

**WINNING WITH QUALITY: EXPLORING BEST
RECRUITMENT PRACTICE AND HIGH PERFORMANCE
ORGANIZATION RELATIONSHIP:
AN EMPIRICAL APPROACH**

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ABSTRACT

Small and medium scale enterprise (SME) is one of the fastest growing and most dynamic sectors in every economy. The industry is highly labour intensive for that reasons effectively recruitment is significant to the success. However, the issue of best recruitment practice (BRP) in SME has been neglected by researchers and practitioners. This study goes some way of addressing this gap in knowledge by examining best recruitment practice in SMEs. The analysis was based on a survey of 354 top managers in SMEs that has spent ten years and above in Nigeria market. The result showed that BRP had significant positive impact on the achievement of higher organizational performance. This paper provides an insight into the applicability of BRP as well as present practical help to human resource practitioners embarking on best recruitment practice. Managers and human resource professionals can use the result of this study to weigh the adaptability of BRP within the context of SME in developing economies.

Key words: Best recruitment practice, SMEs, high performance organization

INTRODUCTION

Presently, organizations have realized that achievement of strategic business objectives can only be influenced by the recruitment of competent and skilled employees. To be effective, organizations are required to implement practices that can effectively help them to identify personality that fit an organizational culture that is open and supportive of individual human input. With growing numbers of qualified applicant chasing a decreasing pool of jobs, human resource

managers are faced with the challenges of how to accurately select the best candidates. While this issue has remained a big challenge for human resource professional, best recruitment practice (BRP) has developed to be the most significant competitive weapon for all organizations in the current business world. It provides validated, fair and unbiased standards to assess applicant competencies to perform in the targeted role/job. Yet majority of firms particularly small firms have not realized the important of BRP to effectively recruiting skilled and healthy workforce and this has remains a significant issue that has not be addressed by researchers. Despite the renowned importance of small and medium-sized enterprises (SMEs) to employment opportunities for many nations, there is relative dearth of studies on the adoption of BRP in the context of SME. While recruitment remains central issues in today market environment, there is no evidence of SMEs commitment to BRP in developing economy.

Even though studies on BRP are still at an explorative stage, recently, empirical studies on BRP in developed economies have reasonably increased, however studies on BRP within SMEs in developing countries are scarce. This resulted to multitude of human resource challenges with regard to recruitment, motivation and retention of employees (Sels, De Winne, Delmotte, Maes, Faems & Forrier, 2006). As SMEs grow in size, the use of traditional recruitment becomes increasingly insufficient (Kotey & Slade, 2005; Zheng, Morrison & O'Neill, 2006). In these circumstances SME managers are required to adopt BRP to develop their competitive advantage. Therefore, it is imperative to increase the understanding of BRP so that SMEs can effectively attract skilled and competent employees to their workforce. The result of this study will offer a significant insight on the important role of BRP in an organization. In the following sections, the study hypothesis is develop using the understanding of Job attraction theories and resource-based view of the firm to propose how best recruitment practice perhaps influence the achievement of high performance organizations in the context of SME.

THEORETICAL FRAMEWORK

Job attraction theories (Rynes, 1991; Rynes and Barber, 1990) as well as the similarity-attraction hypothesis (Byrne, 1971) underpinned the framework of this study. Similarity attraction theory put forward that in

the context of employee's recruitment, job applicants are attracted to the organizations with the individual characteristics, opinions, beliefs, as well as attitudes similar to their own (Byrne, 1971). The applicant attraction theories asserted that personal characteristics of the job applicant are among the most important influencers of applicant ratings of jobs illustrated in recruitment media (Johnson, winter, Reio Jr, Thompson & Petrosko, 2008).

