

**The Assessment of Recruitment and Selection Practice on Commercial Bank of Ethiopia (CBEAt
Adama District**

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ABSTRACT

The main purpose of this research is to know and examine the practices of recruitment and selection in Commercial Bank of Ethiopia (CBE) specifically Adama District Office/ ETHIOPIA.

This research is conducted through descriptive research design. Because the researchers wanted to assess employees recruitment and selection practice on commercial bank of Ethiopia. That means the researchers only describe the current situation as it is without adding additional things.

The target population of the study is the total employees of the district office. The total number of employees in the district office is 64. As the research is conducted using the **census** the researchers distribute questioner for all employees of the district office.

The study uses both **primary** and **secondary** data. The information concerning on the situation mainly collected from the employees of the organization and human resource manager of the district. The researchers use internal and external vacancy posts to analyze the recruitment and selection practice of the district as a secondary data material.

The researcher collected data by distributing questioners to employees, direct interviewing the human resource manager of the district office and reading the available document.

The researcher also involved in the area to identify basic information that alien with the research specific objective and the research question. This means questionnaires, interviews and other document analysis of the district office.

The technique of data analysis were handled in the way that each element include in the study are addressed and both qualitative and quantitative response of the questioners and interview and secondary data are analyzed. The data collected through questionnaire, interview and document analysis are analyzed using percentage.

KEY WORDS: Commercial Bank of Ethiopia (CBE), Recruitment and Selection practice Adama District Office,

1, Introduction

The history of commercial bank of Ethiopia (CBE) dates back to the establishment of state bank of Ethiopia in 1942. CBE. Was legally established as share company in 1963 and currently it has 15 district and 25,000 employees with in the country (The organization annual report). Adama district office also one part of the district and was established in1990 as a district and start its normal operation to achieve the objective or goal of bank with the same mission, vision, value and objective as the head of the bank.

Commercial bank of Ethiopia has12million customers and 1,028 branches within Ethiopia and three branch/outlet outside the country. Adama district has 59 branches and 64 total employees within the district office and 1093 employees in all branches under the district office. Commercial bank of Ethiopia also provides different services. But the major activities are transfer of money with in and abroad and it facilitates local and foreign trade.

Services given by CBE

❖ Credit service

You can apply for credit at any nearbybranch or credit center. The credit request is reviewed by a group of professional such as credit analyst, engineer and lawyer with minimum loan delivery time.

❖ Customer account and transaction service (CATS)

It includes saving account, current account, transfer service and etc.

❖ trade service

Trade service is one of core process of the bank used for the facilitation of payments and mitigation of risk associated with international trade.

Human resource management is the function in an organization consists of people who make decision concerned in the work force of the organization (*H.JohnBernardin 2003 pp 4*).

Human resource management is the function in an organization which performs verities of activities or tasks associated with acquiring, training, developing, motivating, organizing and maintaining the human employees of the firm (William P. Anthony, K. Michele Kacmar and Pamla L. Perrewe 2002).

Human resource management is the management of purposeful resource that is called human being. The effective human resource utilization and development become very essential. (ShibiruAyalew and Hana Yesuneh 2008 pp 2).Human resource is described as the total knowledge, skill, creative ability, talent and attitude of the work force of the organization as well as the value attitude of the individual involved (ShibiruAyalew and Hana Yesuneh 2008 pp 2).

Human resource management is concerned with the procurement, development, compensation, integration and maintenance of the personnel of an organization for the purpose of contributing towards

the accomplishment of the major goal or objective of organizing, directing and controlling of the organization performance of these positive function (et.al pp 8).

Human resource is the name of the function within the organization charged with the overall responsibility for implementing recruitment and selection practice. This function title is

Abbreviated to the initial (Goerge T Nilkorich,2006) . Before an organization hire new employees it must find people who want a job and have the required ability. This is done through recruitment.

Ivancivich, (2003 pp192), define recruitment as it refers to organizational activities that influence the number and type of applicant who apply for a job and weather applicant accept the job that are offered.

