An Assessment of the Challenges Facing Recruitment, Selection and Retention Process in Small Industries in Mwanza Region.

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ABSTRACT: The aim of this study is to understand the challenges facing recruitment, selection and retention process in small industries in Mwanza region. Recruitment, selection and retention process in small industries in Tanzania face several challenges that affect their effectiveness. The study was descriptive survey research design comprised a sample size of 149 respondents who were the owners of small industries and senior managers. Data collection was done through a face-to-face structured interview. Data analysis was done using percentages and frequencies and the results represented in tables. The findings of the study revealed that small industries in Mwanza region lack effective recruitment, selection and retention process and this is threatening their human resource management. The study recommends the need for the government to intervene and come up with effective strategic human resource policy that can support recruitment, selection and retention process in small industries.

KEYWORDS: Challenges, Recruitment, selection, retention and small industries.

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I. INTRODUCTION

The world is changing faster in terms of industrial development caused by technological advancement. In order to meet the modern competitive market and changing business environment, these changes require competent human resources to support it and this can only be met through effective recruitment, selection and retention process. Recruitment, selection and retention are one of the vital and core human resource practices in the organization that should be managed well towards the objectives of the organization. Recruitment, Selection and retention are significant and critical human resource practices that organizations must consider and treat effectively in order to grow and flourish in the market (Janes, 2017). One of the most significant elements in the growth and development of small industries today is the need for qualified and competent human resource. Effective recruitment, selection and retention process can result into a good pool of human resource with required skills, knowledge and experience in the organization. Effective recruitment and selection of employees are the fundamental human resource management activities that if managed well can have a significant impact on organizational performance and lead to a positive organizational image (Pilbeam and Corbridge, 2006), this is possible only if there is a dedicated and competent human resource team (Kaplan & Norton, 2004). Effective retention practices start with good hiring practices qualified and motivated people will stay longer (Vicktor, 2014). The quality of the human resource the organization has deeply depends on the effectiveness of recruitment and selection (Gamage, 2014). Recruitment and selection of employees are fundamental to the functioning of an organization and there are compelling reasons for getting it right (Tripathi & Agrawal, 2014).

The effectiveness of different recruitment and selection criteria of employees has been the topic of research for over 60 years and the whole process and the interdependence of its parts are important. (Sinha & Thaly, 2013). Even though recruitment, selection and retention are important for the survival of small industries, finding competent employees is one of the big challenges affecting small industries in Mwanza region; According to Priyanath (2006), this problem is compounded by the lack of a systematic method for recruiting and selecting employees. Selecting the right applicant can be a difficult task, but at the end of the day, the organization’s reputation is held by the people it employs (Henry & Temtime, 2009). Efficiency in service delivery depends on the quality of its workforce who was recruited into the organization through recruitment and selection exercises (Ezeali and Esiagu, 2010). Robbins et al. (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. CIPD (2009) suggest that effective recruitment is central and crucial to the success of day-to-day functioning of any organization. Briggs (2007) identified some of the problem affecting recruitment and selection as, the increasing pressure for employment, utilization of informal sources of recruitment and delegation of recruitment function.

1.1 Statement of the problem
Human resource management in small industries in Mwanza region suffers due to lack of best human resource practices that can support their objectives. The struggle to maintain effective recruitment, selection and retention process is a major issue facing these industries. Due to this scenario, it was important to conduct a study and identify the challenges affecting recruitment, selection and retention process in small industries in Mwanza region.

II. LITERATURE REVIEW

2.1 Recruitment process

Employees’ recruitment is defined differently by researchers. Jovanovic (2004) defined recruitment as a process of attracting a great pool of high-quality applicants and to select the best among them. According to Opatha (2010) recruitment is the process of finding and attracting suitably qualified people to apply for job vacancies in the organization. Ofori and Aryeetey (2011) said that recruitment is the process of generating a pool of competent individuals to apply for employment within an organization. Bratton and Gold (2003) opined that recruitment is primarily concerned with the process of generating a pool of capable people to apply for employment to an organization. Bratton and Gold (2007) stated that recruitment is the process of generating a pool of capable candidates applying to an organization for employment. Costello (2006) postulated that recruitment is a set of activities and processes used to legally obtain an adequate number of the qualified applicant at the right place and time to enable applicant and the organization to select each other for their own optimum interest. El-Kot and Leat (2008) acknowledged that recruitment process begins with advertising existing vacancies. Breauagh and Starke (2000) highlighted that recruitment includes those practices and activities carried out by the organization with the primary purpose of identifying and attracting potential employees. Gamage (2014) commented that a systematic recruitment process involves identifying vacancies, job analysis, job description, person specification and advertising.

