



Impact of Cultural Influences on Job Recruitment and Selection of Transnational Bank Portharcourt, Nigeria

IHUNWO, ADAOBI OKANNEBELM

DEPARTMENT OF HUMAN RESOURCE MANAGEMENT SCIENCES

RIVERS STATE UNIVERSITY, PORT HARCOURT

adaobiihunwo@gmail.com

SAMUEL, OGONDA VICTOR

DEPARTMENT OF HUMAN RESOURCE MANAGEMENT SCIENCES

RIVERS STATE UNIVERSITY, PORT HARCOURT

samuv5886@gmail.com

Abstract: Human resource is vital, valuable, complicated and least predictable as it is the resource that processes other resources to enable the results of the processes attain the goals of the organization. Managing human resources to achieve competitive advantage is a challenging task, and it is more challenging for Multinational Corporations (MNCs) cutting across various countries with dissimilar cultures and legislations. The decision to adopt management practices from the home country of a multinational organization or to adjust such practices to suit the culture and environment of the host nation also remains a challenging responsibility. Owing to this challenge, MNC's have been severally cited by researchers as playing a major role in the divergence or convergence of selection practices in the globe. The aim of this study is to explore recruitment and selection and the effects of national culture on its practices. The study is focused on recruitment and selection in Nigeria and Transnational Bank (an MNC) is use as a case study. The research is based on primary data sourced from employees of the case study organization. The primary data was collected by means of a well-structured questionnaire distributed amongst the employees based on their position. The findings and conclusions are based on the responses from the questionnaire relative to information already published in existing HR literatures. The study showed that multinationals still transfer their practices across border to their host countries. However, there is continued significance of traditional orientation and the national culture on their recruitment and selection practices. Notwithstanding these catalysts, evidence reveals that in some cases competency and the applicant's ability to perform the task still overrides all other influences.

Keywords: Multinational Corporations National culture, Recruitment, Selection.

INTRODUCTION

Recruitment and selection are one of the leading branches of human resource management. It is carried out to acquire the exact individual for the exact place at the exact time at an organization. Recently, if observed through a human resource lens, effective plans of action that are used in recruitment and selection processes are of prime importance, since recruitment and selection strategies are the main methods of sieving unusual talent from the accessible collection of applicants.

The areas where culture impinges on human resource management (HRM) is the area of recruitment and selection. Recruitment is often the most direct channel for injecting new ideas into an introspective and self-perpetuating organizational culture (Williams *et al.*, 1993). There is the tendency for favouritism to manifest and priority given to applicants who belong to one's group – family, village, ethnic group, etc. Sensitive positions are filled with these people and they serve as informant and stooge of their patron (Ovadj& Ankomah 2001).

Favouritism in this context is the tendency to deliberately ignore the consideration of merit as a key element of selection by giving preference to certain individuals (Goodwin, 2006). Onyeozili (2005) explained that favouritism can manifest in different forms. The various forms to be considered in this study which are predominantly practices in Nigeria are: nepotism, ethnicity, Godfatherism or "Connection" (Onyeozili, 2005).

Goodwin (2006) defined Nepotism as a form of favouritism where special preference is given to members of one's family, while Ethnicity is another form of favouritism common in Nigeria whereby consideration is given to people from a particular ethnic group which share common factors such as language, legend, customs, religion etc. (Kalusi, 2000; Onyeozili, 2005). Finally, 'Godfatherism/Connection' is also a common form of favouritism in Nigeria where individuals are favoured or considered due to their direct or indirect relationship to influential individuals in the society (Onyeozili, 2005).

These writers stressed that these form of favouritism may be inefficient and unfair to people who do not have such privileges, its strength lies in the cronies sometimes having a strong commitment and are often unreservedly loyal to their sponsor. They add value to the organization beyond the required system and they see the success of the sponsor as their personal success.

