Effect of Recruitment and Selection Practices on the Performance of Small and Medium Hotels of Osu Klottey Sub-Metropolitan Assembly of Greater Accra

Emelia Ohene Afriyie, George Abaka Blankson

Accra Polytechnic

Department of Secretaryship and Management Studies P O box 561, Accra

Email: emeliaoheneafriyie@yahoo.com

Accra Polytechnic

Musah Doumbia Osumanu,

Purchasing and Supply Department,

Email: doumbiaos@gmail.co.uk

Abstract

The study investigated the effect of human resource Management practices on performance of Small and Medium Hotels in Osu Klottey Sub-Metropolitan Assembly of Greater Accra of Ghana. Descriptive survey design was used for the study. Stratified and simple random sampling techniques were engaged to sample 200 respondents out of a total population of 501 full time workers of the hotels. Questionnaire, interview schedule and conversation schedule were formulated to guide the study. Frequency tables and charts were used to present the responses. Person's correlation was employed to test the performance of the hotels. Major finding was that the relationships between the hotels' performance and the recruitment and selection practices were statistically significant at alpha (α) = 0.05. These indicate there are slightly little but positive influence on the selection processes on the hotels' performances. Based on the findings some recommendations were made, which offers a new and improved performance.

Keywords: Recruitment and Selection Practices, Small and Medium Hotels, Firm Performance

1.0 Introduction

According to Ovadje (2010), small and medium sized enterprises (SMEs) are vital to a nation's economy as they produce a high proportion of national output and provide an even greater proportion of employment. Small and Medium enterprises have therefore become an important component of the economy in developing countries like Ghana. Hanson-Thompson (2007) posited that due to the rapid economic growth the country is caught between shedding deepening old economic practices and embracing modern practices. Debrah (2001) points out that Ghana is at a critical stage in its attempts to modernise the economy and provide employment for its people. Human resources play a major role in the success of organization. Managing human resource is the primary key to organizational success. There is therefore the need to ensure the effective management of human resource of this goal which to be achieved. "The assumption underpinning the practice of human resource management is that people are the key resource and organizational performance largely depends on them" (Armstrong, 2010 p;20) While human resources have always been crucial to the success of any organization, they have assumed an increasingly greater importance that is being recognized inside and outside work organization. The Holy Grail has established that, there is a clear positive link between human resource management practices and organizational performance (Armstrong, 2010). Skilled labour is really importance to every hotel but at the same time difficult to manage, and it is for this reason that people such as human resource managers, industrial relation officers, public relation managers require special skills to enable them cope with all the complex intricacies associated with managing and dealing with human resource (Rauf 2007). Janice (2000) observes that, to remain competitive in the global marketplace, small and medium firms must do more to recruits the best and brightest and then retain them, as cited in (Agyemang-Prempeh, 2005). It is against this background that human resource practices like recruitment, selection and rewards and compensation are researched, to ascertain their effect on performance of small and medium hotels of Osu Klottey Sub-Metro of the Greater Accra Region of Ghana. The increasing attention on human resource management practices in small and medium enterprises (Small and medium hotels) is a comparatively recent phenomenon (Rauf 2007). Human resource management-

researchers have largely ignored the Small and medium firms. A number of researchers have also point out that human resource management practices in small and medium hotels have not received significant attention in management research; and further stress the need for future studies on these issues (De Kok, and Uhlaner, 2001).

1.3 Research Questions

To achieve the stated objectives, the following questions are asked and answered

1.   How do the small and medium hotels in Osu Klottey recruit and select their employees?

2.   What is the relationship between these selected HRM practices and firms performance?

1.4 Objectives

Based on the problem statement, this research work is to examine recruitment, selection and their effect on performance of small and medium hotels. To achieve this aim the following objectives are set.

1.   Examine how small and medium hotels in Osu Klottey recruit and select their employees; and

2.   Examine the relationship between these selected human resource management practices and performance of the hotels.

2. Research Methods

2.1 Research Design

Gay (1992) remarks that research design indicates the basic structure of a study, the nature of the hypotheses and the variables involved in the study. The ability to select a suitable method for any research is very important since it is a key to determining the reliability of research findings (Banuro, 2008). For this reason, the methodology for this research was chosen to meet the requirement of a study which is capable of giving robust results. The research design used for the study was survey.

