than or equal 1 is taken to mean no consensus on employee respondents.

**Table 4.2.1. Advertisement Process Management**

No	Statement		frequency	Percent	Mean	Std.
1.	The application time given on vacancy is reasonable	Strongly disagree	29	33.3	1.94	.85
		Disagree	39	44.8		
		Neutral	14	16.1		
		Agree	5	5.7		
		Strongly agree	-	-		
		<b>Total</b>	<b>87</b>	<b>100</b>		
2.	The duty and responsibility of positions are clearly stated	Strongly disagree	6	6.9	2.27	.65
		Disagree	55	63.2		
		Neutral	22	25.3		
		Agree	4	4.6		
		Strongly agree	-	-		
		<b>Total</b>	<b>87</b>	<b>100</b>		
3.	There is proper filling and recording of employees application format	Strongly disagree	5	5.7	3.00	.90
		Disagree	20	23.0		
		Neutral	31	35.6		
		Agree	31	35.6		
		Strongly agree	-	-		
		<b>Total</b>	<b>87</b>	<b>100</b>		
		Disagree	40	46.0		
		Neutral	31	35.6		
		Agree	4	4.6		
		Strongly agree	-	-		
		<b>Total</b>	<b>87</b>	<b>100</b>		
4.	Methods of vacancy announcement makes all vacancies reachable to you	Strongly disagree	5	5.7	3.16	.91
		Disagree	40	46.0		
		Neutral	11	12.6		
		Agree	27	31.0		
		Strongly agree	4	4.6		
		Total	87	100		
		<b>Total</b>	<b>87</b>	<b>100</b>		
5.	The interview question of the bank are subjective for the interviewer	Strongly disagree	10	12.1	2.3	.80
		Disagree	20	23.0		
		Neutral	8	9.6		
		Agree	45	51.7		
		Strongly agree	4	4.6		
		<b>Total</b>	<b>87</b>	<b>100</b>		

<b>Aggregate Mean</b>				<b>2.53</b>	<b>0.82</b>
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Source: survey result, 2018

Based on the table 4.2.1 above for item 1 the respondents gave their response to the item of The application time given on vacancy is reasonable shows that Strongly disagree 33.3%, disagree 44.8%, Neutral 16.1%, Agree 5.7%, . Based on this result of the respondents applicants does not get enough time for application for vacancies of the bank. For item two the duty and responsibility of positions are clearly stated their response is strongly disagree 6.9%, disagree, 63.2%, Agree, 25.3%, strongly agree 4.6%. According to this majority of the respondents believed that responsibilities and duties of positions are not clearly stated, and around 30% the respondents are agreed with these duties of the bank. For item three the question of the research which says there is proper filling and recording of employees application format the answer of the respondents was strongly disagree 5.7%, disagree 23%, and 35.6% remain neutral, Agree 35.6% only. It means majority of the respondents believe that CBE has not properly record employee's application format. For item four Methods of vacancy announcement makes all vacancies reachable to you. Respondents answer is strongly disagree 5.7% disagree 46%, Neutral 12.6%, Agree 31% agree 4.6%. According to this answer of respondents majority of them are not agreed with the idea and only few of them are agreed. This may be indicated the bank uses different criteria for employee's vacancy advertisement process and management. For item five of the same table the researcher asks the respondents the interview question of the bank are subjective for the interviewer for this majority of the respondents response was agree which accounts 51.7% and the smaller number of the respondents response was strongly agree which accounts 4.6%, the other is disagree and neutral it indicates that the interview question of the bank for the interviewers are subjective.

The overall assessment of advertisement process management shows that this practice is being weekly performed, and the satisfaction of respondents also low as the mean of each items range

from 1.94 to 3.16 and the aggregate mean of the subscale is 2.53 it means they are moderately satisfied by the advertisement process management of the bank.