2.2 Selection Process

According to Mondy (2010) selection is a process of choosing from a group of applicants those individuals best suited for a particular position in an organization. Mathis and Jackson (2006) contended that selection is the process of selecting the most suitable applicants. Ofori and Aryeetey (2011) argued that selection is the process by which specific instruments are engaged to choose from the pool of individuals most suitable for the job available. Gatewood, Field and Barrick (2008) emphasized that human resource selection is the process of collecting and evaluating information about the individual in order to extend the offer of employment. Gamage (2014) pointed that a systematic selection process involves the recruiting process, gathering information about qualified applicants, evaluating the qualification of each applicant and making decisions about employment. Snell and Bohlander (2010) believed that selection is a process of choosing candidates with relevant qualifications to fill in the existing or projected job openings; that, it is the process of choosing the person(s) form a pool of potential candidates who meet the requirement of the vacancies identified in the organization.

2.3 Retention Process

Bidisha (2013) asserted that retention is the process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Griffith and Hom (2001) affirmed that retention involves taking measures to encourage employees to remain in the organization for the maximum period of time. Browell (2003) said that employee retention is keeping those members of the staff that one wants to keep and not ready to lose from the organization for whatever reason. Mita (2014) viewed employee retention as a technique adopted by businesses to maintain an effective workforce and at the same time meet operational requirements. Freyermuth (2004) discovered that retention is considered as multifaceted component of the organization human resource policies and it begins with the hiring of right people then persists with working agendas to keep them involved and devoted to the organization. However, McKeown (2002) observed that there is no clear definition of employee retention because the managers’ perception of retention varies, some managers view employee retention as reducing employees’ turnover figure to an acceptable level while others think that retention is about compensation and benefits, some also think of it as a component of culture on how people are treated within the organization.

III. METHODOLOGY

Research methodology is a framework associated with a particular set of assumptions that can be used to conduct research. OLeary (2004). The study used descriptive survey research design and involved a sample size of 149 respondents consisting of all senior managers and the owners of small industries. Data was collected through structured face-to-face interview, analysed into percentages and frequencies with the help of Statistical Package for the Social Sciences (SPSS) and the results represented in tables.

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IV. RESULTS AND DISCUSSION

In order to know the challenges facing recruitment, selection and retention process in small industries in Mwanza region, the respondents were requested to mention the challenges that affect recruitment, selection and retention process in their industries and the results are represented in table 4.1 below;

Table 4.1 Challenges affecting recruitment, selection and retention process in small industries

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of recruitment and selection plans</td>
<td>20</td>
<td>13.4</td>
<td>13.4</td>
</tr>
<tr>
<td>Lack effective recruitment, selection and retention policies and procedures</td>
<td>20</td>
<td>13.4</td>
<td>26.8</td>
</tr>
<tr>
<td>Changes in recruitment technology</td>
<td>15</td>
<td>10.1</td>
<td>36.9</td>
</tr>
<tr>
<td>Use of old and ineffective recruitment, selection and retention methods</td>
<td>15</td>
<td>10.1</td>
<td>47.0</td>
</tr>
<tr>
<td>Lack of well-defined job descriptions</td>
<td>6</td>
<td>4.0</td>
<td>51.0</td>
</tr>
<tr>
<td>Lack of good succession plans</td>
<td>6</td>
<td>4.0</td>
<td>55.0</td>
</tr>
<tr>
<td>Lack of trust to employees</td>
<td>7</td>
<td>4.7</td>
<td>59.7</td>
</tr>
<tr>
<td>Lack of self-commitment among employees</td>
<td>12</td>
<td>8.1</td>
<td>67.8</td>
</tr>
<tr>
<td>Lack of selection interview skills and retention awareness among owners of</td>
<td>10</td>
<td>6.7</td>
<td>74.5</td>
</tr>
<tr>
<td>small industries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of proper and effective selection criteria</td>
<td>12</td>
<td>8.1</td>
<td>82.6</td>
</tr>
<tr>
<td>Friendship and Relationship</td>
<td>6</td>
<td>4.0</td>
<td>86.6</td>
</tr>
<tr>
<td>Lack of proper motivation policy</td>
<td>8</td>
<td>5.4</td>
<td>92.0</td>
</tr>
<tr>
<td>Challenging work environment</td>
<td>5</td>
<td>3.4</td>
<td>95.3</td>
</tr>
<tr>
<td>Failure to identify proper retention strategies to all employees</td>
<td>7</td>
<td>4.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>149</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

