

## **QUOTA SYSTEM-BASED RECRUITMENT AND SELECTION ON COMPETENCY OF WORKERS OF PUBLIC ENTERPRISES IN RIVERS STATE**

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### **ABSTRACT**

*The broad objective of the study is to investigate the relationship between recruitment and selection requirements and staff performance in PEs in Rivers State. Specifically, the study sought to: ascertain the extent to which Quota System-based recruitment and selection has affected competency of workers in the Selected public enterprises in Rivers State. Resource-Based Theory developed by Wernetfelt (1984) and Barney (1991) was used as the theoretical framework of analysis. Descriptive survey design was adopted and a total population of two thousand eight hundred and six seven (2867), drawn from the area of the study was used. The sample size of the study was 351 which was calculated from the total population using Taro Yameni formula. Structured questionnaire was the instrument used for data collection. Data collected for the study were analysed using frequency distribution tables, and simple percentage method while Pearson Product Moment Correlation Coefficient was used to empirically test the hypotheses formulated for the study. Findings revealed among others that: there is no significant positive relationship between quota system-based recruitment and competency of workers in the selected public enterprises in Rivers state. The researcher therefore, recommended that in order to improve the competency of staff of PEs in Rivers State, there is need to uphold merit rather than quota system in recruitment and selection of candidates into public enterprises in Rivers State. |*

**Keywords: Quota-BaseTest, Recruitment, Selection, Service Delivery, Efficiency**

### **INTRODUCTION**

Performance of public enterprises (PEs) or what may be referred to as corporations largely depends on the quality of their staff usually drawn from an objective recruitment and selection exercise. Public enterprises are business organizations entirely or partly established and controlled by the government through the state authority (Nwali, Nwokeiwu & Oganezi, 2019). To Laleye (2002) it is an organization that is set up as a corporate body and as part of the governmental apparatus for an entrepreneurial or entrepreneurial -like objective. Okeke, Onuorah & Okonkwo (2016) argue that the term public enterprise or state owned enterprises is used in the broadest sense to mean all industrial and commercial firms, mines, utilities, transport companies, and financial intermediaries owned and/or controlled wholly or to some extent by government. From these definitions, it can be deduced that a PE as an organization implies an entity with explicit or implicit specific objectives. Money, men and materials are supposed to be utilized in the pursuit of these objectives; a critical dimension of government involvement in a PE has to do with its financial commitment. The capital ownership does not have to be exclusively public; as a corporate body, a PE has a legal personality separate from that of the government that establishes it. It can own property, enter into contracts and sue and be sued. The entrepreneurial or entrepreneurial-like objective connotes a business orientation. However, this should not be equated with profit making. The experience in many countries indicates that the aim is to promote efficiency, cost-consciousness and cost-reduction (Laleye, 2002; Obikeze and Obi, 2004; and Abuh, Acho & Peter, 2016).

### **Research Hypotheses**

The following hypotheses were tested in the course of the study.

**HA1:** There is significant relationship between recruitment and selection based on quota system and competency of workers in the selected public enterprises in Rivers State.

**HO1:** There is no significant relationship between quota system based recruitment and selection and competency of workers in the selected public enterprises in Rivers State.

### **Concept of Recruitment and Selection**

An interview is a formal exchange of facts, impression and view points between a prospective employer and a prospective employee with a view to their mutual selection or parting. Interviews vary greatly in their content, but are often used to assess such things as interpersonal skills, communication skills, and teamwork skills, and can be used to assess job knowledge. Well-designed interviews typically use a standard set of questions to evaluate knowledge, skills, abilities, and other qualities required for the job. Employers generally conduct interviews face-to-face. Though interviews are quite popular in the selection process, its validity is increasingly being questioned. By validity we mean the extent to which the interview can suitably predict the right candidate(s) for the job from the pool of candidates. The reasons for doubt over the validity of the interviews is that it has been found out that most times the biases of the interviewers do affect their sense of judgment. It is in order to reduce the impact of personal biases and improve validity of the interview, that the structured method is often advocated. A structured interview is one where the questions are prepared before hand and all the candidates are asked the same questions. Using a structured interview method also increases reliability. Reliability in interview is the degree of agreement between the interviewers on the performance of the candidates. In a situation where the interviewers arrive at the same conclusions about the candidates, then the reliability is high. On the other hand if they come to different conclusions, the reliability is low. Interviews are used in the selection process for two main reasons. The first is to assess the candidate's motivation for the job. The second is to assess how well he or she would fit into the immediate work group. To have any value, interviews should be conducted or supervised by trained individuals, be structured to follow agreed set of questions mirroring the person specification or job profile, and allow candidates the opportunity to ask questions. The interview is more than a selection device. It is a mechanism that is capable of communicating information about the job and the organization to the candidate, with the aim of giving a realistic job preview, providing information about the process and thus can minimize the risk of job offers being rejected. Organizations seeking high performance in their selection processes should therefore give considerable attention to maximizing the uses of the interview and ideally combine the method with other psychometric measures where appropriate.

