Chapter one

1. Introduction

1.1Background of the study

The effectiveness and survival of business organization in the competitive business environment is highly dependent on its efficient utilization of resources like material, financial, human information etc. Above all human resource plays a vital role because it is sufficiently available in Ethiopia when compared with others. And also it is the one who run and control other resources. Success in managing human resource can lead to be successful in other fields and vice versa. To have effective and efficient employee's recruitment and selection practices is a base.

Recruitment refers to an organizational activity that influences the number and types of applicants who apply for a job and whether the applicant accepts jobs that are offered. (John M. Ivanevich, 2004:192)

If an organization recruits employees effectively it has enough option to select the best among them.

Personnel selection is a methodical placement of individual into jobs. Its impact on the organization is realized when employees achieve years or decades of service to the employer. (http:// www, hr-guide. Com/data /G300. Htm)

Once we make a mistake in recruitment and selection practices its impact will go for many years. To make a corrective action it is some what difficult because it consume more time and money rather it is better to handle it properly at the beginning.

Thus, to have a good function in the organization and to keep the proper functioning of the services more effective recruitment and selection of people is vital concern of all personnel manager.

1.2. Statement of the problem

By attracting qualified individuals through recruitment and selecting the best qualified from those attracted an organization can achieve its objective in efficient and effective way. But recruitment and selection of candidates can enable an organization to achieve its objective if carried out properly. Well planned recruitment and selection of candidates can enable an organization to achieve its objective if carried out properly. Well planned recruitment and selection procedures can identify the person who will be important to achieve the organization mission and vision, but poorly conducted selection and recruitment can lead a potentially endless flow of personnel problems. The employment of wrong person can reduce the effectiveness of the organization and harm other employee's moral.

The purpose of this study is to assess the practice of recruitment and selection, factors that may lead to have wrong selection and to suggest some solutions. Therefore, this study aims at seeking answers to the following basic questions.

- What are the methods and procedures used during the recruitment and selection of employees in Harar Brewery?
- What are the possible factors that affect the recruitment and selection of employees in Harar Brewery?
- Who is the responsible body to conduct recruitment and selection of employees in the organization?
- What are the selection criteria that Harar Brewery uses?
- What sources of recruitment Harar Brewery uses most of the time?

1.3 Objectives of the study

The main objective of the study is to assess the practices of recruitment and selection.

The specific objectives are: -

- To examine how employees are recruited and selected in Harar Brewery.
- To indicate some possible solutions that may bring about effective and efficient methods and procedures in employing.
- To find solutions to the problems related with selection criteria.
- To summarize the major findings and gave recommendations and suggestions.

1.4 Significance of the study

The reason for recruitment and selection of employees in the organizations is to have effective and efficient workforce. Therefore, a case study on recruitment and selection benefits the organization to be effective and competent in recruiting and selecting employees.

In more specific terms, the significance of this study lies in the attempt it makes:-

- It will help Harar Brewery, to identify factors that affect recruitment and selection and take corrective measures.
- The findings and recommendation suggested may as well benefit similar companies.
- The study will also help the researcher to acquire more experience on research.
- Finally, the study may attract other researcher to take extensive research on the company to fill research gap.

1.5 Scope of the study

Recruitment and selection practice, as one of the activities of human resource, is carried out on any organization. But due to some constraints the study is restricted to the Harar Brewery Share Company which is located in Harar Town.

1.6 Limitation of the study

Research work requires sufficient time, money and other resources. The researcher may face a financial and time limitation. The willingness of the concerned organizational representatives and employees to give enough information will be another limitation of the work.

1.7 Methodology of the study

1.7.1Methods of data collection

In this study, descriptive survey method will be employed in order to assess and describe the practice of recruitment and selection of employees of Harar Brewery. In the research both primary and secondary sources of data will be used. Primary source includes interviews and questionnaires where as secondary data source such as books, reports, published and unpublished documents and online data bases will be used.

1.7.2 Sampling Techniques

In this research systematic sampling would be used. In this sampling technique the samples will spread evenly over the entire population. It is easier and less costly method. Also it can be confidently used even in case of large population. For the mentioned benefits, I would use systematic sampling technique. There are 712 employees out of which sample size 70 which is about 10% of the employees will be taken.