4.1 Lack good Recruitment and selection plans

The results in table 4.1 show that 13.4% of the total respondents mentioned Lack of recruitment and selection plans as a major challenge facing recruitment and selection process in small industries. This was evidenced during secondary data collection through documentary review whereby the majority of the small industries were found not having recruitment and selection plans. This means that small industries in Mwanza region do not have good recruitment and selection plans that can guide their recruitment and selection process, as a result, recruitment and selection process is carried anyhow and at any time and this makes small industries to employ a huge number of unqualified workers who cannot deliver and meet the objectives of small industry industries. This finding corresponds with the finding from Kaplan and Norton (2004) who found that a common problem in recruitment and selection is poor human resource planning.

4.2 Lack of effective Recruitment, selection, retention Policies and Procedures

Respondents also mentioned lack of good and effective recruitment and selection policies and procedure as another challenge facing recruitment, selection and retention process in small industries in Mwanza region because they have nothing to direct and guide the process. Cascio (2003) supported that an organization’s inability to formulate and implement capable strategies for recruiting competent employees and retaining them to achieve organizational goals is one of the main challenges facing organizations’ performance. Moreover, Brewster, Sparrow and Vernon (2007) opined that the organizations that are very successful worldwide always try to maintain local recruitment strategies and combine that local strategy with the global transfer of information and best practices. Furthermore, Boxall, Purcell and Wright (2007) commented that five different questions an organization has to answer to have an effective recruitment strategy in order to pursue its survival and success which is whom to recruit? Where to recruit? What recruitment sources to use? When to recruit? and what message to communicate? An effective recruitment process is positively related to organizational performance (Syed, 2012).

Rauf (2007) emphasized that sophisticated recruitment and selection procedures are positively related to organizational performance. Okoh (2005) postulated that recruitment procedures that provide a large pool of qualified applicants, paired with a reliable and valid selection regime have a substantial influence over the quality and type of skills new employees possess. Bohlander, Snell & Sherman (2001) emphasized that it is important for managers to understand the objectives, policies and practices used for selection. Okoh (2005) supported that the use of the proper selection criteria will increase the probability that the right person will be chosen. Well designed recruitment and selection procedures are positively related to labour productivity as cited in Asiedu-Appiah et al. (2013).

This implies that this challenge is the biggest challenge facing recruitment process in small industries in Nyamagana and Ilemela districts because they have nothing to direct them on how they should perform recruitment and what should be followed in order to have effective recruitment practice, as a result, they use ineffective recruitment process that cannot support industry performance.

4.3 Changes in Recruitment Technology
The study results reveal that 10.1% of the total respondents mentioned changes in technology as one of the challenges facing recruitment, selection and retention process in small industries. A study by Gaj and Leoni (2003) found that productivity increases if practices are complementary to the adoption of new technology. This is also supported by the study conducted by Australian Telework Advisory Committee in 2006 which found that 70% percent of the industries that incorporated telework options reported a number of positive benefits such as increased industrial productivity, flexibility and work-life balance, and increased workforce participation. This imply that due to changes in industry environment that needs every industry to be more advanced in terms of recruitment, small industries find themselves behind the running world and fail to acquire advance recruitment technology because they are more reluctant to welcome changes and are not ready to take risk associated with changes such as cost and this makes them focus on the use of the old technology of recruitment.