In whatever way one view it, recruitment offers organization the opportunity to inject new blood into the system in order to accomplish the organizational tasks. This takes place when the right caliber of persons for the organizational jobs is sources. While recruitment is the process of identifying and attracting potential candidate from within and outside an organization to begin evaluating them for future employment, selection begins when the right caliber of candidates are identified (Walker, 2009). However, most recruitment and selection processes have elements of subjective judgment inherent in them. But treating job applicants in a professional and positive manner is more likely to leave them, whether one successful or not, with a positive view of the organization and shows that a successful appointment can produce results which impact favourably on the wider aspects of organizational life while a poor one can have damaging effects on the wider aspects of organization in which it is made. However, the recruitment and selection of employees also provides an opportunity for the organization to present itself in a favourable light (National University of Ireland, 2006; Ekwoaba, Ikeije, & Ufoma, 2015).

### **The Concept of Organizational Performance**

The concept of performance either viewed from the individual members of any given organization or looking at the entire organization is a measure of how tasks and responsibilities have been carried out over a given period of time in line with the agreed standard.

According to Oaya, Ogbu & Rwmilwkun (2017), organizations nowadays are more concentrating on acquiring appropriate human capital because the employees are the most valued and most precious assets of an organization. It is the individual performance of employees that will converge to form the overall performance of the organization. Campbell (1990) in Oaya et al (2017) sees performance as "behaviours or actions that are relevant to the goals of the organization. Performance refers to the proficiency with which an employee performs central job tasks. To Adeniji & Osibanjo (2012), the term performance can be explained as "degree of accomplishment of tasks that make up an employee's job". Aragon (1993) in Gbrevbic, Osibanjo & Adeniji (2014) maintains that performance comprises of efforts directed towards achieving organizational goals, which is mathematically represented as performance (p) = Ability (A) x Motivation (M). Performance shows the degree in which employees meet their job requirements. The phenomenon is often interchangeably used with efforts; however, effort is measured by the output. In other words, when an individual puts in great efforts in a task and the output is low, the effort is high but performance is poor.

### **Features of Public Enterprises**

From the discussion on the concept of public enterprise above, certain salient features can be identified. Public enterprises have features that give them a distinct outlook from other institutions within the realms of public and civil service. Ademolekun (2002) in Ezeani (2005:213-214) identifies some of the main features and implications of public enterprises.

- 1) A PE as an organization implies that it is an entity with explicit or implicit specific objective. Men, money and materials are supposed to be utilized in the pursuit of these objectives. In addition, as an organization, a PE would be expected to have its own internal power or authority structure and its own methods of operation. This becomes imperative as they pursue diverse objectives.
- 2) A critical dimension of government involvement in PE has to do with its financial commitment. The capital ownership does not have to be exclusively public. The government may only control the majority of the shares leaving other shareholders to hold the remaining shares. Ojeifo and Alegbeleye (2015) also add that where public enterprises functions as a national monopoly, it is not expected to make profit or run as profit making venture. However, it breaks even in its operational cost and relies solely on government for fund. It must operate with an entrepreneurial spirit or objective. It follows therefore that public enterprise is expected to be self financing through government which controls majority of its shares (Omoleke, 2008).
- 3) As a corporate body, a PE has a legal personality separate from that of the government that establishes it. It can own property, enter into contracts, and sue and be sued. In recent developments across countries, this feature is being stressed as a key element of a PE. Consequently, departmental organizations, or regies in francophone parlance, are being surreptitiously accorded the corporate body status. Hence, PEs are artificial persons with juristic personality.