What is BRP? Although, literally, "best" signifies highest, in the context of best practice studies, the term connotes the most efficient and effective way of recruiting best job applicant. BRP is the recruitment practice an organization can use to gain an initial competitive edge. It does not only fill the positions, but in a thoughtful process that follow best standard resulting to a group of candidates that are "self-selected" of which the selection was not pre-determined. Similarly, the process of BRP is intended to be fairer and clearly laying down the required competencies and testing them in such a way that the recruiter has little discretion to favour one candidate over another. According to Sangeetha (2010), attracting and hiring the right candidate for the right job through an effective recruitment system is a key to competitive advantage and such recruitment activities should be conducted in an 'open and fair' way. Because applicant perceived fairness to the selection processes significantly influence various pre- and post-hire attitudes and behavioral outcome (Hausknecht, Day & Thomas, 2004). A study by Truxillo, Steiner and Gilliland (2004) argued that fairness in the recruitment process of an organization is an important element that facilitate organizational effectiveness and significantly influence a variety of valuable outcome that serve as a strong predictor of behavioral manifestations (Hung, Ansari & Aafaqi, 2004; Lemons & Jones, 2001).

Thus, to be effective, firms are required to implement practices that identify personality that fit an organizational culture that is open and supportive of individual human input. Accordingly, Linley and Garcea (2010) argued that through best practice organizations can effectively select applicants who match the requirements more efficiently from those who will not deliver quality outcomes. Only firms that identify themselves by engaging in highly competitive hiring and take aggressive action to compete for talent, will achieve higher performance as such, organization should make BRP a top priority

(Lee, 2005). Similarly, Theriou and Chatzoglou (2014) in a sample of 212 manufacturing firms in Greece, observed that organizations that pursuing best practices achieve better performance through the interaction of this practice with knowledge management and organizational learning capability. Hence, BRP serve as an instrument for any organization to achieve sustainable competitive advantage, because it identifies what people do well compared to the requirements and job-fit of the potential employer (Linley & Garcea, 2010). As such, organization has become more attentive that if improperly recruited, recruitment actions can harm organization public image (Barber, 1998). If this argument is realistic, it is more important for firms to spend greater effort by ensuring its recruitment is consistent with best practices. Jameson (2000) survey 4,331 organizations in United Kingdom, the results showed that best recruitment affect the level of training in an organization, such that managers may prefer to recruit rather than train. Furthermore, BRP and performance relationship has been established by resource base view (RBV) literature. RBV has highlighted that tacit knowledge, introduce into firms human resources are hard to imitate (Barney, 1991). In view of the above, firms that recruited employees that possesses stocks of organizational knowledge, characterized as uncommon or idiosyncratic, stand a good chance of generating and sustaining high returns (Raft & Lord, 2002). Following extensive review of best practice in large organizations from Western context, empirical work in the context of developing economies suggest that smaller firms may also make greater use of best recruitment practice. Consequently, it is important for this study to examine BRP in the context of small firms to echo the findings of extant literature. On the basis of the aforesaid literature, it is important to establish the relationship between BRP and higher organizational performance as such this study develops the following hypothesis:

H1: there is a significant positive relationship between best recruitment practice and the achievement of high performance organization.

METHOD

Participants

This study administered a total of 354 questionnaires to food and beverages SMEs in Lagos Nigeria. Two hundred and fifty two (252)

were useable out of 267 returned questionnaires representing 71.2% response rate. One hundred and sixty nine (67.1%) of the SMEs that participated in the survey have spent between 10-15 years in the business, while 83 (32.9%) SMEs have spent 16-20 years in the business. All the SMEs have a longer span of experience in the market. Therefore, information provided by the respondents is sufficient to make precise judgment that will result to the achievement of the study objective. In terms of the number of employees, SMEs which employed 51-60 employees constitute the largest percentage in this study (127) representing 50.3 % of the total respondents. Next on the category is SMEs that employed over 60 employees (86) which represent 34.1%. While only 15.6% belong to small size enterprises. This indicates that almost all the organizations in the present study belong to medium size organizations. This is important because the age of the firm, the size of the firm and the type of industry in which a firm belongs affect the performance of the firm. Majority of the participants, 223(88.5%) were male manager, while 29 (11.5%) were female managers. A high percentage of the respondents hold bachelor degree which accounted for 182 respondents, representing 72.2%. This followed by master degree 64 (25.4%) while 6 representing 2.4% hold a doctorate degree. Therefore, the data used in this study were provided by respondents from different educational backgrounds.