4.4 Use of old and ineffective recruitment and selection methods

10.1% of the total respondents of the study said that small industries use what they called old and ineffective recruitment method that cannot support their objectives and that cannot meet their labour demand as a result, these Industries don’t experience any changes in terms of productivity and profit. István (2010) depicted that there are a plenty of techniques used in recruitment and hiring today among which are some methods not accepted by experts or not recommended for the hiring process. Sinha and Thaly (2013) commented that it is time to start using the recruiting channels that the company thinks will work for it, that involving a qualitative system in recruitment and selection has helped organizations to grow as they have been able to get the right people for their vacancies. This challenge was also evidenced during secondary data collection through documentary in which majority of small industries were found using employee referral and reference check as their best recruitment and selection process while these processes seem to be more traditional in such a way that they can’t help small industries to meet their objectives by bringing incompetent, unskilled and non-experienced employees who cannot perform the work well and to the standard required, this might be because small industries are not ready to expose themselves to modern and more advance recruitment and selection process instead they prefer to use old selection process which they feel to be cheap for them. Briggs (2007) supported the results by saying that some of the problems affecting recruitment and selection include an increase of employment pressure, utilization of informal sources of recruitment and delegation of recruitment function.

4.5 Lack of well-defined Job description

Another challenge facing recruitment, selection and retention process in small industries mentioned by 4% of the respondents is lack of well-defined job description. Majority of small industries have no well-defined job descriptions, employees in these industries only work either on the word of mouth/oral directives or through a daily written piece of paper which is not a proper way in today’s competitive industry environment. This sometimes cause overlapping and usurpation of responsibilities among their employees which in turn affect employees’ performance as well as industry performance. Foot and Hook (2010) observed that the key to stages of a systematic approach to recruitment is job analysis, job description, person specification and attracting applicants through the various process of recruitment. Furthermore, Stahl (2004) suggested that institutions can improve their productivity by giving employees clear and specific descriptions of their job, roles, responsibilities, performance, performance expectation and job requirements.

4.6 Lack of good Succession plans

The results in table 4.1 narrate that 4% of the respondents mention lack of good succession plans as a challenge facing recruitment, selection and retention process in small industries in Mwanza region. The respondents further said that most small industries in Mwanza regions and even in Tanzania do not have proper laid down succession plans that support their recruitment process; this lack of succession plans in small industries makes few employees prefer themselves as superiors who know everything in the industry while large numbers of employees are regarded as labourers and at the same time makes small industries to be in work dilemma when an employee whom they prefer to be their superior left the industry. The results are in line with the findings of the study conducted by Sharma (2001) who found that a well-developed succession plan is crucial to the success of the industry.

4.7 Lack of trust to employees

The results in figure 4.1 highlights that, 4.7% of the total respondents mentioned lack of trust to employees as a challenge facing recruitment, selection and retention process in small industries in Mwanza region. The results show that some employees are not trustable at their work, this emanates to lack of transparency and open communication between the owners of small industries/senior managers and their employees which in turn leads to low innovation, lack of responsiveness and low productivity. A study by
Davis, Schoorman, Mayer, and Tan (2000) on relationship between employees’ level of trust in the facility's general manager and several measures of organizational effectiveness in a restaurant chain found that the restaurants in which the general manager garnered a higher level of trust from the workforce had significantly higher sales and higher net profits.

4.8 Lack of self-commitment among employees
Moreover, 8.1% of the respondents mentioned lack of self-commitment among employees as another challenge facing recruitment, selection and retention process in small industries. This has implication on employees’ performance as well as industry performance because employees who are less committed to their job exert less effort to industry success, tend not to be satisfied all the time and fail to fulfil their responsibilities towards industry superior performance. Lo et al (2009) supported that employees with a sense of commitment are less to engage in withdrawal behaviour and more willing to accept change.