In the same manner Lepak and Gowan (2010) define recruitment as the process of identifying potential employees communicating an organization attributes to them and convincing them to apply for available job. Both definitions stated that recruitment aim to get required human resource by initiating people to apply for the available vacancy.

John M Ivanrich, (2004) define 'selection as it refers to the process by which an organization chooses from all list of the applicant persons who meet the selection criteria for the position available.

1.1. Statement of the problem

Recruitment and selection process of candidates will enable to produce capable, motivated, skilled, talented, efficient and effective staff personal if it is conducted properly. On the other hand if it is carried out or conducted in wrong way it will have distractive organizational effect on the attainment or achievement of organizational goal or objective (Lepak and Gowan,2010).

Well planned recruitment and selection practice can identify the who will potentially bring new life for the organization. But poorly planned recruitment and selection may leads to less flow of personal.

In general poor recruitment and selection activities affect the overall performance of the organization concerning on getting the required human resource.

1.2.Purpose Of The stud

The purpose of the study is to assess/ examine and know employees recruitment and selection practice of Commercial Bank of Ethiopia specifically in Adama District office.

The specific purpose of the study is make assessment on employee's recruitment practice of the district, and selection practice,

- ❖ Identify the source of recruitment,
- ❖ Identify the method used for both internal and external recruitment,
- ❖ Identify the major factors that affect recruitment and selection process.
- ❖ Identify selection criteria of the bank.
- ❖ The researchers also try to identify the process of selection used by the organization.

1.3. Significance of the study

The study can help us to understand issues to be considered and the way that are applied in the recruitment and selection practice in the real working environment.

This can create awareness in the field of personal management how they carefully plan recruitment and selection that is important to achieve the goal and/or objective of the organization.

It can also serve as a reference for other students who want to conduct their research on the assessment of employee's recruitment and selection practice.

1.4. Limitation of the study

Some respondent or employees of the organization were not willing to give response for the given questionnaire. As well as they also lose the questioner given by the researchers and it creates problems for researchers to analyze and interpret the data for the overall practice of the organization.

2. Review of related Literature

Human resource management is the function in an organization consists of people who make decision concerned in the work force of the organization (H.JohnBernardin 2003 pp 4).

Human resource management is the function in an organization which performs a variety of activities or tasks associated with acquiring, training, developing, motivating, organizing and maintaining the human employees of the firm (William P. Anthony, K. Michele Kacmar and Pamela L. Perrewe 2002 pp 10).

Human resource management is the management of purposeful resource that is called human being. The effective human resource utilization and development become very essential. (ShebiruAyalew and Hana Yesuneh 2008 pp 2).

Human resource is described as the total knowledge, skill, creative ability, talent and attitude of the work force of the organization as well as the value attitude of the individual involved (et.al pp 2).

Human resource management is concerned with the procurement, development, compensation, integration and maintenance of the personnel of an organization for the purpose of contributing towards the accomplishment of the major goal or objective of organizing, directing and controlling of the organization performance of these positive function (et.al pp 5).

Human resource is the name of the function within the organization charged with the overall responsibility for implementing recruitment and selection practice. This function title is abbreviated to the initial (Goerge T Nilkorich,2006).

2.1. Recruitment

Recruitment is the development and maintenance of adequate man power resource in an organization. It involves the creation of pool of available labor up on which organization can depend when it needs additional employees (ShebiruAyalew and Hana Yesuneh 2008 pp 57).

According to Susan E. Jackson and Randall Schuler,(2003 pp 252), define recruitment as “involves searching for and obtaining qualified applicants for the organization to consider when filling job openings”.

Recruitment is the process of attracting of applicants for the position needed. This process should be fully integrated with the human resource planning process and other HR activities especially the selection process. Recruitment and other HR activities are interdependent (H. John Bernardin2003 pp 82). Recruitment is the process of attracting candidates both beginning and experienced on timely bases in sufficient number and with appropriate qualification and encouraging them to apply vacancies wit in the organization (Abdu Begibe and et.al 2007 pp 52).