**Table 4.2.2 Application screening practice.**

No	Statement		Frequency	Percent	Mean	Std.
1.	Qualification requirements of a job are properly stated on vacancy advertisement	Strongly disagree	8	9.2	2.85	.97
		Disagree	24	27.6		
		Neutral	28	32.2		
		Agree	27	31.0		
		Strongly agree	-	-		
		<b>Total</b>	<b>87</b>	<b>100</b>		
2.	Content of vacancy advertisement is good and contains necessary information	Strongly disagree	17	19.5	2.22	.91
		Disagree	44	50.6		
		Neutral	15	17.2		
		Agree	11	12.6		
		Strongly agree	-	-		
		<b>Total</b>	<b>87</b>	<b>100</b>		
3.	Duties and responsibilities of the job of the job holder are properly stated on vacancy advertisement	Strongly disagree	10	11.5	2.54	.98
		Disagree	39	44.8		
		Neutral	21	24.1		
		Agree	15	17.2		
		Strongly agree	2	2.3		
		<b>Total</b>	<b>87</b>	<b>100</b>		
4.	The selection process of the bank is good in general	Strongly disagree	2	2.3	3.19	1.02
		Disagree	21	24.1		
		Neutral	33	37.9		
		Agree	20	23.0		
		Strongly agree	11	12.6		
		<b>Total</b>	<b>87</b>	<b>100</b>		
5.	The bank uses the required technology for identifying applicants	Strongly disagree	18	20.7	3.00	1.07
		Disagree	38	43.7		
		Neutral	20	23		
		Agree	9	10.3		
		Strongly agree	2	2.3		
		<b>Total</b>	<b>87</b>	<b>100</b>		
6.	The bank consider previous application of applicants	Strongly disagree	13	17.3	2.89	.90
		Disagree	13	17.3		
		Neutral	26	34.7		
		Agree	15	20.0		
		Strongly agree	8	10.7		

		Total	87	100		
7	The bank assesses the existing employee skill and ability	Strongly disagree	6	6.9	2.88	.88
		Disagree	21	24.1		
		Neutral	37	42.5		
		Agree	23	26.4		
		Strongly agree	-	-		
		Total	87	100		
	<b>Aggregate Mean</b>				<b>2.7</b>	<b>0.97</b>

According to table 4.2.2 the respondent's responses to item 1 which says qualification requirements of a job are properly stated on vacancy advertisement the answer of the respondent's is strongly disagree 9.2%, disagree 27.6%, Neutral 32.2, Agree 31%. According to this result we can understand that qualification is properly stated on the vacancy announcements of the bank. The respondent's response to item 2 was the Content of vacancy advertisement is good and contains necessary information, respondent's response is strongly disagree, 19.5%, disagree 50.6%, Neutral 17.2%, and Agree 12.6%. According to this result the content of advertisement of vacancy is not good and does not contain necessary information's. For item three of duties and responsibilities of the job of the job holder are properly stated on vacancy advertisement. The answer of the respondents also strongly disagree 11.5, disagree 44.8, Neutral 24.1%, Agree 17.2%, strongly agree 2.3%,. Based on this more than half of the respondents are not satisfied. the other question which is forwarded to the respondents was the selection process of the bank is good for this their response is specially majority of the respondents answer was Neutral which accounts 37.9%, and they remain 23% Agree, strongly agree 12.6% respectively. It shows that most of the employees of the bank are not aware of the selection process of the bank. For item five the question forwarded for the respondents was the bank uses the required technology for identifying applicants

Item one that is the recruit method used by the bank to attract candidates externally is good. The answer of the respondents was strongly disagree 9.2%, disagree 14.9% Neutral 59.8% Agree 16.1%. Based on this responses of the respondent majority of them are neutral that means they have not knowledge about the recruitment method of the bank because majority of them are

neutral. The other question which is provided for the respondents was the recruitment process was satisfied, for this the answer of respondents Strongly disagree and disagree 8% and 21.8% respectively, and Neutral 47.8%, the remain 20.7% Agree , strongly agree is 2.3%,because their supervisors are unqualified to rate their works. The answer of respondents strongly that means majority of them are not aware for the recruitment process which is satisfied them or not.

The overall assessment of Application screening practice of the bank shows the mean range 2.20 up to 3.19 from this practice is being moderately performed, and the satisfaction of respondents also moderate and the aggregate mean of the subscale is 2.70 it means the respondents are moderately satisfied by the application screening practices of the bank.