3.2 Study Location

The research was conducted to ascertain the effect of human resource management practices on performance of small and medium hotels in Osu Klottey Sub-Metro of Greater Accra Metropolis. The Metro has a total area of 20 sq km and a population of 124,061 as at 2008 (statistical Service 2008).   Below is the demarcated area of Osu Klottey.
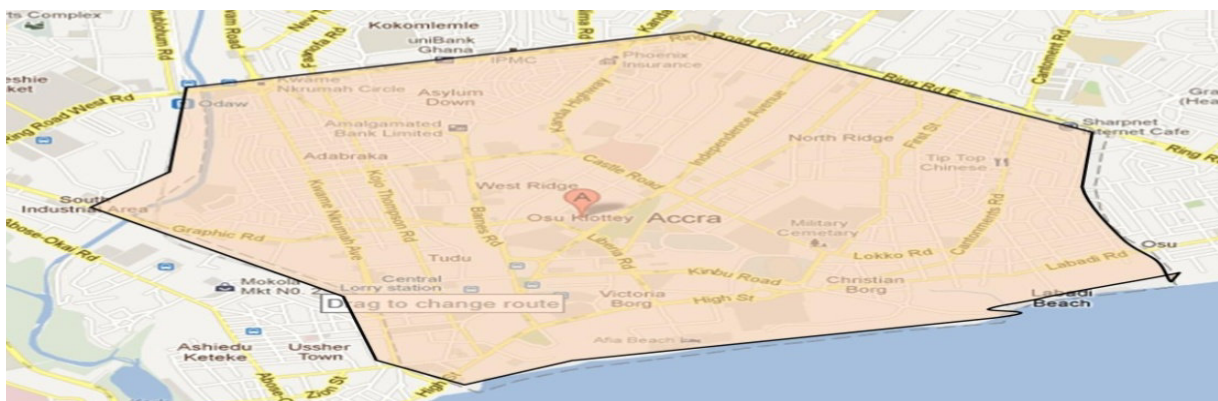

Figure 1: Map of Osu Klottey Sub-Metro of Greater Accra

2.3 Population

 The research was conducted in the Accra municipality precisely Osu Klottey sub-metropolitan assembly small

and medium hotels. To get the sample population, simple random sample technique was used to select forty (40) small and medium hotels form the metropolis. The choice of Osu Klottey is based on the fact that it is the area where the researcher reside and moreover a research should be done in a specified area.

2.4 Sample and Sampling Procedure

All things being equal, the population should be a good representation of what really goes on in whole organization. Total number of staff of the forty (40) hotels involved in the study was five hundred and one (501), out of which two hundred (200) were sampled comprising forty (40) management personnel and one hundred and sixty (160) employees. The sample population was randomly picked to answer questionnaires, schedule interview and conversational guide.

Table 1:
Sample population of the hotels

Category Hotels Staff Size	Interview	Questionnaire	Conversation	Total
Managers Small	5	30	5	40
Medium	5	10	5	20
Employees Small	10	60	5	75
Medium	10	50	5	65
Total	30	150	20	200

2.5 Data Collection Instruments

 Specifically, the survey and the qualitative method were used because the research gathered the view of employees. Amongst the various research instrument used in social research, the researcher employed questionnaire, interview and conversational schedule to gather data for the study.

2.6 Pre-testing of Instrument

From the responses, remarks and comments received on the pilot survey, the entire questionnaire was refined and improved upon to take care of the observed shortcomings to enhance the validity, and make the questions easier to answer and more response-friendly. There was no problem with the interview guide and the conversational schedule. In order to know whether the data gathered for the analysis through the use of the questionnaires were reliable, the questionnaires were pre-tested on both managers and the employees of five (5) hotels. This served as a check on inconsistent responses. They also help to elicit and find appropriate information and where there a need for change, the corrections done. This was done before the administration of the actual questionnaire.

2.7 Data Collection procedures

The data required for the study were both primary and secondary. The data was collected through the design and administration of questionnaires, interview guide and conversational schedule analysed. Two sets of questionnaires one for a managers and four for other employees were administered by trained students of thirty (30) from the Accra Polytechnic to thirty (30) hotels. Four (4) questionnaires were filled by four employees and one Management in each hotel. Thirty (30) managers and one hundred and twenty (120) employees filled the questionnaire. The researcher interviewed ten (10) manager and twenty (20) employees of six (6) hotels whilst ten (10) managers and employees participated in the conversation from four (4) hotels making up forty hotels.