Recruitment is a never ending process for many jobs where there are critical shortage of highly specialized skill (H. John Bernardin,2003 PP 95).

Before an organization hire new employees ,it must find people who want a job and have the required ability and this must be done through recruitment .

Noe, Hounbeck, Gerhart and Wright (2004 PP 148) define recruitment as “any activity carried out by the organization with the primary purpose of identifying and attracting potential employees”.

Ivancevich(2003 pp192) also define recruitment as “organization's activities that influence the number and type of applicants who apply for job and weather the applicant accept the jobs that are offered”.

In addition recruitment often represents the first contract between the organization and perspective employees. As such care should be taken to create a positive first impression with the job applications.

In the same manner Lepak and Gewan (2010 pp150)define recruitment as “the process identifying potential employees who communicated with the job and the organization attributes to them and convincing them to apply for the available job”. All definition argued that recruitment aims to get appropriate human resource by initiating peoples to apply for the available vacancy. The source of recruitment can be divided in to internal and external.

As Lepak and Gewon 2010 pointed “ internal recruitment is the process of seeking job applicants within the organization while external recruitment is seeking job applicants outside the organization using activities such as advertisement, job fair and Internet”.

2.2. Source of recruitment

According to ShebiruAyalew and Hana Yesuneh(2008 pp) there are two major sources of recruiting for an organization. These are :

1. Internal recruiting: is seek applicant for position from among the ranks of thus currently employed with the expectation of entry level position. Most organization try to fill the position with current employees (H. John Barandrin 2003 pp 96).

Internal recruiting: personnel already in the position within the organization. Some of the sources are promotion and transfer (ShebiruAyalew and Hana Yesuneh 2008).

Advantage of internal recruitment : it is considerably less costly than external ,the organization can better knowledge about internal applicants ability, skill and talent than that of acquired from out said. But it may have politics impact and it hinder creative problem solving ability, skill and talent from external (et.al).

2. External recruiting: such types of sources of recruitment include perspective candidates or applicant outside the organization. Some of the sources are: advertising, employment agency, educational institutions, labor union, and waiting list and labor contractor (ShebiiruAyalew and HnanaYesuneh2008 pp).

According to (H. John Barandirn2003 96),external recruiting Concerns recruitment from outsaid the organization.

Most scholar argued that one of the biggest advantage of external recruiting is that the approach facilitate the introduction of new idea and thinking in to the corporate decision making (et.al).

Disadvantage: introduction of new personnel from out said the organization may have negative impact on work group cohesion and morale, take longer to learn the rope of the job and very costly compared to internal recruitment (et.al).

2.3. Factors affecting recruitment in the organization

According to ShebiruAyalew and Hana Yesuneh(2008) and H John Bernardin(2003) there are different factors that affect the recruitment practice of the organization. Some of these are:

1. The employment condition in the community: which means where the organization is located a in highly unemployed community can have more opportunity than the organization does not have.
2. The size of the organization: the larger the organization the higher the number of employees recruited and Vic versa
3. Growth rate of the organization: which means if the organization grow in a higher rate the number of employees recruited also high and Vic versa.
4. The level of seasonality of operations and the future expansion and production programmers.
5. Legal factor: now a days organization should also consider several laws made by the respective government while recruiting people.
6. The effects of past recruiting effort: which shows the organization's ability to locate and keep good performing people
7. Working condition , salary and benefit packages offered by the organization: this may influence turnover and necessitate future recruiting.

2.4. Selection

Definition: selection refers to the deliberate effort of an organization to select a fixed number of personnel from a large number of applicants (ShebiruAyalew and Hana Yesuneh2008 pp 64).

According to Susan E.Jackson and Radall Schuler(2003 pp 300) define selection as “the process of obtaining and using information about job applicant in order to determine who should be hired for long or short term positions”.

Selection is the process through which organization make decision about who will or will not be allowed to join the organization (Neo, HollenBeck, Gerhart, Wright 2004).

Selection is the process of choosing individual who have the necessary qualification to perform a particular job well (William Anthony and et al2002 pp 250)”.