The weakness is however, manifested because managers find it difficult to make decisions without prejudice regarding discipline, promotion and performance objectively and decisions are not always merit driven. This is more acute in matters relating to recruitment, selection and discipline because it is a norm in Nigeria for an employee or a prospective employee to send powerful delegation of kinsmen or local potentates to the home of an influential member of the management team of such organizations. Managers are most constrained not to follow due process in the recruitment and selection process.

Obi(2001) posit that ethnicity has played a role in excluding talented and capable people. He stressed that those in position of authority are usually under intense pressure to provide jobs for their relatives or assist them in finding jobs. This is intensified mainly by cultural values that are group oriented and paternalistic in nature. Groups are closely knit in this culture and the definition of family is extensive and elastic. For instance, a brother or sister may mean a cousin, a distant relative; someone from the same village or ethnic group or even from a different ethnic group with no direct blood link but probably through relationship with the manager's friend or wife.

Kamoche, (1992) observes that due to the paternalistic nature of the African society, those in authority are expected to provide jobs for their kith and kin which results in an organization comprising of one or two ethnic groups. Olugbile, (1997) identified that ethnic "tongue" of the boss becomes the de facto lingua franca which may result in a unit or department assuming family or ethnic character of the incumbent head.

Recruitment is an integral aspect of human resource and involves the process of identifying and attracting potential applicants with required skills to fill vacant positions in an organization. (Peretomode & Peretomode, 2001), matching them with specific and suitable jobs and assigning them to these jobs (Chandan, 1987). However, favouritism is the bane of the recruitment and selection process in Nigeria (Okpara & Wynn 2008; Olugbile 1997).

Most studies of recruitment and selection and the effect of national culture is sparse and has neglected the banks even though they are known to have good HR practices. Banks in developed and developing economies have evolved from being highly bureaucratic to being efficient institutions operating in a highly competitive environment both at the national and international levels. The intense competition has led to many banks developing very good management practices to remain afloat and competitive.

The dearth of studies in recruitment and selection relating to Nigeria is a major driving force behind this study as it will provide an insight into this area of study. Several studies (Hofstede, 1980, Schuler and Rogovsky 1998) have shown that culture provides an explanation or the variance in the utilization of recruitment and selection practices around the world. It is amazing then why African countries (Nigeria) are neglected in these studies especially when they are known to have a strong culture.

This study is expected to fill the gaps identified above while providing a distinctive contribution to the studies of the effect of national culture on recruitment and selection. It attempts to achieve this by identifying the recruitment and selection practices in Nigeria using a bank in the country as case study.

LITERATURE REVIEW

Federal Character Provision

Another factor that militates against due process in this practice is the issue of the Federal Character provision. The federal character provision as described in the Nigerian 1979 & 1999 constitution is the "promotion of National unity and loyalty whereby a single or few ethnic groups are prevented from high-jacking the instruments of government, spoils of office and government employment at the disfavour of other groups" (Mukoro, 2005). Basic idea of the 'Federal Character' principle is to have an even representation of all ethnic groups in the public service and even the private sector (Olowu *et al.*, 1997).

This law has been present in the Nigerian constitution since 1979 and since then, it has ensured that selection in public service institutions in Nigeria fairly reflects the linguistic, ethnic, religious, and geographic diversity of the country. It has made provisions for a Quota System and the reflection of a Federal Character in appointment of public office holders. Adujie (2003) described that this strategy makes perfect sense, in a diverse country and society as Nigeria.

However, Adamolekun *et al.*, (1991) pointed out that the federal character principle of selection has in most cases resulted in problems when used alongside the merit principle and has had adverse consequences for both institutions in terms of discipline, morale, and overall effectiveness and efficiency (Adamolekun *et al.*, 1991). The Federal Character Commission (FCC) is the body established by Decree No. 34 of 1996 in Nigeria to ensure that the federal character provision is adhered to by government institutions and even private institution in some cases (Mustapha, 2009).