2.8 Data Analysis

The statistical package for social sciences (SPSS) was used in the analysis of the data that were collected in this research as the researcher deemed it the most appropriate given its versatility and considering the nature of the data collected. The SPSS has the incredible capabilities and flexibilities of analysing huge data within seconds and generating an unlimited gamut of simple and sophisticated statistical results including simple frequency distribution tables.

3. Results and Discussion

3.1 Demographic Characteristics of Respondents

A description of the general characteristics of both managers and general employees is presented in Table 3 and discussed under this section.

Table 2

Response Rate

	Response		Non-response		Total	
Category of Staff	Frequency	Percent	Frequency	Percent	Frequency	Percent
Managers	28	20.6	4	2.7	30	23.3
Employees	112	72.7	6	4.00	120	76.7
Total	140	93.3	15	6.7	150	100.0

Out of the 150 questionnaires (30 for managers and 120 for employee) were sent to the hotels in the Osu Klottey Sub Metropolitan Assembly, 140 were returned (28 from managers' group and 112 from employees). This represents 93% response rates for both groups which is quite appreciable. It can be observed that most of the respondents were males. This is because about 61% of the managers as well as about 53% of the employees were males. It can also be seen that a little over half (53.3%) of the employees were between the ages of 21 and 30 years as most (about 71%) of the managers were within the 31 to 50 age brackets with most (39.3%) of them being with 31 – 40 years. This implies that the general employees of the hotels in the Osu Klottey Sub Metropolitan Assembly were quite youthful. Expectedly, as about 14% of the employees had only attained the basic level in education all the managers had gone beyond that level. Furthermore, whilst only a little over half (55.1%) of the employees had attained a tertiary level education, almost all (about 90%) of the managers had had a tertiary level experience in education. This implies that the hotels had, appreciably, skilled employees. About 63% of the managers and about 69% of the employees, of the respondents had been in their current position for between 1 and 6 years. Also, a few of them (about 10% of the managers and about 17% of the employees) indicated that they had worked for the hotels for less than a year. This indicates that most of the respondents had not worked with the hotels for so long a time.

3.2 Recruitment and Selection Processes

This section looks at the recruitment procedures and selection processes of the hotels in the Osu Klottey Sub Metropolitan Assembly of Accra. The results of the analyses are presented in Tables 3 through table 6. It should be noted that, in totality, 113 respondents (27 managers and 86 employees) responded to them being required by the hotels to fill or apply for/submit application letters or forms in order to gain employment into the hotels and, also being provided an appointment letters after being employed.

Table 3

Application Requirements and Provision of Appointment Letters

	Provision of appointment letters (%)					
	Managers			Employees		
Application requirements	Yes	No	Total	Yes	No	Total
Filling of application forms	18.5	14.8	33.3	37.2	12.8	50.0
Submission of application letters	63.0	33.3	96.3	66.3	31.4	97.7
Total	63.0	37.0	100.0	67.4	32.6	100.0

Number of manager-respondents = 27; Number of employee-respondents = 86

From Table 3, it can be observed that over 95% of the respondents, both managers (about 96%) and employees (about 98%), indicated that they submitted application letters for employment. Also, half (about 50%) of the

ordinary employees indicated that they had filled or completed application forms in addition to their submission of application letters. Regarding the members of staffs of the hotels being provided appointment letters after employment, over 60% of them (about 63% mangers and about 67% employees) indicated that they were provided appointment letters after being employed into the system. The respondents were asked to indicate their views on what was happening at their workplaces regarding the selection processes for the most preferred applicants. Figure 1 gives the results of the analyses on the selection processes, for the most preferred applicants, of the hotels in Osu Klottey

Table 4
Means of Recruiting of Members of Staffs

	Manager		Employees	
Means	Frequency	Percent	Frequency	Percent
Advertisement	6	54.5	0	0.0
Application	7	63.6	14	87.5
Interview	9	81.8	13	81.3
Selection	6	54.5	10	62.5
Internal recruitment (Word of mouth)	2	18.2	6	37.5
Total	30	272.7	43	268.8

Percentages and totals are based on respondents. Number of managers = 11; Number of employees = 16