According to(Abdu Begibe and et.al 2007 pp 58)define that “selection is the process of choosing from a group of applicants the individual best suited for a particular position.

John M Ivanrich, (2004) define selection as it refers to the process by which an organization chooses from all list of the applicant persons who meet the selection criteria for the position available.

2.5. Selection process

According to ShebiruAyalew and Hana Yesuneh(2008) and HJohnBernardin(2003) there are basically seven necessary steps any organization follow to select the qualified employees.

The following are the steps involved in in a standard selection process:

1. Preliminary interview
2. Application blank
3. Selection test
4. Selection interview
5. Reference check
6. Physical examination
7. Final selection

Preliminary interview

After screening the applicant the preliminary interview will be conducted. The purpose of preliminary interview is to eliminate unqualified candidate from the selection process. In screening unqualified candidates are eliminated on the bases of information given in the application form. Whereas preliminary interview rejects misfit for reason which did not appear in the application form.(ShebiruAyalew and Hana Yesuneh 2008).

Application blank

This is a method for getting information from the perspective candidate. This serve as the personal record of the candidate bearing personal history profile.Detailed personal activities, skill and accomplishments. Usual content of application blank are:

1. Biographical information: Age, sex, father name, nationality, height and marital statue.
2. Educational information: name of institution where the candidate studied, division and distinctions.
3. Work experience: previous experience, nature of the job, salary, reason for quitting and duration.
4. Extra circular information: special talent, hobbies etc.

References : name and address.

Selection tests

Individuals differ in many respects including job related ability and skills. In order to select the right for the job individual difference in ability and skill to be adequately and accurately measured for comparison.

Tests may be for psychological and testing specific abilities and skills.

Psychological test may conduct for various purpose:

1. Guiding and counseling
2. Career guidance
3. Research on human behavior and personality
4. Employment selection for placement
5. For appraising employees promotional potential

Selection interview

The next step in selection process is employment interview “ interview is the widely used selection method. It is the face to face interaction between interviewer and interviewee.

Objective of interview

- Verify the information obtained through application form and test.
- Help to obtain additional information from application
- Give the candidate necessary fact and information about the job and organization.
- Help to establish mutual understanding between the company and the candidate and build the company image.

3. Employment test

Various tests are employed to test various kind of applicants abilities and skills (ShebiruAyalew Hana Yesuneh 2008 pp 65). Generally five kinds of test are employed and thus are:

1. Intelligence test: this is employed to measure the intelligence level of candidates. It includes test of reasoning, numerical ability test and verbal comprehension test.
2. Aptitude test: measures performance characteristics related to possible development of proficiency on specific job.

3. Achievement test: is also called performance test or trade test. It is administered for selecting employees of operative level as well as junior management level.
4. Personality test: is conducted for jobs which required dealing with people or job like, supervisor and management. Tests to measure inter personality skill, self- confidence extroversion, introversion and etc.

4 .Final interview: Is a selection technique that enables the interviewer to the total individual and to appraise his or her behavior. It may be patterned or structured and un patterned or unstructured interview.

5. Physical examination: is getting candidates checked medically if there is need. It may include:
 1. Family medical history
 2. Personal history of previous illness
6. Reference check list: address of candidates ,friends acquaintances with whom the organization to make contract and verify the characteristics and conducts before offering him or her a job.
7. Orientation or induction: has been reported by many organization that half of the new employees quiet with in the first six months because they are introduced to their job in bad manner.

2.6. Factors affecting selection process

According to (Abdu Begibe and et.al 2007 pp 59) there are different factors affecting the selection practice of once organization. Thus are

1. Legal consideration: all human resource managers only have the knowledge of the legal aspect of selection(legislation, executive order and court decision)but should also be aware of which is selection criteria is used to avoid bias on the law and court decision.
2. Speed of decision making : regardless of whether the process is causal and hurried or careful and deliberate error will be made
3. Organizational hierarchy: extensive background check and interviewing should be conducted when hiring top level executive as compared to lower level once.
4. Applicant pool: the number of applicant for a particular job and expansion and contraction of the labor market can also affect the selection process. The process is truly selective if there are several qualified applicants for a particular job or position.
5. Types of the organization: the types of sector economy for which individual are to be employed (private , none-profit ,government. Non profitable can also affect the selection process.