Recruitment and Selection

Bennett (1994) defines recruitment as the outlining or adjustment of a precise job requirement for a vacant position, delineating its foremost and slight responsibilities, the skills, experience and qualification required, grade and level of pay, starting date, whether temporary or permanent, and particulars of any special conditions attached to the job. Heery and Noon (2001: 298) define recruitment as "the process of generating a pool of candidates from which to select the appropriate person to fill a job vacancy and selection as the process of assessing job applicants using one or a variety of methods with the purpose of finding the most suitable person for the organization". Cantano *et al.*, (2009) in their own definition of recruitment emphasize that the primary aim is to generate a pool of applicants for a job or position in order to supply the needed number of candidates for a subsequent selection or promotion program.

Recruitment is the process of engendering a collection of proficient persons to apply for employment within an organization. The general intention of recruitment and selection within the organization is to acquire the number and quality of employees that are required to satisfy the strategic objectives of the organization at minimal cost (Ofori & Aryeetey, 2011).

Selection on the other hand, is 'matching the requirements of a job with the attributes of candidate' (Bennett, 1994). This means outlining an individual's pattern: defining the background of the individual, education, training, personality and other uniqueness of the ultimate applicant.

Although the term "recruitment" and "selection" are usually treated together because of their linkage, they are distinct resourcing activities. In view of the difference between the two, recruitment is characterized as a positive activity requiring employers to sell themselves to the relevant labour market while selection is seen as negative because it involves picking out the best and dropping off the rest (Taylor, 2002).

Taylor (2002) also noted that both activities may overlap at certain times. For instance, although an employment interview is a selection technique, it is also used by several organizations as an opportunity to sell themselves to the applicants.

Recruitment and selection in smaller organizations however is very poor and a probable explanation for this is that the smaller organizations do not have enough funds to carry out formal recruitment and selection methods. According to Akinnusi (1991), management paternalism is practiced which is a management style that is largely or exclusively authoritarian and is normally associated with the traditional master – servant relationship and with a social system that gives workers a low social status while demanding from them unquestioning personal allegiance to their employer or manager.

The major issues facing recruitment and selection in Nigeria includes the weak legal framework guiding work systems, the very high rate of unemployment and high levels of both systemic and individual corruption. All three-work together to reduce the importance attached to human resource activities in Nigeria (Anakwe, 2002).

Recruitment and selection provide an avenue for meeting between representatives of an organization and potential employees where both parties get to have an idea of each other. Thus, before choosing any selection method the level of vacancy, job, cost and availability of the method must be put into consideration. In cultural aspect, there are wide differences between people and different practices. So, it is difficult and challenging to accept a global framework of HRM. Thus, the policies and practices in an organization should be culturally designed rather than globally designed. Both institutional and cultural dimensions have an important impact on the HRM practices in different countries. Just as the different researchers have put forward, it is practically impossible to literally transfer HRM practices across nations.

Recruitment and selection techniques used in Nigeria are very similar to those used in other parts of the world. Arthur *et al.* (1995) found more similarities than differences between personnel practices in Nigeria and Ghana with those used in the United States of America.

For instance, interviews are the most commonly used selection technique in Nigeria and other parts of the world. While this is not a comparative study, it is noteworthy that the personnel function in Nigeria is underdeveloped. This is however, not good news considering increasing globalization in the business world and market place and the increasing recognition of the importance of good human resource management practices.

The importance of recruitment and selection to an organization and a country at large can never be overemphasized. Presently, the personnel function is underplayed in many developing countries including Nigeria due to several factors including the state of the economy (e.g. very high rates of

unemployment), high levels of corruption, the poor legal framework for work systems and the low level funding of small and medium enterprises. There is therefore, an urgent need to undertake current research into personnel practices and their effect on productivity, organizational effectiveness and the national development. This could help increase the importance attached to the personnel function and assist in bringing out the best of the Nigerian labour force.