Measures

The measures for this study were adapted from previous studies. Some of the items were modified in order to suit the context of the study. The items were pre-tested by three experts for clarity and understanding of the scale items. All the response options were indicated on a seven point Likert scales whereby, 1 = strongly disagree, and 7 = strongly agree and the respondents were rated base on their level of agreement with the items. The independent (BRP) variable was measured by thirteen (13) items adopted from Bauer, Truxillo, Sanchez, Craig, Ferrara and Champion (2001). The thirteen items have been shown to be reliable and valid to measure BRP. Studies have reported that the scale has adequate internal consistency (the Cronbach alphas ranging from .76 to .82 (Wang, Hackett, Cui & Zhang, 2012). The dependent (High Performance organization) variable was measured by ten items adapted from de Waal (2010). This scale has been established to be reliable (de Waal, Goedegebuure & Tan Akaraborworn, 2014).

DATA ANALYSIS

Several statistical analyses were conducted in this study using SPSS version 20 to analyze the data, such as reliability analysis, correlation analysis and multiple linear regression analysis. Specifically, multiple linear regression analysis was conducted to establish the influence of influence of BRP on the achievement of HPO.

Reliability analysis

The present study use Cronbach alpha co-efficient to assess the reliability of items in this study. As a rule of thumb, higher Cronbach's coefficient alpha demonstrates higher reliability. A Cronbach's alpha values of 0.70 have be recommended as the minimum limit of acceptability (Hair, Black, Babin & Anderson, 2010). The Cronbach's alpha coefficient ranged between 0.736 for BRP and 0.896 for HPO. Thus, it can be argued that all the instruments used in this study are reliable because the Cronbach alphas were higher than 0.70.

Hypotheses testing

Regression analysis provides an avenue to assess the level of relationship between independent and the dependent variable. The regression analysis result was presented at the significant level of $p < 0.05$. When items on BRP was keying into the SPSS, the total variance explained by the model as a whole was 0.446. In other words, the regression model sufficiently fits the data and significantly explained 44.6% of the variation in HPO (R square 44.6, $p < 0.05$). The coefficient of the result of BRP was statistically significant to high performance organization at $p < 0.05$. Thus, hypothesis 1 was supported. The result is illustrated in Table I below.

Table 1 Regression Analysis Summaries for HPO

Variables	Standard error	βeta	t. value	Sig.
Best Recruitment Practice	.084	.318	2.471	.003**
R square				0.446
Sig. F change				0.000***
F Value				19.293

*P<0.10, ** <0.05, *** p<0.001, Sig =Significant

DISCUSSION

The result of this study has showed a significant positive relationship between BRP and HPO. Such result indicated that firms that implement BRP would achieve competitive advantages because best-qualified candidate with the desired knowledge, skills and experience for the job in a timely and cost-effective manner will be attracted. Therefore, to emerge as employer of choice, firm must improve their recruitment process. Such improvement provides better reputation for the firm. Because the more applicant perceive fairness and unbiased standard in any recruitment, the more positive firms overall corporate image are evaluated. As such, firms that implements BRP enhances productivity, improve returns and achieve economies of scale, this is conducive for the survival of the organization. The result is consistent with the study by (Boxal & Purcel, 2011; Sangeetha, 2010; Theriou & Chatzoglou, 2008; Theriou & Chatzoglou, 2014) that best practice remained unique element that facilitates competitive advantage for all organizations, because it emphasizes on employees capability, knowledge and skills (Marchinton & Wilkinson, 2003). Similarly, RBV also support that competitive advantage and performance results from firms ability to identify specific resources and capabilities which are costly for competitors to imitate (Barney, 1991). Thus, with BRP firms has the ability of selecting the right candidates that fit the job.