**Table 4.2.3.Availability and Implementation of Recruitment and Selection Policy**

No	Statement		Frequenc y	Percent	Mean	Std.
1.	The recruitment policy is implemented effectively	Strongly disagree	12	13.8	2.31	.76
		Disagree	40	46.0		
		Neutral	31	35.6		
		Agree	4	4.6		
		Strongly agree	-	-		
		<b>Total</b>	<b>87</b>	<b>100</b>		
2.	The policies and procedures on recruitment and selection gives equal opportunities	Strongly disagree	3	3.4	2.71	1.06
		Disagree	21	24.1		
		Neutral	37	42.5		
		Agree	26	28.7		
		Strongly agree	1	1.1		
		Total	87	100		
3.	Human resource department adhere to recruitment policy and procedure	Strongly disagree	12	13.8	2.18	.67
		Disagree	48	52.2		
		Neutral	26	29.9		
		Agree	1	1.1		
		Strongly agree	-	-		
		<b>Total</b>	<b>87</b>	<b>100</b>		

4.	You are aware of formal policies and procedures	Strongly disagree	7	8	2.78	.93
		Disagree	26	29.9		
		Neutral	35	40.2		
		Agree	17	19.5		
		Strongly agree	2	2.3		
		Total	87	100		
5.	The bank has clear policies on recruitment practices	Strongly disagree	8	9.2	3.00	.84
		Disagree	33	37.9		
		Neutral	26	29.9		
		Agree	14	16.1		
		Strongly agree	6	6.9		
		<b>Total</b>	<b>87</b>	<b>100</b>		
6.	The policy and procedures on selecting give equal opportunities	Strongly disagree	19	9.2	2.06	.71
		Disagree	43	37.9		
		Neutral	25	29.9		
		Agree	-	-		
		Strongly agree	-	-		
		<b>Total</b>	<b>87</b>	<b>100</b>		
<b>Aggregate Mean</b>					<b>2.59</b>	<b>0.85</b>

Based on table 4.2.3 for item one, the question forwarded to the respondents was the recruitment policy is implemented effectively the respondent's response was strongly disagree 13.8%, disagree 46%, it is around 35.6% of the respondents are not agreed that means recruitment policies are not effectively implemented by the bank. For item two of the same table the policies and procedures on recruitment and selection gives equal opportunities for this the respondents try to response as follows Strongly disagree 3.4%, disagree 24.1%, Neutral 42.5%, agree 28.7%, strongly agree 1.1%, and Based on the answer of the respondents the policies and procedure which are developed by the bank to select on equal opportunities o employees are not clear and easy to interpretation. The third item the human resource department adheres to recruitment policies and procedures say my supervisor discusses regularly my job performance with me. For this the response of the respondents was strongly disagree 20.7%, disagree 51.7%, neutral 25.3%, agree 2.3%. From the same table item number four the question is the feedback I get help me to get insight about the aware of the formal policies and procedures o the bank and the

answer of the respondents was strongly disagree 8%, disagree 29.9%, neutral 40.2%, agree 19.5%, strongly agree 2%. In the same table or questions I received specific and accurate feedback from my supervisor on my past performance, the respondents response was strongly disagree 9.2%, disagree 37.9%, neutral 29.9%, agree 16.1%, strongly agree 6.9%. Generally from the above responses of respondents for each item we can understand they are not satisfied with the Availability and Implementation of Recruitment and Selection Policy of the bank.

The overall assessment of availability and implementation of recruitment and selection policy of the bank the mean of each items of the scale range from 2.06 up to 3.00 it means this practice is being moderately performed, and the satisfaction of respondents also moderately satisfied and the aggregate mean of the subscale is 2.59 it means the respondents are moderately satisfied by the implementation of the recruitment and selection policy of the bank.

#### 4.2.4 Selection practice

No	Statement		frequency	Percent	Mean	Std.
1.	The bank announce the post timely for the applicants	Strongly disagree	5	5.7	2.98	.98
		Disagree	24	27.6		
		Neutral	28	32.2		
		Agree	27	31.0		
		Strongly agree	3	3.4		
		<b>Total</b>	<b>87</b>	<b>100</b>		
2.	The selection is fair and free from bias	Strongly disagree	5	5.7	2.93	.81
		Disagree	16	18.4		
		Neutral	47	54		
		Agree	18	20.7		
		Strongly agree	1	1.1		
		<b>Total</b>	<b>87</b>	<b>100</b>		
3.	The selection test I took when I was initially haired in the bank was related to the job	Strongly disagree	7	8.0	2.48	.87
		Disagree	42	48.3		
		Neutral	31	35.6		
		Agree	3	3.4		