Anderson (1987) argued that without a legitimate and transparent system, the recruitment and selection process is likely to be controlled by privileged groups and castes. Talent might however be “recruited” in this setting, but often through political or familial association or other contact. The simple point is that recruitment and selection can't and won't generally be successful unless certain preconditions exist. No matter how innovative and aggressive a public or private agency might be in attracting applicants and no matter how many HRM best practices it implements, success will be elusive unless the fundamental conditions are right.

The Traditional Model of recruitment and Selection

This model in figure 2.1 is basically directed towards fitting people to available jobs (Lawer, 1994) but for our purpose has limited utility as a lever for initiating, facilitating or sustaining organization change.

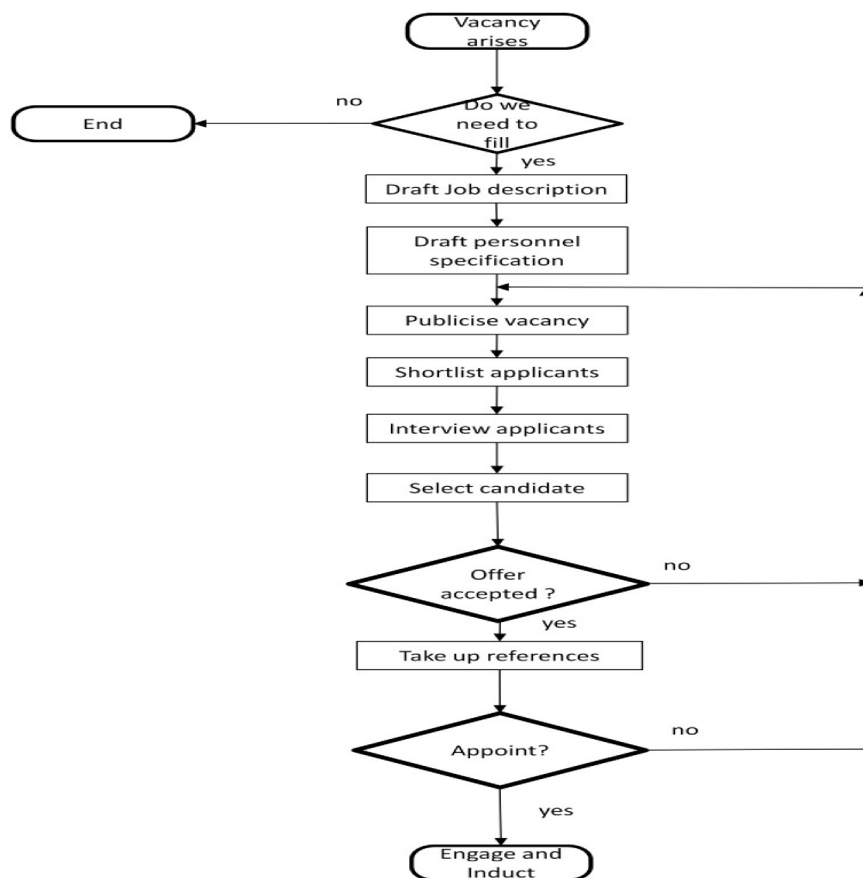


Figure 1:The Traditional Model of Recruitment and Selection Adapted from Thornhill (2000).

Recruitment and Selection involves making predictions about future behaviour so that decisions can be made about who will be most suitable for a job (Shackleton &

Newell, 2003). The process as illustrated in Fig. 1 starts with the identification of a vacancy within an organization. An analysis of the vacant job is then carried out, followed by a description of the nature of the job and its function usually called a job description or position description. This is accompanied by a person specification while the job description includes the purpose of the job, the tasks to be achieved on the job, the responsibilities, reporting lines, remuneration, benefits and working conditions, the person specification describes the person required to perform the job in terms of skills, knowledge, personality, attributes, education, qualifications and experience.