The possibility of this result is that managers have come to realized that having BRP that fit with the company's needs helps firms to improve the quality of products, customer's value, innovation and efficiency. BRP is a key to achieve high customer's value, product quality and innovation because it assures that employees that have the needed skills assume greater job responsibility. Hence, for SMEs to take good strategic decisions, they need to recruit skilled employees to effectively meet stated goals. Through BRP, SMEs facing performance problem will develop new ways of identifying competent and motivated workforce that will provide the organization with valuable market information. Through experience, managers constantly develop new ways of identifying the best candidates from the pool of applicants that is best suited for the company. The experience create the awareness for managers that the old ways of recruitment is not appropriate in today's competitive market as such, implementing BRP will help them to achieve the needed goal. Apart from the above, high number of SMEs

in Nigeria will also create competition among firms hence SME will use BRP as a strategy to select high value capacity that will bring quality innovation to the business to gives them competitive advantage over others.

Furthermore, BRP is considered as the best strategy for small firms to get the right people that fit the job because of high cost of training and limited budget constraining SMEs to retrain newly recruited employees. As such, implementing BRP is important for all SMEs that desire to reduce training cost, since every organization is currently looking for ways of reducing cost at the same time maximising output. Therefore, implementing BRP will help firms to select competent and skilled applicant to achieve competitive advantage. Because majority of SMEs do not have training and development program to supplement the less experience graduates produced by tertiary institutions, they required BRP as an alternative to select the right individuals that fit the firm's goal and have the ability to produce quality output. BRP provides competitive advantage for both large and small firms regardless of the industry or context. Therefore, the first step for any organisation to achieve high performance is to recognize that BRP is a strategic importance in the current market environment not an alternative practice. As such, it is the prime responsibility of managers to implement BRP. It is essential for managers to understand that hiring the wrong candidate result to low productivity and lost opportunities, as such, it is important for firms to recruit the right skills in the right job before deciding strategic plan. Therefore, to effectively implement BRP required SMEs to make use of social media to attract skilled employees. Social media (Facebook, Twitter, linkedIn) remains a popular platform to attract best skilled with approximately 90 percent of human resource professionals using it as a tool to drive traffic towards a career page where information about recruitment drives is frequently updated. Competitive advantage accrues to businesses that are best able to exploit appropriate networks in order to recruit quality talent (Castells, 2000).

As such, firms wishing to attract best skills are required to make their recruitment information easily reached to users through social media. Firms should also recognized that if recruitment is inappropriately conducted, recruitment actions can lead to loss of profit, damage firm's public image, as well as inability to fill a position with qualified

employees. Failure to properly address recruitment can have negative consequences for organizations. Therefore, managers involved in recruitment activities should be equipped with the appropriate knowledge and skills. Besides, SMEs should regularly review their recruitment process to make sure hidden bias is removed and to ensure specific talent is not being blocked from entering the organization.

Recruitment should not simply be a question of filling the gaps in the organization, instead should proactively focused on bringing the specific skills and experiences in the organization. As such, the first step for any organization to achieve competitive advantage is to recognize that the recruitment of the best talent is a strategic important for any organization.

CONCLUSION

Best recruitment practice is perhaps one of the most important factors for achieving sustainable competitive advantage in the private sector. Therefore, firms cannot achieve any meaningful competitive advantage without firms operating best recruitment that create a system where competent employees are recruited in the organization. As such, any firms that desire to be successful require attracting the human talent capable of performing complex tasks. This study has offered new understanding on the importance of acknowledging BRP as a useful first step in developing a cadre of effective workforce for an organization. However, the study is not without limitation. The first limitation can be view from the sample. The sample size of this study was reasonably small, though still large enough to provide the necessary power to test the hypotheses. The observed relationships may be difficult to generalize to organizations in other industries without carrying out a similar study on them. Future work using larger samples from a broader cross-section of industries would also extend the generalizability of the model.

A larger and more diverse sample of firms across industries in different countries with a representative employee pool from each company would be better for the purpose of making consistent inferences. This study has a common limitation of cross-sectional studies. Because the study is cross sectional in nature, this study could not determine causality, since cross-sectional data do not allow for causal

interpretations among the variables. Therefore, future longitudinal studies are needed to follow up on the tread of BRP in SMEs.

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