6. Probationary period : many firms or organization use a probationary period for the evaluation of an employee's ability based on the performance which could be substitute for or a supplement to the use of test.

3. Methodology

3.1. Research Design

This research is conducted through descriptive research design. Because the researchers wanted to assess employees recruitment and selection practice on commercial bank of Ethiopia. That means the researchers only describe the current situation as it is without adding additional things.

The target population of the study is the total employees of the district office. The total number of employees in the district office are 64. As the research is conducted using the **census** the researchers distribute questioner for all employees of the district office.

3.2. Data Collection

The data mainly collected from the employees of the district office: e the employees of the District office is the target population of the study.

The study uses both **primary** and **secondary** data. The information concerning on the situation mainly collected from the employees of the organization and human resource manager of the district. The researchers use internal and external vacancy posts to analyze the recruitment and selection practice of the district as a secondary data material.

The researchers collected data by distributing questioners to employees, direct interviewing the human resource manager of the district office and reading the available document.

The researchers also involved in the area to identify basic information that alien with the research specific objective and the research question. Which means questionnaires, interviews and other document analysis of the district office.

3.3 Method of Data Analysis

The technique of data analysis were handled in the way that each element include in the study are addressed and both qualitative and quantitative response of the questioners and interview and secondary data are analyzed. The data collected through questionnaire, interview and document analysis are analyzed by table , chart and graph in number and percentage.

4. analysis

4. Data presentation, analysis and interpretation

This part is concerned in the presentation and analysis of data on the bases of the data gathered through questioner interview and posted vacancy as secondary source. The questioner were distributed to the total employees of the district office. The interview also made with the human resource manager specifically recruiter of the district office.

As research is conducted by using the census method researchers distribute 64 questioner and only 55 questioner were turned back.

Thus the presentation and analysis of the data gathered from respondents through questioner and from the HR manager through interview is thoroughly or carefully and properly analyzed and interpreted.

4.2. Analysis of the distributed questioner

4.2.1 General information about the respondent

At the time of distribution of questioner respondents requested to mention their gender, age, marital status, educational level and work experience .

As the response shows that, out of 55 respondents 42(76%) of them were males and 13(24%) were females. It shows that the district has relatively large number of male employees than females employees. Or in other words there is large gap between number of male and female employees in the district office.

In the same manner table 1, shows about age of employees. Out of 55 respondents 24(44%) 16(29%), 12(22%) and 3(5%) were found on the 20-30, 30-40, 40-50 and above 50 years old respectively. This range of age of employees shows that the district has young and productive employees and which enables it to achieve its objective

Table 1, also shows the marital status of employees. As the researchers observed from the table out of 55 respondents 16(29%), 36(65%) and 3(6%) are single, married and divorced respectively. The researchers interpreted this information as more employees of the district are married 36(65%). It helps the organization to have punctual, deep thinker employees and less turn over level because they think for their family and development of their living standard.

As the response of employees about their educational level out of 55 respondents 7(13%) were diploma holder, 40(73%) were degree holder, 5(9%) were master holders and 3(5%) were PHD holder. The district includes all educational level. But most employees of the district office are degree holder which help the

organization to achieve its intended goal and objective by the proper utilization of its productive human resource because they have good level of knowledge to solve the happened problem and find out better solution

8(15%), 5(9%), 16(29%) and 26(47%) employees of the district office have the work experience ranging from less than 2 year, 2-5 year, 5-10 year and above 10 years work experience respectively. Which indicates the accumulated capability of the employees in work and which helps the organization to have the best worker or employees on their skill and talent to perform their work and respect the rules of the organization because they have better insight about the job and the working condition?