RESEARCH METHODOLOGY

Due to the unique complex and ever-changing world of business, the researcher has taken the interpretivist approach to understand the recruitment and selection practices in Nigeria and the cultural influences on the processes using a bank in Nigeria as a case study. Interviews and questionnaires were used to collect data to answer the research questions. However, the researcher considered and applied some attribute of the philosophical stance of the natural scientist since the research was undertaken in a value-free manner (Saunders *et al.*, 2003).

The simple random sampling research techniques was used to draw a total number of 35 respondents for the study from the population for this study which comprises of three units, Level 1 (officers cadre), Level 2 (middle management) and Level 3 (senior management) of the employees in Transnational bank in Nigeria. An attempt was made to interview top cadre of the management to deduce an analytical view. The research techniques used for this study included telephone interviews and questionnaires through email. These research techniques were chosen due to time and financial constraint. It is however, believed that this instrument will provide data to answer the research questions. Syntheses of data from these techniques helped in developing a comprehensive assessment and analysis of the topic area.

The researcher collated the completed questionnaire responses before analysis by editing, coding and classifying the data according to levels of employment. Due to the nature of the research, analysis was done mainly by cross tabulation of the various variables to show the use of the recruitment methods and selection technique across level of employment in the bank. Cross tabulation was used to analyze the relationship between the dependent variables and independent variables and descriptive statistics such as percentages were employed for the analysis. Data analysis was carried out using Microsoft excel.

RESULTS AND DISCUSSIONS

Ethnicity and Tribal Sentiment

The respondents were asked to indicate if they are of the view that ethnicity and tribal issues cast prejudice in the recruitment and selection process. Relative to the effect of ethnicity and tribal sentiment is a problem of the recruitment and selection. The survey revealed that these attributes dominates the process. Respondents were asked to indicate to what extent they agree that ethnic and tribal sentiment alters due process of recruitment and selection in the bank. About this question, the response rate indicates that 15% are unsure 20% disagree and 65% are of the opinion that this attribute impacts on these practices in the bank. A summary of the questionnaire response is illustrated in Fig 2 below.