		Strongly agree	4	4.6		
		<b>Total</b>	<b>87</b>	<b>100</b>		
<b>4.</b>	Selection test administered to fill vacancies are job related	Strongly disagree	12	13.8	2.44	.911
		Disagree	35	40.2		
		Neutral	31	35.6		
		Agree	7	8.0		
		Strongly agree	2	2.3		
		Total	87	100		
<b>5.</b>	The bank chooses type of test which is appropriate for the job under consideration	Strongly disagree	9	10.3	2.70	.94
		Disagree	28	32.2		
		Neutral	30	34.5		
		Agree	20	23.0		
		Strongly agree	-	-		
		Total	<b>87</b>	<b>100</b>		
<b>6.</b>	The bank gives training on selecting	Strongly disagree	18	20.7	2.09	.74
		Disagree	45	51.7		
		Neutral	22	25.3		
		Agree	2	2.3		
		Strongly agree	-	-		
		Total	<b>87</b>	<b>100</b>		
<b>Aggregate Mean</b>					<b>2.4</b>	<b>0.87</b>

About table 4.2.4. Regarding to the selection process and practices of the bank, respondent's response for each items illustrated as follows. For item the bank announce the post timely for the applicants one the responses of respondents strongly disagree 5.7%, disagree 27.6%, Neutral 32.2%, Agree 31%, disagree 3.4%. That means majority of the employees of the organization is satisfied by the the bank announce the post timely for the applicants of the commercial bank of Ethiopia and employees. About item two, which is said the bank announce the post timely for the applicants. The responses of the respondents was, strongly disagree 5.7%, and disagree 18.4% and the remain Neutral 54% means they have not clear with the post announcements of the only 20.7% of the respondents Agree with such practise of the bank. The other question which is forwarded to the respondents is CBE has the selection test I took when I was initially haired in the bank was related to the job. The answer of the respondents was strongly disagree 8%, disagree 48.3%, Neutral 35.6% based on this more than 3.4% of the employees are agree and the

remain 4.6% was strongly agree the policy of the bank. For Item four of the same table the question which is forwarded to the respondents says selection test administered to fill vacancies are job related. For this of the respondents answer was 13.8% are strongly disagree, and the other 40.2% disagree and 35.6% neutral, 3.4% agree and 4.6% strongly agree. Question number five of the table say the bank chooses type of test which is appropriate for the job under consideration. For this the responses of the respondents was strongly disagree 13.8%, disagree 40.2%, Neutral 35.6 %, Agree 8% and Strongly agree only 2.3 %. Based on these responses of the respondents the bank is not preparing appropriate test for the job. The sixth question from the same table says the bank gives training on selecting. For this the responses of the respondents was strongly disagree 21.8%, disagree 49.4%, Neutral 28.7%. Generally from the above responses of respondents for each item we can understand they are not satisfied with the selection practices of the bank.

The overall selection practices of the bank the mean of each items of the scale range from 2.09 up to 2.98 it means this practice is being moderately performed, and the satisfaction of respondents also moderately satisfied and the aggregate mean of the subscale is 2.4 it means the respondents are moderately satisfied by the implementation of the selection practices of CBE.

#### 4.2.5. The satisfaction of employees with the recruitment and selection process

No	Statement		frequency	Percent	Mean	Std.
1.	I was comfortable with the interviewers all over approach	Strongly disagree	7	8.0	2.81	.90
		Disagree	40	46.0		
		Neutral	22	25.3		
		Agree	16	18.4		
		Strongly agree	2	2.3		
		<b>Total</b>	<b>87</b>	<b>100</b>		
2.	I was satisfied with the method that the bank uses to recruit internally is good	Strongly disagree	7	8.0	2.93	.81
		Disagree	39	44.8		
		Neutral	16	18.4		