4.9 Lack of Selection interview skills and retention awareness among the owners of small industries
As shown in figure 4.1 above, 6.7% of the total respondents mentioned lack of selection interview skills and retention awareness among the owners of small industries as a challenge facing selection process in small industries. The respondents further stated that majority of them don’t know how to conduct effective selection interview also don’t have an idea of what employees’ retention is and its positive effects on their industries. The implication of this is that, small industries end up selecting employees who are not competent to deliver what is expected from them and the same time do not value and see the necessity of implementing retention as something very important for performance of their Industries also ignore and see any retention idea brought to them as a threat to their industries which in turn affects industry performance.

4.10 Lack of proper and effective selection criteria
Relatively, 8.1% of the total respondents mentioned lack of proper and effective selection criteria as another challenge facing selection process in small industries. The results also supported by the results of documentary review during secondary data collection which showed the inadequacy of written down proper criteria to govern selection interviewers in small industries in Mwanza region. This implies that selection process in small industries is conducted basing on the will of the owners and managers, the owners and managers decide on the criteria to be used to select employees to join their industry; This affects the selection process and the prosperity of the industry because the owners and managers are directed by their own individual moods, thoughts and feelings to select employees they like.

4.11 Friendliness and Relationship
Likewise, the results in figure 4.1 indicate that 4% of the total respondents mentioned the use and consideration of friendliness and relationship among the owners and managers of smallindustry and candidates to be selected for employment as another challenge facing selection process. Majority of small industries were found focusing on employing the candidates whom they know better than those whom they don’t know. The implication of this is that small industries lack skilled and knowledgeable workers who can performed well instead they get unqualified workers who cannot help them to maintain their competitive advantage and meet their objectives.

4.12 Lack of proper motivation policy
Lack of proper motivation policy is a challenge facing recruitment, selection and retention process in small industries in Mwanza region. As per the results, this implies that small industries lack supportive motivation policy that governs their employees’ motivation practice and as a result, many employees feel unmotivated and leave the industry which also affects the performance of small industries. Neal, West and Paterson (2005) opine that human resource management practices that enhance the knowledge, skills, ability and employees’ motivation can have a greater impact on performance if the organization is using the strategy that requires highly skilled and motivated employees. Cutler (2001) suggested that one of the most important demands on management today in any organization is keeping the most vital and dynamic human resource motivated and dedicated. Shadare et al (2009) stressed that employee motivation is one of the policies of managers to increase effective job management among employees in organizations. Furthermore, Adi (2000) affirmed that unless and until all the employees in the organization are satisfied, motivated for the task fulfilment and goals achievements; no organizations can progress and achieve success. Farazmand (2006) postulated that performance is higher in those organizations where employees are adequately motivated. Kalimullah (2010) advocated that motivated employees have goals aligned with those of the organization and they direct their efforts in that direction.

4.13 Challenging work environment
The study results reveal that challenging work environment is a challenge facing retention process in small industries. This means that employees work in a difficult, unsupportive and inconducive work environment. The implication is that employees do not stay long with small industries but leave just within a short period of their employment and hence increase employees’ turnover and reduce the capacity of the small industries to retain employees for a long time. Oehley (2007) affirmed that employee’s measure value proposition based on the challenge the job possess, work environment, training opportunities, flexibility and reputation of the organization.

4.14 Failure to identify proper retention strategies to all employees

The results in table 4.1 show that failure to identify proper retention strategies that meet the demand of employees is another challenge facing retention process in small industries in Mwanza region. This means that small industries do not know how to identify motivation strategies that motivate all categories of their employees and which can support employees’ retention process. The implication of this is that employees lack the willingness to work and to stay with the industry which results in a high labour turnover. This finding is in line with the findings from the study of Gale Group (2004) who found that retention strategies which effectively satisfy the needs of all employees consequently enhance the ability of companies to adapt more effectively to ongoing organization change.

V. CONCLUSION

The need for small industries in Mwanza region to maintain effective human resource practices such as recruitment, selection and retention is crucial for their prosperity and for their competitive advantages, especially in this global business competitive business environment. Based on the findings of this study, it is very important for the government to intervene and develop effective strategic human resource policy that can support recruitment, selection and retention process in small industries in the country and at the same time create awareness to the owners and senior managers of small industries on the importance of maintaining effective recruitment, selection and retention process in their industries.

REFERENCES.


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