4.2.2 Information related to the topic

The information gathered through questionnaire that related to the topic are presented analyzed and interpreted as it is possible to see from the response of target employees out of 55 respondents 14 (25%) and 42(75%) were shows about the organization recruitment source and which displays that the organization follow both internal and external source of recruitment.

But relative to internal source, most of the time the district office uses external as a major source of recruitment, and which enables the organization to get new , creative or innovative , more skilled and talented work force and in turn, this help the organization to get a competitive advantage over its competitor.

As survey shows transfer 7(22%) and promotion 24(44%). As of the response related to method used for internal recruitment indicates that the organization uses both promotion and transfer but in comparison to transfer promotion is used as the main and most important methods of internal recruitment which helps the organization to achieve its intended objective by motivating the employees that means promotion is one means of motivation of employees.

In the same manner the about methods for external recruitment is that 31 (56%), 13(24%) and 11(20%) for advertising, educational institution and employment agency respectively. This indicates the organization uses advertising, employment agency and educational institution as method and in relative to thus methods advertising is the main method employed by the organization for external recruitment source.

In relation to the factors that affect the recruitment. Out of 55 respondents 25(45%), 9(16%), 8(15%) , 7(13%) and 6(11%) are the response about the factors that affect recruitment of the district are organization size, organization growth, working condition , employment condition and selection criteria

respectively. From the chart we understand that in relative to other factor the organization size highly affects the recruitment practice of the district office and organization growth rate also moderately affect the recruitment of the district office.

About factors of selection are that legal consideration 20(36%), application pool 18(33%), types of organization 10(18%) and speed of decision 7(13%). Accordingly the organization selection were affected by all listed factors. But it is highly affected by legal consideration and also moderately affected by application pool.

In relation to the selection criteria the educational qualification and CGPA 34(62%) and interview and paper exam result 12(22%) and police certificate clearance 9(16%). There for the organization selection is concerned on the listed criteria. But the organization highly focused on education qualification and CGPA and secondly interview and paper exam result.

The selection process that the district follows. Out of 55 respondents 45(82%) agree and 10(18%) disagree accordingly we understand that the organization mostly follow the standardized selection process and it also sometimes follows its own selection process as a district office.

5. Conclusion and Recommendation

5.1. Conclusion

- ✓ The recruitment process is conducted by human resource department of district office.
- ✓ Commercial bank of Ethiopia specifically Adama district office uses both internal and external recruitment but mostly it use external recruitment.
- ✓ The bank also use promotion and transfer for internal recruitment but predominantly the bank use promotion.
- ✓ Advertising is the most common method of external recruitment used by the bank.
- ✓ The bank or the district has more experienced employees.
- ✓ In the district the recruitment practice can be affected by different factors like organizational size, organizational growth rate, employment condition, working condition selection criteria and legal factor.
- ✓ The district office follows the standardized selection process. These are
 1. Preliminary interview
 2. Application blank
 3. Selection test
 4. Selection interview

5. Reference check
 6. Physical examination
 7. Final selection
- ✓ Commercial bank of Ethiopia uses the following selection criteria:
- Written exam
 - Interview
 - Medical examination/ health test
 - Police certificate clearance
 - Education qualification

If the applicant are able to pass the above criteria he /she is able to be recruited in the bank.

Even if Adama district follow the standardized selection process and have specified selection criteria it faced for some factors of selection. Thus are:

1. types of organization
2. application pool
3. speed of decision
4. legal consideration

5.2. Recommendation

As a result of the collected and analyzed data the researchers have forwarded the following some possible recommendation and suggestions that could alleviate the existing problems.

- ❖ The organization should encourage female applicants as per alien with the required qualification.
- ❖ The district also expected to give some attention to applicants who graduate from private educational institutions because it helps the district to get skilled and talented employees.
- ❖ The bank or the organization should use internal recruitment moderately because it motivates the existing workers to perform more for the achievement of the organization objective.
- ❖ The organization or the bank should minimize the effect of the selection factor called application pool by creating sufficient work opportunity.
- ❖ The bank should minimize the effect of government about giving priority to applicants who graduate from public because there is several talented applicants who graduate from private college or university.

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