It can be seen from Table 4 that about 55% and over of both managers and employees indicated that they applied for the position and were called for interview before being selected. Also, about 55% of the managers reported that their hotels advertised for personnel for the vacant position before going through the main recruitment processes. This indicates that most of the hotels in Osu Klottey Sub Metropolitan Assembly let their potential staff members go through the recruitment procedures of filling and or submitting application letters - which the hotels usually assess along with their qualifications and experiences - before being called for interview with seldom investigation about them from their previous employers and referees, and subsequently gaining employment. Respondents were asked on what information is included in the letter of appointment. Requisition of medical examinations was examined. Since the hospitality industry deals primarily with food and human being, the health status of those working in it is of paramount importance. The respondents were asked if they were required to go through medical examination before given employment and the result is presented in Table 5.

Table 5
Requisition of Medical Examinations before Employment

	Managers		Employees	
Requisition	Frequency	Percent	Frequency	Percent
Yes	14	50.0	40	37.7
No	14	50.0	66	62.3
Total	28	100.0	106	100.0

It can be seen from Table 5 that about 50% of the managers indicated that the hotels required their members of staffs to go through medical examinations before being employed. On the contrary, about 62% of the ordinary employees indicated that they did not go through any medical examination before being employed. This suggests that the hotels do not require their employees to have medical examinations before employment. Tables 6 present the results of the analyses on issues under orientation and or induction training.

Table 6
Provision of Orientation/Induction Training to New Staff Members

	Managers		Employees	
Response	Frequency	Percent	Frequency	Percent
Yes	25	86.2	81	75.7
No	4	13.8	26	24.3
Total	29	100.0	107	100.0

Table 6 reveals that over three-quarters (about 86% managers and about 76% employees) were of the view that they were provided orientation and or induction training when they were employed. Only a few (about 14% managers and about 24% employees) of them indicated that they were not provided orientation or induction training. This suggests that the hotels provide orientations and or induction training to their members of staffs when they were employed.

3.3 Performance Measures

The measures for performance of the hotels are presented and discussed under this section. The section was discussed under the following subheadings: the current state of hotel as against previous years'; indicators for determining hotel's performance and reasons for using such indicators. In looking at the performance of the hotels, the study sought to find out how well the hotels were in relation to the previous years. To achieve that the respondents were asked of their agreement or otherwise to increment in the number of employees compared to the previous year's; additional services for the past year; improvement in hotel's ratings; old customers bringing in new customers and additional rooms since establishment. In trying to know the economic indicators which the hotels used to determine their performance, the respondents were asked to list the indicators that they used and the result of the analysis is presented in Table 7.

Table 7
Indicators for Determining Hotel's Performance

	Managers		Employees	
Means	Frequency	Percent	Frequency	Percent
Occupancy rate	13	54.2	48	64.0
Increase in revenue or profit margin	10	41.7	26	34.7
Renovation and infrastructure development	3	12.5	21	28.0
Salary increment	0	0.0	12	16.0
Meeting set targets	8	33.3	0	0.0
Customer satisfaction	2	8.3	13	17.3
Total	36	150.0	120	160.0

Percentages and totals are based on respondents. Number of managers = 24; Number of employees = 75

Over 54% of the respondents (about 54% managers and about 64%) indicated they used the occupancy rate of the rooms to determine the performance of the hotels. Also, a little over one-third of them reported that they used increase in revenue or profit margin to check how well they are doing. Expectedly, as the managers (about 33%) were using their ability to meet set targets to determine the performance of the hotels, the ordinary employees (about 16%) were using increment in their salaries to do so. In view of the indicators, provided by the respondents, in Table 19 to determine the performance of the hotels, the respondents were asked to give reasons for using for such indicators but not others. The result is shown in Table 8. In establishing how the Human Resource Management (HRM) practices relate with or influence the firms' or hotels' performance, the data was subjected to Correlation analysis and the result is presented in Table 21.

Table 8

Correlations

		Firms' Performance	Recruitment Procedures	Selection Processes
Pearson Correlation	Firms' Performance	1.000	0.350	0.374
	Recruitment Procedures	0.350	1.000	0.340
	Selection Processes	0.374	0.675	1.000
Sig. (1-tailed)	Firms' Performance		0.001	0.000
	Recruitment Procedures			0.000
	Selection Processes			

Table 8 shows that the recruitment procedures and selection processes had correlation coefficient of 0.350 and 0.374 respectively.   Also, it was found out that the relationships between the hotels' performance and the HRM practices were statistically significant at alpha (α) = 0.05.   These indicate there are slightly little but positive influence or impact of the recruitment procedures and the selection processes on the hotels' performances.

