APPRAISAL OF EMPLOYEE RECRUITMENT PRACTICES OF SMALL AND MEDIUM SCALE ENTERPRISES MANAGERS IN DELTA STATEFOR IMPROVED PERFORMANCE

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Abstract

The study appraised employee recruitment practices utilized by managers of small and medium scale enterprises (SMSEs) for improved performance in Delta State. One research question guided the study and two hypotheses were tested. Descriptive survey design was adopted for the study. The study was carried out in Delta State of Nigeria. The decision to use Delta State for the study is informed by the fact that the state has many SMSEs which are experiencing reduction in business size, slow expansion rate and even business failure. Population for the study consisted of 420 managers of SMSEs in the general business service sector operating in Delta State. The entire population was used in the study without sampling. A structured questionnaire comprising seven items which was validated by three experts in the field was used to collect data. Mean and standard deviation were used to answer the research question and determine the closeness of the respondents' mean while Analysis of Variance (ANOVA) and t-test were used in testing the null hypotheses at 0.05 level of significance. Findings revealed that managers of SMEs in Delta State utilize employee recruitment practices to a moderate extent. It was also revealed that years of business experience and gender of the respondents did not significantly influence their mean ratings. Based on these findings, it was recommended among others, that managers of SMSEs should make concerted efforts to improve their employee recruitment process and systems through purchase and reading of books and journals on employee recruitment practices. It was also recommended that the National Association for Small and Medium Scale Entrepreneurs (NASME) should organize conferences and workshops for her members in order to educate them on the importance of recruiting the right employees in their organization.

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Introduction

Small and medium scale enterprises are business organizations set-up by individuals or group of individuals known as business operators for the main purpose of providing goods and services. Small and medium scale enterprises (SMEs) are important contributors to economic growth and development of any nation. According to the Organisation for Economic Co-operation and Development (OECD, 2012), small and medium-sized enterprises account for 60 to 70 per cent of jobs and for a disproportionately large share of new jobs.

According to Abubakar and Abubakar (2015), SMEs constitute 90 to 95 percent of all enterprises worldwide and account for more than 70 percent of the products and services in the world. SMEs are seen also as key factors in employment and accounts for approximately 60 percent of private sector employment worldwide. Recent trends in Nigeriahave clearly revealed the amount of interest inSMEs by government, educational institutions andcorporate bodies. The development of SMEs hasbeen recognized as a veritable tool for promoting povertyeradication, job creation, rural development andsustainable livelihood for the populace. Delta State is a state where a large percentage of citizens are entrepreneurs or owners of SMEs. The presence of small and medium scale enterprises has increased economic activities in the state and has helped to improve her revenue base.

Classification of the enterprises into small and medium enterprises depends on the scale or size of business the operators control. These enterprises engage in different types of activities ranging from construction, agro-allied, information technology, manufacturing, educational establishment, business services, tourism and leisure. SMEs abound in Nigeria and Delta State in particular due to factors which include availability of natural resources, large markets and abundant skilled labour force (Miller, 2011). Delta State has 25 local government areas that are mostly urbanized with different sizes of business enterprisesoverseen by owners or managers employed by them. The managers oversee the day to day running of the businesses and are expected to adopt strategies that would improve the performance of the enterprises through profit generation and large volume of sales.

Contributions of SMEs to the production base of the nation seem to be little despite the favourable economic climate that abound. Some of the problems faced by SMEs could be attributed to numerous domestic and global economic problems, inconsistency in government policies and poor recruitment processes (Muogbo, 2013& Oroka, 2013). In Delta State, in particular, Kanu (2015) and Oroka (2013) revealed that SMEs experience minimal growth rate and some have even closed down in the first five years of operation. This situation might not be unconnected to lack of qualified employees. According to Opatha (2010), poor recruitment processes in SMES results in low business expansion, business failures and high

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mortality rate which in most cases lead to sack of workers. According to Okpara and Wynn (2008), the inability of business managers to effectively recruit suitable employees result in business collapse. Thus it becomes expedient that for SMEs to achieve optimum performance, SMEs managers should adequately utilize effective employee recruitment practices. Hence the need for the appraisal.