		Agree	22	25.3		
		Strongly agree	3	3.4		
		<b>Total</b>	<b>87</b>	<b>100</b>		
<b>3.</b>	I was truly satisfied with recruitment process	Strongly disagree	41	47.1	2.87	.91
		Disagree	19	21.8		
		Neutral	7	8		
		Agree	18	20.7		
		Strongly agree	2	2.3		
		<b>Total</b>	<b>87</b>	<b>100</b>		
<b>4.</b>	The selection test I took when I was initially hired in the bank was related to the job	Strongly disagree	7	8.0	2.48	.87
		Disagree	42	48.3		
		Neutral	31	35.6		
		Agree	3	3.4		
		Strongly agree	4	4.6		
		<b>Total</b>	<b>87</b>	<b>100</b>		
<b>5.</b>	The recruit method used by the bank to attract candidates externally is good	Strongly disagree	18	20.7	2.82	.85
		Disagree	45	51.7		
		Neutral	22	25.3		
		Agree	2	2.3		
		Strongly agree	-	-		
		<b>Total</b>	<b>87</b>	<b>100</b>		
<b>Aggregate Mean</b>					<b>2.78</b>	<b>0.86</b>

Based on Table 4.2.5. The researcher able to assess the satisfaction of employees with the recruitment and selection process and practices of CBE. For this the researcher forwarded five questions to the respondents and they try to give their own answers and analyzed as follows. For item one, I was comfortable with the interviewers all over approach. For this 8.0% of the respondents say strongly disagree, 46.0 % disagree, 25.3% neutral, 18.4% agree and 2.3% strongly agree. For this majority of the respondents are not comfortable with the interviewer's all over approach. The second question which is forwarded to the interviewers was I was satisfied with the method that the bank uses to recruit internally is good. For this the responses of the respondents was 8% of the respondents strongly disagree, 44.8% disagree, 18.4% neutral, 25.3 agree and only 3.4% of the respondents response was strongly disagree. Based on these

responses of the respondents majority of the employees of commercial bank of Ethiopia was not satisfied by the internal recruitment methods of the bank. The third item which is forwarded to the respondents was I was truly satisfied with recruitment process, large numbers of the respondents are strongly dissatisfied because it accounts 47.1% and disagree 21.8%, that means around 68.9% of the employees are not satisfied with the recruitment process of the bank. The fourth item says, the selection test I took when I was initially hired in the bank was related to the job. Respondents response was 8% strongly disagree, 48.3% disagree, 35.6 % neutral, 3.4% agree and 4.6% strongly agree. From the above data we understand is that respondents believed most of the test prepared by the bank are not related with the job that they applied. Item five of the same table says the recruit method used by the bank to attract candidates externally is good, the responses of the respondents was strongly disagree 20.7%, disagree 51.7%, neutral 25.3% and agree 2.3%. Based on this the recruitment method of the bank has a problem to attract external applicants; this is because majority of the respondents responses disagree.

The overall satisfaction of employees with recruitment and selection process of the bank the mean of each items of the scale range from 2.48 up to 2.93 it means this practice is being moderately performed, and the satisfaction of respondents also moderately satisfied and the aggregate mean of the subscale is 2.78 it means the respondents are moderately satisfied by the recruitment and selection process of the bank.

The aggregate mean of the five sub scales was advertisement process management is 2.53, application screening practice is 2.70, availability and implementation of recruitment and selection policy is 2.59, selection practice is 2.40 and the satisfaction of employees with recruitment and selection process is 2.78. The aggregate mean of the overall recruitment and selection practices and challenges of CBE per is 2.60. This indicates that this practice is moderately managed and CBE has making and implement best practices and policies to improve the recruitment and selection process of the bank.

### **4.3. Qualitative Data Analysis**

The researcher wanted to find out possible barriers hindering the effectiveness and efficiency of the recruitment and selection of construction employees. Data collected from respondents were ranked according to their response. Data is collected from Managers and delegated HR focal persons.

### **1. 1. What are the major challenges of Recruitment and Selection process in Commercial Bank of Ethiopia?**

The major challenge identified to be frequently facing recruitment and selection practices in the CBE are poor human resource planning appeared first. In this report, it was added that ineffective planning of your human resource is as disastrous as a collapsing firm because the workers form the core of the business and the business represent the workers. Kaplan and Norton (2004), were also of the opinion that a common problem in recruitment and selection is poor HR planning.

The recruitment process consists of a job analysis and job description. In recruiting staff, the company must perform a job analysis to identify the requirements of the job. A job analysis is the systematic process of describing and recording information about job behaviors, activities, and worker specifications (Jackson et al., 2009). The job analysis is intended to bring out what the company needs and the required skills or abilities needed to carry out the job. It literally analyzes the job position available to be filled and gives the organization information about the particular position, the task or work involved. The analysis goes on to identify or recommend the necessary and required competence or knowledge in performing the job. A job analysis will help the company in recruiting the right caliber of people. Recruited employees will know what their required responsibilities are and the skills and expertise they need to accomplish tasks.