1.7.3 Method of Data Analysis

The responses from the closed-ended questions will compute for frequency distribution and tabulated in terms of percentage. The response from interview and open ended questions will summarize and finally generalizations will be made based on the results of the study.

Chapter Two

Review of literature

2.1 An Overview of Recruitment

Good recruitment takes time and experience and is one of the best investments you can make for the success of your program. The main risk is that the wrong person is recruited for a post. This has an immediate negative impact on the program; it can also be very costly in terms of time, effort and expense to resolve. If none of the candidates are well suited to the post, it is far better to abandon the process and start again, than risk recruiting the wrong person.

(http://www, Managing. People in aid. Org/recruitment/overview. As px)

2.1.1 Reasons for recruitment

An organization's future demand for employees is central to employment planning. The demand for human resource is caused by: -

- ❖ External changes that may affect organizational operations
- Economic, social, technological, competition etc.
- ❖ Internal decisions such as: -
- Strategic plans on growth, production, marketing etc.
- Work force factors such as retirement, resignation, termination and death. (Bantie "et al. 2004:P 112)

2.2 Factors that affect recruitment

2.2.1 External influences

A. Government and union restriction

Government regulations prohibiting discrimination in hiring and employment have a direct impact on recruiting practices.

B. Labor market conditions

If there is a surplus of labor at recruiting time, even in formal attempts at recruiting will probably attract more than enough applicants. However, when full employment is nearly reached in an area. Skill full and prolonged recruiting may be necessary to attract any applicants are available also depends on whether the economy is growing. When companies are not creating new jobs, there is often an over supply of qualified labor.

C. Composition of labor force and location of organization

The location of the organization and the relevant labor market will play a major role in the composition of the work force. Regardless of the location of the organization an aggressive diversity management program will be essential for organizations.

2.2.2 Interactions of the Recruit and the organization

Once we see about the external factors that influence recruiting. Now let us discuss about the interaction between the applicants and organization in recruiting.

A. The organization view of recruiting

Several aspects affect recruiting from the organizations view point: -

- Recruiting requirements

  The recruiting process necessarily begins with a detailed job description and job specification. It should be made clear to the recruiter who requirements are absolutely essential and which are merely desirable. This can help the organization avoid unrealistic expectation for potential employees.
- Organizational policies and practices

  In some organization human resource management polices and practices affect recruiting and who is recruited. One of the most significant of these is promotion from within. Other polices can also affect recruiting. Certain organizations have always lived more than their fair share of the disabled, veterans, or ex-convicts, for example, and they may look to these sources first. Others may be involved in nepotism and favor relatives. All this polices affect that, which is recruited.

- Organizational image

  The image of the employer generally held by the public can also affect recruitment. All else being equal, it should be easier for an organization with a positive corporate image to attract and retain employees than an organization with a negative image.

B. The potential Employee's view of recruiting

The applicant has abilities, attitudes and preferences based on past work experiences and influences of parents, teachers and others. These factors affect recruits in two ways: how they set their job preferences and how they go about seeking a job.

- Preferences of recruits for organizations and jobs

Just as organizations have ideal specifications for recruits, so do recruits have a set of preferences for jobs.

- Job search and finding a job

An effective job search involves several steps including self-assessment, information gathering, net working, targeting specific jobs and success full self-presentation. (John M. Ivancevich, 2004:193ff)

2.3 Sources of recruitment

2.3.1 Internal Sources of recruitment

Vacancies can be filled in by those existing employees of the organization through transfer, promotion and recall from lay-off. Transfer is the movement of an employee from one job to another on the same occupational level and at the same level of wages or salary and other benefits. Transfer can be temporary or permanent. Promotion is the advancement of an employee to a better job better in terms of greater responsibilities, more prestige or status, greater skills and increased rate of pay. (Bantie "et al. 2004: P 114)

Advantages of internal sources

- ❖ Cheaper and quicker to recruit
- ❖ People already familiar with the business how it operates
- ❖ Provide opportunity for promotion with in the business
- ❖ Business already knows the strengths and weaknesses of candidates.