Appraisal is defined as a judgment of value, performance or nature of something and peoples opinion about something (Harber, 2008). Oyoyo (2014) defined appraisal as an act of measuring performance in order to know the best way to apply the best practices for a continuous quality improvement. Furthermore, appraisal is seen as a performance evaluation processs that seeks to determine the extent to which an objective is attained. In the context of this study, appraisal is defined as the evaluation of the extent to which managers of small and medium scale enterprises utilize employee recruitment practices for improved business performance.

According to Opatha (2010), recruitment is the process of finding and attracting suitably qualified people to work in an organization. It is a set of activities an organization uses to attract job candidates who have the required abilities and attitudes. Ofori and Aryeetey (2011) defined recruitment as the process of generating a pool of competent individuals as employees within an organization. According to Gamage (2014), the general purpose of recruitment is to provide an organization with a pool of qualified employees. The quality of human resource in an organization highly depends on the recruitment practices adopted. The use of the proper recruitment process will increase the probability that the right person is chosen to fill a job vacancy. When the best people are selected for jobs in an organisation, its productivity increasesThis is why Terpstra and Rozell (2013) reported a positive association between the extensiveness of the recruiting processes and a firm's profits. Similarly, Rauf (2007) discovered that sophisticated recruitment procedures are positively related to performance in organizations. Regarding some challenges of recruitment and selection criteria in organizations, István (2010) observed that there are plenty of techniques used in recruitment and hiring today some of which are not accepted by experts universally or not recommended for the hiring process.

In all, Sinha and Thaly (2013) observed that there is a variety of recruitment approaches such as employee referral, campus recruitment, advertising, recruitment agencies/consultants, job sites/portals, company websites, social media among others and that SMEs can use a combination of two or more of them as part of the recruitment process or to deliver their overall recruitment strategy. However, which recruiting channels should be used depends on the job position, the SMEs brand, the resources the SME has its recruiting team and on how much recruiting budget it has. Every recruiting channel offers different

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benefits and limitations and works better for certain situations and companies (Ologunde, Jame-Unam & Jame-Unam, 2015). The key is collecting real-time recruitment metrics on these recruiting channels to figure out what works best for SMEs in different situations. The recruiting experience of each SME is different and the best way to figure out what works best is to analyze metrics based on the past recruiting efforts and not the efforts of everybody else.

Thus it becomes imperative that managers of SMEs in Delta State should take ensure that they recruit suitable employees that will contribute to the achievement of the desired goals and objectives of the enterprises. However, the adoption of employee recruitment practices in SMEs could be influenced by certain factors that are related to the managers (Opatha, 2010) such as years of business experience and gender. However, the extent to which this assertion is true demands an empirical investigation such as this study. It is against this background that the researchers appraised recruitment practices utilized by managers of small and medium scale enterprises for improved performance in Delta State.

Statement of the Problem

Small and medium scale enterprises are agents of growth and development in any economy. Many SMEs operate in Delta State but their contributions to her growth and development are not being sufficiently felt. This could be because of their slow growth rate and increased rate of business wind up. Based on this, it seems that managers of SMEs in the state do not effectively utilize suitable employee recruitment practices in their recruitment processes. Field observation by the researchers show that some managers of SMEs recruit employees base on the applicants' readiness to accept very low salaries. However, there is need to establish this with empirical data. Hence this study is on the appraisal of recruitment practices utilized by managers of SMEs in Delta State.

Purpose of the Study

The main purpose of the study was to appraise the employee recruitment practices utilized by managers of small and medium scale enterprises for improved performance in Delta State.

Research Question

To what extent do managers of SMEs in Delta State utilize employee recruitment practices for improved performance?

Hypotheses

The following null hypotheses were tested at 0.05 level of significance:

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1. There is no significant difference in the mean ratings of managers of SMEs in Delta State on the extent they utilize employee recruitment practices for improved performance based on years of experience (1-5, 6-10 and above 10 years).
2. There is no significant difference in the mean ratings of male and female managers of SMEs in Delta State on the extent they utilize employee recruitment practices for improved performance.