The 3rd challenge to employee recruitment and selection is Competency level on the part of employees. The aim of this factor is to buttress the assertion of Richardson's (2012), which states that acquiring high quality staff is critical to an organizations success. This is one of the biggest challenges confronting most management when it comes to worker recruitment and selection.

The competence levels on the part most candidates or job applicants are usually not to expectation, low or do not meet criteria. Cost of recruitment and selection of employees, Employer employee relationship, and Poor working condition of workers.

## **2. What are the challenges with the HRM?**

- Reporting chain of commands; in some cases, doesn't follow clear chains especially with the lower levels,
- Informal are entertained and used formally to impact the decision.
- The challenge with evaluation and mentoring is that staff may be overly depending on their line manager's support and sometimes will be lacking self-driven solutions. This may cause bypassing of line of authority.

## **3. What will be the best way to promote and satisfy staff's?**

- Session such as annual review meetings and orientations helps to create trust building, to share the organizations vision and mission, objectives, to talk about successes and challenges and updates of CBE.
- The work assignments that CBE provides are of challenging in their nature and this for some members of the staff has created a room for growth and commitment. By empowering and providing delegation to implement the job which increases their accountability. In addition, line manager's time is put aside to coach their staff.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

The purpose of this research is the recruitment and selection practices and challenges. To achieve this goal relevant literature was reviewed in chapter two; methodology was discussed in chapter three, and data analysis in chapter four. In this chapter the summary of major findings, conclusion and recommendations are presented and discussed.

#### **5.1 Summary of Major Findings**

The present study analyzes the recruitment and selection practices and challenges in commercial bank of Ethiopia. The study employed both descriptive and inferential analysis. The major findings of the study are summarized as follows.

- The respondent is dominated by female employees that constitute (63.2%) of the respondents. With regard to age group, 54.0% of the respondents are between the ages of 26-35. The survey result shows that 90.2% of the respondents are at least first degree holders. The study also shows that 60.9% of the respondents have 10 up to 20 years of service in CBE. In CBE, majority of the employees, (77%) of the respondents are customer service officers. The overall perception of employees on the internal and external recruitment and selection and challenges of the bank i.e. promotion, transfer, job posting, job bidding, and advertisement, e-recruitment, employee referrals is at moderate level. There is moderate level of perception of employees on advertisement practice of CBE i.e.  $M=2.53$ , the mean of application screening practice is 2, 70 that is moderate.
- The overall perception of employees on the availability and implementation of recruitment and selection policy was 2.9, it means moderate. The selecting practice of the bank is then evaluated to be moderate with a mean of  $M=2.40$ . finally the allover average mean of the selecting and recruitment practices of CBE was 2.62 it means moderate.

- Generally, employees' satisfactions on the recruitment and selection practice and challenges of CBE in that based on the mean result is 2.60 that is at the moderate or average level of employees' satisfaction resulted from their view/perception of the recruitment and selection practice at the bank.

## **5.2 Conclusion**

The focus of recruitment and selection is to match the capabilities of prospective candidates against the demands and rewards inherent in a given job. For this reason, top performing companies devote considerable resources and energy to creating high quality selection systems. Recruitment and selection process are important practices for human resource management, and are crucial in affecting organizational success. The following conclusions have finally been drawn after carefully processing the information from the various sources that were identified in the methodology part. Following the analysis and findings, the subsequent conclusions drawn based on the research questions of the study include:

- How is the recruitment and selection process carried out at the bank?
  - There is Lack of awareness at departmental level about the recruitment and selection procedures. This would negatively affect the recruitment and selection process of potential candidates for the position. There is no equal opportunity for all potential employees during recruitment and selection. Which can affect the institution to lose competitive candidates and also it affects the image of the bank.
- What are the challenges associated with recruitment and selection practices of the bank?
  - The major challenge identified to be frequently facing recruitment and selection practices in the CBE are poor human resource planning.
  - Job analysis and job description. In recruiting staff, the company must perform a job analysis to identify the requirements of the job. The job analysis is intended to bring out what the company needs and the required skills or abilities needed to carry out the job. The analysis goes on to identify or recommend the necessary and required competence or knowledge in performing the job. A job analysis will help the company in recruiting the

right caliber of people. Recruited employees will know what their required responsibilities are and the skills and expertise they need to accomplish tasks.