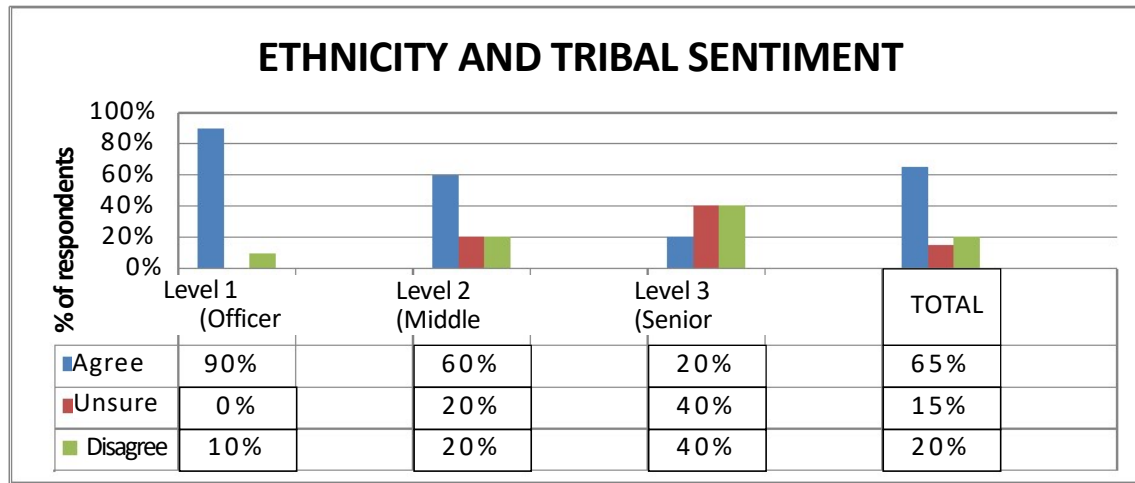
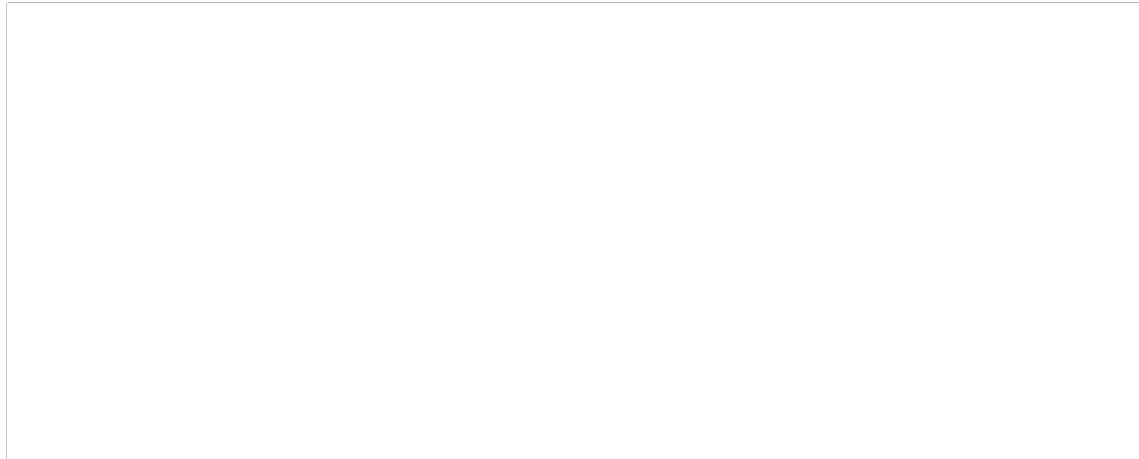


Fig. 2: The effect of ethnicity and tribal sentiment on recruitment and selection

Godfatherism and Connections

Staff were also asked to indicate their views on the effect of Godfatherism/connections on the recruitment and selection process. With regard to this question, their response indicates that 15% of respondents disagree, 30% are unsure and 55% agree that Godfatherism/connection influences the recruitment and selection process. A summary of the questionnaire response is illustrated in Fig 3 below.