Methodology

Descriptive survey research was adopted for the study. The study was carried out in Delta State. The decision to use Delta State for the study is informed by the fact that the state has many small and medium scale enterprises (SMEs) which are experiencing reduction in business size, slow expansion rate and even business failures. The population for the study consisted of 420 managers of SMEs in the General Business Service sector operating in Delta State. The entire population was used in the study without sampling. Instrument for data collection was a structured questionnaire titled "Questionnaire on Small and Medium Scale Managers Utilization of Employee Recruitment Practices for Improved Performance (QSMSMUERPIP)". The instrument had two main sections- A and B. Section A contained two items on respondents' background information covering years of experience and gender. Section B contained seven items and was structured on a 5- point rating scale of Very High Extent (VHE), High Extent (HE), Moderate Extent (ME), Low Extent (LE) and Very Low Extent (VLE). The instrument was face validated by two experts in the Department of Technology and Vocational Education and one in Measurement and Evaluation, all from Nnamdi Azikiwe University, Awka. To establish the instrument's reliability, copies were administered on 20 SMEs managers in Awka Metropolis of Anambra State who were not included in the area/population of the study. The data collected were analyzed using Cronbach Alpha and coefficient value of 0.84 was obtained. The researcher administered copies of the instrument to the respondents personally with the aid of six research assistants. Direct delivery and retrieval method was employed in the administration of the instrument in order to minimize wastage and achieve a high return rate. However, where this was not possible, an appointment was booked and the respondents concerned were revisited for retrieval of the instrument. Out of the 420 copies of the questionnaire administered, 374 (repesenting 89%) were properly filled and used for data analysis.

The mean value was used to answer the research questions while the standard deviation was used to ascertain the homogeneity or otherwise of the respondents' ratings. The item by item analysis was based on the real limits of numbers on a 5-point rating of Very High Extent, High Extent, Moderate Extent,

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Low Extent and Very Low Extent. For the hypotheses, ANOVA was used to test the first null hypothesis while t-test was used to test the second null hypothesis at 0.05 level of significance. Where the calculated f or t value is less than the critical value of f or t, it means that the variable does not significantly influence respondents' mean ratings and the hypothesis was not rejected. Conversely, where the calculated f or t value is equal to or greater than the critical f or t value, it means that the variable has a significant influence on the respondents' mean ratings and the hypothesis was rejected.

Results

Research Question: To what extent do managers of SMEs in Delta State utilizeemployee recruitment practices for improved performance?

Table 1: Respondents' Mean Ratings on Their Utilization of Employee Recruitment Practices for Improved Performance

S/NO	**Recruitment practices**	**Mean**	**SD**	**Remarks**
1.	Placing the right persons on the right job	2.45	0.75	Low Extent
2.	Using a formal policy for recruitment	2.10	0.64	Low Extent
3.	Ensuring that job vacancies are made open to the public	3.31	0.95	Moderate Extent
4.	Ensuring that existing employees are considered when there are vacancies for higher positions	2.95	0.89	Moderate Extent
5.	Involving heads of units in the recruitment process	2.10	0.79	Low Extent
6.	Using suitable media to advertise vacancies	3.20	0.83	Moderate Extent
7.	Ensuring that the recruitment process is fair to all prospective employees.	3.12	0.97	Moderate Extent
	Cluster Mean	**2.75**		**Moderate Extent**

The cluster mean of 2.75 as shown in Table 1 indicates that the extent to which managers of SMEs in Delta State utilizeemployee recruitment practices for improved performance is moderate. The standard deviation of 0.64 to 0.97 shows that the respondents' opinions are closely related. Data in Table 1 further reveal that the respondents rated items, 3, 4, 6 and 7 to be utilized at a moderate extent with mean ratings ranging between 2.95 and 3.20 and standard deviations ranging between 0.83 and 0.97. However, they rated items, 1, 2 and 5 to a low extent with mean ratings of 2.45, 2.10 and 2.10 and standard deviations of 0.75, 0.64 and 0.79 respectively.