- Competency level on the part of employees. Which states that acquiring high quality staff is critical to an organizations success? This is one of the biggest challenges confronting most management when it comes to worker recruitment and selection. The competence levels on the part most candidates or job applicants are usually not to expectation, low or do not meet criteria. Cost of recruitment and selection of employees, Employer employee relationship, and Poor working condition of workers.
- Does the bank have clearly designed recruitment and selection policy?
  - By comparing the recruitment and selection practices of the bank with recruitment and selection policy evaluation checklist it is not in line with its recruitment and selection policy, which in turn are not in line with the best practices discussed in the literature. The recruitment and selection policy of the bank states clearly internal recruitment should take preference over external recruitment.
  - The duties and responsibilities of the job holder are not properly stated on vacancy advertisement which makes difficult to know the responsible body.
- To what extent are employees satisfied with the recruitment and selection practices of the bank?
  - The selection criteria used by the bank is not relevant to select competent and qualified personnel. This can affect the institution selection process.
  - There is low satisfaction of employees with the recruitment and selection practices of the bank, The study indicates that majority of employees did not get training and/or orientation on recruitment and selection policies and procedures of the bank which affect the recruitment and selection, process fairness and transparency.
  - The other reason is no proper planning for the recruitment and selection process. This clearly indicates that it is impossible to measure the validity of the selection process without proper planning.

### **5.3. Recommendation**

In view of the above conclusions drawn from the findings, the following recommendations were made to contribute to the practices of recruiting and selecting of commercial bank of Ethiopia. The integral benefits of the identified recruitment and selection practices cannot be overlooked; nevertheless, the following recommendations must be well noted.

- ❖ The bank is recommended to increase the awareness of employees at department head level and Human Resource heads about the recruitment and selection process and procedures through on-job and off-job training since the Institutes survival and existence depends on the human resources capacity.
- ❖ The recruitment and selection policy of the CBE does not explicitly state the scoring methods or techniques used in the employee selection decision. The institution policy should have to include the scoring methods used in the selection process.
- ❖ The CBE recruitment and selection policy stated that employment test is conducted for each candidate. However, it doesn't mention in detail about which test for what kind of position and when it should be used.
- ❖ CBE 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. The bank should have to clearly define the recruitments and candidate specifications in the recruitment process.
- ❖ Before any recruitment and selection method will be adopted, employers should conduct job analysis to determine job description, job specification, and job evaluation. Through proper job analysis will be able to fix up the specific duties and responsibilities of every employee. Job analysis will help in determining skills and knowledge to be possessed by the employees to hold various positions.

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## **APPENDIX**

**St. Mary's University**

**School of Post Graduate Study**

**A Questionnaire developed for the study of**

**“Questioner on an assessment of recruitment and selection practices and challenges at Commercial Bank of Ethiopia”**

Dear Respondents:

I am a post graduate (MA degree) student Sent Marry university school of Graduate in the field of Human Resource Management. In partial fulfillment of the requirement; I am doing a research on recruitment and selection practice and challenges at Commercial Bank of Ethiopia.

In this endeavor your co-operation is sought for the compilation of this questionnaire which is part of the survey. Your willingness to complete the questioner will be much appreciated as the information thus obtained will assist the researcher to evaluate the present state of recruitment and selection practice and challenges. The questioner has been prepared in such a way that it will require the minimum of time to complete and responses to the various questions will be decisive for the eventual outcome of the research.

Thank you in advance for your participation and time.

The researcher

Instruction for completion

Please go through all the questions before attempting to complete the questionnaire.

Please remember that you simply answer the questions based on your current knowledge and/or experience.

- Please complete the questioner without discussing it with other staff
- Put a tick (✓) mark on the appropriate response to each of the question.
- All information will be treated as strictly confidential.
- Information will be used in aggregated form

Thank you for your Co-Operation!