Disadvantages of internal sources

- ❖ Limits the number of potential applicants
- ❖ No new idea can be introduced from outside the business
- ❖ May cause resentment among candidates not appointed
- ❖ Creates another vacancy which needs to be filled

(http://tutor 2u. net/business/gcse/ people. recruitment. Methods.htm)

2.3.2 External sources of recruitment

It is when the business looks to fill the vacancy from any suitable applicants outside the business.

Advantage of external sources of recruitment

- ➢ Outside people bring in new ideas
- ➢ Large pool of workers from which to find the best candidate
- ➢ People have a wider range of experience

Disadvantage of external sources of recruitment

- Longer process
- More expensive process due to advertisement and interviews required
- Selection process may not be effective enough to reveal the best candidate.

(http://tutor 2u.net/business/gcse/people. recruitment. method. htm)

2.4 Selection

2.4.1 An overview

Personnel selection is the methodical placement of individuals into jobs. It is important on the organization is realized when employees achieve years or decades of service to the employer.

The process of selection follows a methodology to collect information about individual in order to determine if that individual should be employed. The methodology used should not violate any laws regarding personnel selection. (http://www. Hr-guide.com/data/G300.htm)

2.4.2 Goals of the selection process

All selection activities exist for the purpose of making effective selection decision. Each activity is a step in the process that results in a prediction. Managerial decision makers seeking to predict which job applicants will be successful if hired. Successful, in this case means performing well on the criteria the organization uses to evaluate its employees. (Decenzo and Robbins, 1999:169)

2.4.3 The selection process

The selection activities typically follow a standard pattern, beginning with an initial screening interview and concluding with the final employment decision. The selection process typically consists of eight steps: -

1. **Initial screening interview**

If our recruiting effort has been successful, we will be faced with a number of potential candidates. Based on the job specification some of these respondents can be eliminated. Factors that might lead to a negative decision at this point include in adequate or in appropriate experience or in adequate or in appropriate education (ibid, P 170)

2. **Completion of the application form**

Once an initial screening has been completed, are asked to complete the organizations application form. The amount of information required may be only the applicants name, address and telephone number etc. some organizations, on the other hand may request the completion of

a more comprehensive employment profile. In general terms, the application form gives job performance-related synopses of what applicants have been doing during their adult life, their skills and their accomplishments. Application is also useful in that they obtain information the company want. Additionally, completing the application serves as another hurdle, i.e. if the job requires one to follow direction and the individual fails to do so on the application, which is a job related reason for rejection. (ibid, P 171)

3. Employment Test

Organization historically relied to considerable extent on intelligence, aptitude, ability and interest test to provide major input to the selection process. Even hand writing analysis (graphology) and honesty test have been in the attempt to learn more about the candidate information that suppose dry leads to more effective selection. The key employment testing then is that test that accurately predicts job performance.

4. The comprehensive Interview

Those applicants who pass the initial screening application form and required tests are typically given a comprehensive interview. The applicant may be interviewed by HRM interviews, Senor Managers within the organization a potential colleagues or all of these.

The comprehensive interview is designed to probe areas that cannot be addressed easily by the application form or tests. However, the information must be job related. The question asked and the topics covered should reflect the job description and job specification obtained in the job analysis. This means that not only the ‘obvious’ illegal question be avoided, so should illegal questions should be avoided, so too should in appropriate questions. (ibid, P 172)

5. Background investigation

Background investigation of those applicants, who appear to offer potential as employees. This can include contacting former employees to confirm the candidate’s work record and to obtain their appraisal of his or her performance contacting other job related and personal references, verifying the educational accomplishments shown on the application checking credit references and criminal records. (ibid, P172)

6. Conditional job offer

If a job applicant has ‘passed’ each step of the selection process so far, it is typically customary for a conditional job offer to be made conditional job offer usually are made by an HRM representative. In essence, what the conditional job offer implies is that if everything checks out “ okay- passing a certain medical, physical or substance abuse test –“ the conditional nature of the job offer will be removed and the offer will be permanent. (ibid, P 174)

7. Physical (medical examination

Physical exams can only be used as a selection device to screen out those individuals who are unable to physically comply with the requirements of a job. Remember, however, that in doing so a company must show that the reasoning behind this requirement is job resulted. (ibid, P 174)

8. Job offer

Those individuals who perform successfully in the preceding steps are now considered to be eligible to receive the employment offer. (ibid, P 174)

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