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Hypotheses 1: There is no significant difference in the mean ratings of managers of SMEs in Delta State on the extent they utilize employee recruitment practices for improved performance based on years of experience.

Table 2: ANOVA Testof Significant Difference in theMeanRatingsof the RespondentsontheExtent they Utilize Employee Recruitment Practices for Improved Performance

Sources	Sum of Squares	df	Mean Square	F-ratio	F-crit.	Remark
Between groups	.607	2	.303	.440	3.04	NS
Within groups	192.329	372	.689			
Total	192.936	374				

Table 2 reveals that f-ratioof0.440calculated at0.05levelofsignificance andat 2 and 372degreesof freedomislessthan thecritical value of f of 3.04. This mean that there is no significant difference in the mean ratings of managers of SMEs in Delta State on the extent they utilize employee recruitment practices for improved performance based on years of experience. Therefore the null hypothesis was accepted.

Hypothesis 2: There is no significant difference in the mean ratings of male and female managers of SMEs in Delta State on the extent they utilize employee recruitment practices for improved performance.

Table 3: t-Test of Significant Difference in the Mean Ratings of Male and Female Managers of SMEs on the Extent they Utilize Employee Recruitment Practices for Improved Performance

Managers Gender	N	X	SD	df	t-val.	Crit-t	Decision
Female	128	2.36	0.48				
				372	1.83	1.96	NS
Male	246	2.46	0.49				

The result on Table 3revealsat-valueof1.83at372 degreeoffreedomwithacritical t value of 1.96. This means thatthere is no significant difference in the mean ratings of male and female managers of SMEs in Delta State on the extent they utilize employee recruitment practices for improved performance. Therefore the null hypothesis was accepted.

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Discussion

The findings revealed that SMEs managers in Delta State utilized employee recruitment practices for improved performance to a moderate extent. This is in agreement with Ofori and Aryeetey (2011) who found that SMEs moderately utilize recruitment practices in their businesses. Ofori and Aryeetey opined that employee recruitment practices paired with a reliable and valid selection regime have a substantial influence over the quality and type of skills new employees possess. The implication of this line of thought is that an organization's human resource policies and practices represent important forces for shaping employee behaviour and attitudes. In agreement, Ekwoaba, Ikeije and Ufoma (2015) revealed that recruitment and selection criteria have significant effect on organization's performance. Ekwoaba et al opined that the more objective the recruitment and selection criteria, the better the organization's performance.

The findings also revealed that there was no significant difference in the mean ratings of managers of small and medium scale enterprises in Delta State on their utilization of employee recruitment practices for improved performance based on years of experience and gender. This is in line with Ekwoaba, Ikeije and Ufoma (2015) who noted that years of experience and gender did not influence SMEs managers' utilization of recruitment practices.This implies that the years of experience and gender of the managers small and medium scale enterprises did not influence their utilization of employee recruitment practices for improved performance. This could be as a result of the limited nature of their resources and capacity to fully utilize employee recruitment practices in their management of human resources.

Conclusion

Based on the findings of the study, it was concluded that managers of small and medium scale enterprises in Delta State do not adequately utilize employee recruitment practices which could have resulted in incompetent and ineffective workforce that pull the enterprise down. It thus becomes pertinent that suitable recruitment practices and measures are put in place by managers of SMEs in the State at recruiting quality employees for achieving optimum business performance.

Recommendations

Based on the findings of this study, the researchers recommended that:

1. Managers of SMEs should make concerted effort to improve their employee recruitment process and systems through purchase and consistent reading of books and journals on employee recruitment practices.

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2. Owners of SMEs should enrol for business classes, conferences and workshops where they will be trained on best human resource management practices for improved SMEs performance.
3. The National Association for Small and Medium Scale Entrepreneurs (NASME) should organize conferences and workshops of her members in order to educate them on the relationship between the recruitment practices and business performance.
4. National Association of Small and Medium Scale Entrepreneurs (NASME) should contract business experts who would assist managers of SMEs in mapping out recruitment plans and strategies for their businesses.

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