**Part One:** personal Information

Instructions:

Please use this “√” mark for each question to indicate your response

1.1 Gender:	Male	<input type="checkbox"/>
	Female	<input type="checkbox"/>
1.2 Age:	25 or below	<input type="checkbox"/>
	26-35	<input type="checkbox"/>
	36-45	<input type="checkbox"/>
	≥46	<input type="checkbox"/>

1.3 Educational Background:

Diploma	<input type="checkbox"/>
BA/BSC Degree	<input type="checkbox"/>
MA/MSc	<input type="checkbox"/>
PHD	<input type="checkbox"/>

1.4 How long you have been serving in CBE?

Less than 10 years	<input type="checkbox"/>
10 - 20 years	<input type="checkbox"/>
20 - 40 years	<input type="checkbox"/>
≥40 years	<input type="checkbox"/>

1.5 Please specify your current Job Title \_\_\_\_\_

**Part Two: Opinion Survey**

Please indicate the extent to which you agree or disagree with each of the following statements. If you neither Agree nor Disagree, select the uncertain option.

## Recruitment and Selection Process

	<b>Advertisement process management</b>	Strongly Disagree(1)	Disagree(2)	Neutral (3)	Agree(4)	Strongly Agree(5)
1	The application time given on vacancy is reasonable					
2	The duty and responsibility of positions are clearly stated					
3	There is proper filling and recording of employees application format					
4	Methods of vacancy announcement makes all vacancies reachable to you					
5	The interview question of the bank are subjective for the interviewer					
<b>Availability and Implementation of Recruitment and Selection Policy</b>						
	<b>Availability and Implementation of Recruitment and Selection Policy</b>	Strongly Disagree(1)	Disagree(2)	Neutral (3)	Agree(4)	Strongly Agree(5)
1	The recruitment policy is implemented effectively					
2	The policies and procedures on recruitment and selection gives equal opportunities					
3	Human resource department adhere to recruitment policy and procedure					
4	You are aware of formal policies and procedures					
5	The bank has clear policies on recruitment practices					
6	The policy and procedures on selecting give equal opportunities					
<b>Application screening practice.</b>						
	<b>Application screening practice.</b>	Strongly Disagree(1)	Disagree(2)	Neutral (3)	Agree(4)	Strongly Agree(5)
1	Qualification requirements of a job are properly stated on vacancy advertisement					

2	Content of vacancy advertisement is good and contains necessary information					
3	Duties and responsibilities of the job of the job holder are properly stated on vacancy advertisement					
4	Selection test administered to fill vacancies are job related					
5	The bank uses the required technology for identifying applicants					
6	The bank consider previous application of applicants					
7	The bank asses the existing employee skill and ability					

No.	<b>Selection practice</b>	Strongly Disagree(1)	Disagree(2)	Neutral(3)	Agree(4)	Strongly Agree(5)
1	The bank announce the post timely for the applicants					
2	The selection is fair and free from bias					
3	Selection test administered to fill vacancies are job related					
4	The bank chooses type of test which is appropriate for the job under consideration					
5	The bank gives training on selecting					

No.	<b>Overall satisfaction o employees with the recruitment and selection process</b>	Strongly Disagree(1)	Disagree(2)	Neutral(3)	Agree(4)	Strongly Agree(5)
1	I was comfortable with the interviewers all over approach					
2	I was satisfied with the method that the bank uses to recruit internally is good					
3	I was truly satisfied with recruitment process					

No.	<b>Selection practice</b>	Strongly Disagree(1)	Disagree(2)	Neutral(3)	Agree(4)	Strongly Agree(5)
4	The selection test I took when I was initially haired in the bank was related to the job					
5	The recruit method used by the bank to attract candidates externally is good					
6	I was satisfied with the selection process of the bank					

Any suggestion.....

## INTERVIEW QUESTIONS

Dear Ato/W/t, \_\_\_\_\_

I would like to thank you in advance for dedicating your valuable humanitarian time to provide me with a response to my interview.

1. What are the sources and practices of recruiting and selecting in Commercial Bank of Ethiopia? How is the specification made for selecting the types of recruiting sources? Why?
2. What are the methods of recruiting? How are they used?
3. What are the steps of selection process used by Commercial Bank of Ethiopia?
4. Who are the participants of selection committee (if any) there is committee? Specification of the selection committee's composition?
5. What are the selection methods the bank uses? What do you say about its fairness, transparency and consistency?
6. Is there clear HRM Policy that guides the Internal Recruitment and Selection practice? How often it is revised?
7. What are the strengths and major challenges of Recruitment and Selection process in Commercial Bank of Ethiopia?

**Thank you for the valued time**