Fig. 3: The effect of Godfatherism and Connections on recruitment and selection

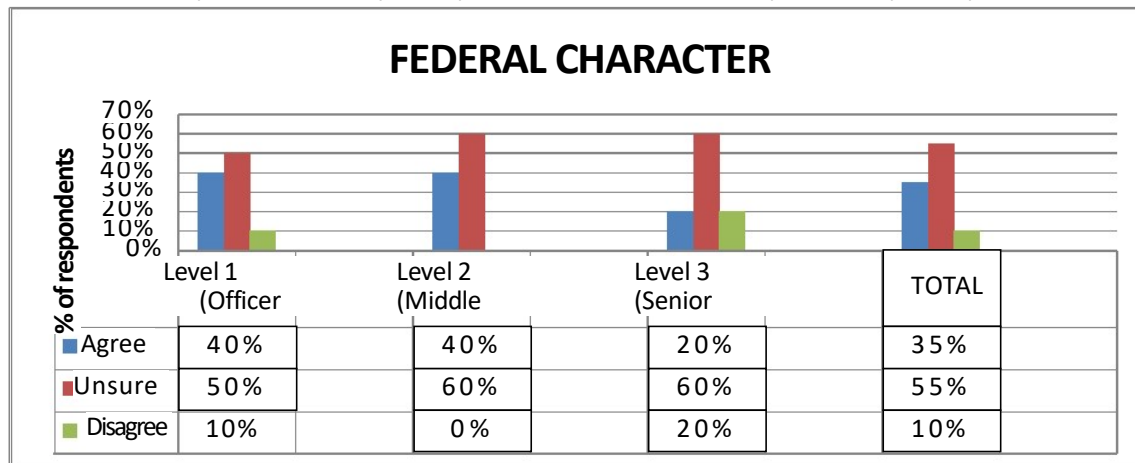


Federal Character

The Federal Character provision is a mandatory recruitment and selection strategy that is enforced in all public sector organizations and in certain private organizations. In this part, respondents were asked questions relating to the effect of the federal character provision on recruitment and selection in their organization. Regarding this question the response rate indicates that 10% disagree, 55% are unsure while 35% of the respondents agreed. The breakdown of the responses is as follows in Fig 4.

Fig. 4: The Effect of Federal Character Provision on Recruitment and Selection

The responses in the tables suggests that the influence of Federal Character Provision on recruitment and selection may undermines objectivity, standardization, uniformity and transparency. The fact that



the process ought to be through a competitive process based on merit with highest standards of competency and integrity. However, the interview with the managers revealed a contrary perception, different from the respondents of the questionnaires. They asserted that the process is objective, and merit driven and that competency and ability to carry out the job are important key considerations.

The study reveals that nepotism, ethnicity and tribal sentiment is the major problem affecting recruitment and selection practices in Nigeria. 65% of the respondents agreed that ethnicity and tribal sentiment influences the recruitment and selection process, while in terms of nepotism a majority or 40% were unsure while 30% agreed that it affects the recruitment and selection process. These are in line with result of other existing studies. Obi (2001) posits that ethnicity has played a role in excluding talented and capable people. He stressed that those in position of authority are usually under intense pressure to provide jobs for their relatives or assist them in finding jobs. Kamoche (1992) observes that due to the paternalistic nature of the African society, those in authority are expected to provide jobs for their kith and kin which result in organizations comprised of one or two ethnic groups. Olugbile (1997) identified that ethnic "tongue" of the boss becomes the *de facto lingua franca* and most time unit or department very quickly assume the family or ethnic character of the incumbent head. However, the interview with the manager reveals a contrary opinion, they are of the view that the process is merit driven and these attributes have little or no influence.

Human resource is the area of management is greatly influenced by national differences. (Rosenzweig & Nohria (1994) in Harris *et al.*(2003)

According to Hodgetts and Luthans (1990) in Faulkner *et al.*, (2002), the greater the cultural diversity between one country and another, the more likely it is that most HRM practices cannot be literally transferred. Laurent, 1986 in Harris *et al* (2003) says "if we accept the view that HRM approaches are cultural artefacts reflecting the basic assumptions and values of the national culture in which organizations are embedded, international HRM becomes one of the most challenging corporate tasks in multinational organizations".

Thus, there is a powerful impact of culture on organizational practices. Despite there is a move towards global convergence, there is still consistent national cultural differences that affect the overall approaches to leadership and broad organizational and HR policies and practices.

CONCLUSION AND RECOMMENDATIONS

Of the effect of Nepotism, kinship ethnic and tribal issues as it relates to recruitment and selection. there are evidences from previous studies to support this finding. However, there are some slight deviations from findings of previous studies on the recruitment and selection practice in Nigeria. This is not surprising, giving the small sample size and the case study selected for this study. The national culture is one of the many variables and does not constitute the sole factor that shapes the behaviour of people. This study has revealed the recruitment and selection processes practiced by Transnational Bank in Nigeria and the cultural influences on these processes. shows that, somehow most multinationals transfer some of its practices across border to the host countries. The study, therefore concludes that, cultural influences affects recruitment and selection processes in transnational banks in Nigeria and recommends that:

1. Management of transnational banks should not over-emphasized culture over the other variables but should be studied alongside other extrinsic factors such as populations, social structures, technological and economic development of a nation.
2. Management of transnational banks should focus on cultural influences on the recruitment and selection process in Nigeria
3. Management of transnational banks should take the host country culture into consideration to ensure strategic fit.

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