3.4 Other Findings

Apart from the findings the study made based on the objectives, the study further had some other findings. As it would not be possible for the workers of the hotels work smoothly without problems, the respondents were asked of the problems they encountered at their various workplaces and the result of the analysis on their responses is presented in Table 9.

Table 9

Problems Encountered by Workers

	Managers		Employees	
Problems	Frequency	Percent	Frequency	Percent
None	1	12.5	2	25.0
Not much	7	87.5	2	25.0
Disrespectful/arrogant guests	0	0.0	5	62.5
Meager salaries	0	0.0	6	75.0
No regard for contribution into decision-making	0	0.0	6	75.0
Noise	1	12.5	4	50.0
Total	10	112.5	15	312.5

Percentages and totals are based on respondents. Number of managers = 8; Number of employees = 8

It is revealed by Table 9 that only about 13% of the managers had problems with noise in the hotel's environment whilst about 87% of them indicated that they encountered little or no problem. On the other hand, between 50% and 75% of the ordinary employees indicated that they encountered disrespectful or arrogant guests (about 63%); managements' no regards for their contribution into decision-making (about 75%) and being given meager salaries (about 75%).

Table 10

Workers' Recommendations

Recommendations	Managers		Employees	
	Frequency	Percent	Frequency	Percent
Increase salaries	0	0.0	4	40.0
Renovate the hotel	2	66.7	7	70.0
Change some facilities	0	0.0	2	20.0
Improve human relationships	1	33.3	1	10.0
Use the normal selection procedures	1	33.3	4	40.0
Total	4	133.6	18	180.0

Percentages and totals are based on respondents. Number of managers = 3; Number of managers = 10

It can be seen from table 10 that most of the workers (about 67% of the managers and about 70% of the ordinary employees) indicated that the hotels needed to be renovated. Also, about 40% of ordinary employees recommended that the managements of the hotels increase their salaries and resort to the use of the normal selection procedures. One-thirds (about 33%) of the managers, on the other hand, indicated that the managements should use the normal selection procedures and the workers should improve their human relationships.

3. Summary, Conclusions and Recommendations

This final chapter presents a summary of the research activities and the conclusions which have been reached based on the findings of the study. Recommendations for policy makers, practitioners, and future research are also presented.

4.1 Summary

The summary of the findings is discussed under two headings: overview of the study and key findings.

4.2 Key Findings

- From recruitment and selection of employees, the study revealed that the hotels assessed application letters or forms; assessed qualification and experience; conducted interviews and seldomly conducted investigation about potential workers from their previous employers and referees' reports, however, did not require them to go through medical examination before employing them. Most of the respondents indicated that they were given appointment letters containing their job titles, duties and responsibilities, salaries and benefits, SSNIT contributions, leave entitlements and probationary periods. The hotels were found to provide induction trainings or orientations to their workers - during which they clarify or explain the conditions of employment, employees' duties and responsibilities, the organizational objectives and introduce their newly employed staff members to the workplace and to existing staffs - when they were employed though without a checklist of issues to be covered

- Moreover, the recruitment procedures and selection processes were found to motivate the workers to do their best.

- Apart from the other findings, it was observed that all the respondents indicated that their hotels did not use tests in their recruitment and selection processes and that the managements and or owners were the final authority involved.

4.3 Conclusions

On the basis of the findings from this paper, it could be concluded that right recruitment and selection contributed to the small and medium hotels performance in Osu Klottey.

4.4 Recommendations

Following the research findings and conclusions, the following recommendations have been made as a guide to the hotels to improve their operations. Management should intensify its induction programmes for employees to help them acquire enough knowledge and skills to improve the performance of the Hotels. The paper did not cover large hotels in Osu Klottey and it is therefore recommended that further studies be carried on HRM practices on performance of the large hotels to find out if findings also available to the large hotels and otherwise. The paper did not cover all the HRM functions as practices by the hotels. It is therefore recommended that further studies include those practices that were not covered such as training, appraisal, rewards and compensation, promotion, human relation to ascertain how they also impact on performance of the hotels etc.

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