### **Theoretical Framework**

The study adopted Resource-Based view theory developed by Wernetfelt (1984) and Barney (1991) as the theoretical framework of analysis. Resource –based theory assumes that sustainable competitive advantage is attainable when firms have a human resource pool which cannot be imitated or substituted by rivals. Taece, Pisano and Shuen (1997) in Ramon-Jeronimo, Florez-Lopez and Araujo-Pinzon (2019) view resources as stocks of knowledge, physical assets, human capital, and other tangible and intangible factors owned or controlled. Barney (1991) in Madhani (2010) also added that resources that are valuable, are rare, inimitable and non substitutable. Competitive advantage only occurs when there is a situation of resource heterogeneity and resource immobility.

According to the resource-based view, firms should constantly evaluate their workforce to ensure that they have the right people with the right skills in the right places to ensure sustained

competitive advantage and when this is not the case, firms should make up for the shortfall by employing appropriate recruitment and selection criteria.

The resource-based perspective has an intra-organizational focus and argues that performance is as a result of firm's possession of specific resources and capabilities (Barney, 1991, Wernerfelt, 1984). These capabilities are inherent in human resources. Resource-based theory addresses the question of an organization's identity and it is principally concerned with the source and nature of strategy i.e. capabilities. Lacity and Will (2008) in Mweru and Muya (2016) in support of resource-based view maintained that the resources possessed by a firm are the primary determinants of its performance, and may contribute to a sustainable competitive advantage of the firm.

## **METHODOLOGY**

### **Research Design**

For the purpose of this study, descriptive survey design was adopted.

### **Population of the Study**

S/N	Selected Public Enterprises	Saff
1	Notore Ltd	119
2	Siat Nigeria Ltd	102
3	Pabod Breweries Ltd	156
4	Delta Rubber Company Ltd	204
5	Rivers State Vegetable Oil Ltd	218
6	Rivers State Television Authority	149
7	Rivers State Newspaper Corporation	197
8	Greater PortHarcourt City Development Authority	183
9	Rivers State Broadcasting Corporation	245
10	Rivers State Fire Service	191
11	Rivers State Development Agency	166
12	Rivers State Microfinance Agency	112
13	Rivers State Waste Management Agency	144
14	Road Maintenance and Rehabilitation Agency	181
15	Enlightened Public	500
	TOTAL	2867

Source: Personnel Departments of the Selected Government Establishments in the study area, 2020.

### **Sample Size and Sampling Technique**

Due to the large size of the population, Taro Yamene's formula was applied to get the sample size

### **Instrument for Data Collection**

The instrument for data collection was questionnaire instrument structured using Likert's four (4) point scale of Strongly Agree (SA), Agree (A), Disagree (D) and Strongly Disagree (SD). The instrument was structured into section A and Section B. Section A contained socio-demographic characteristics of the respondents while section B contained structured questionnaire items.

### **Method of Data Analysis**

Data collected for the study were analyzed using frequency distribution tables and simple percentage method. Also, Pearson's Product Moment Correlation through SPSS was used in empirical testing of the hypotheses that guided the study. The Pearson Product Moment Correlation Coefficient (r) was used to find the relationship between variables that was measured on the interval scales. It measured the goodness of the fit of the least square lines. The Pearson Product Moment Correlation Coefficient (r) was computed by using the following formula:

$$r = \frac{n(\sum xy - (\sum x)(\sum y))}{\sqrt{(n(\sum x^2) - (\sum x)^2)(n(\sum y^2) - (\sum y)^2)}}$$

Where r = Pearson Product Moment Correlation Coefficient

n = Number of Paired Observations

$\sum x$  = Sum of squared scores on variables

$\sum y$  = Sum of scores on variables

$\sum y^2$  = Sum of squared scores on variables

The hypotheses were tested at 5% level of significance. Hence, when the p-value is lesser than 0.05, the alternate hypothesis would be accepted whereas when the p-value is greater than 0.05, the null hypothesis would be accepted.

## Results

**HO1:** There is no significant relationship between quota system -based recruitment and selection and competency of workers in public enterprises in Rivers State.

In test of hypothesis one, the data analysed in tables 8, 9, 10 and 11 were collated and correlated with the data presented in 12, 13, 14 and 15.

### Correlations Test Of Hypothesis One

#### Correlations

		Quota_system _Based_Recruitm ent	Competency_of_ Workers
Quota_system _Based_Recruitment	Pearson Correlation	1	-.730**
	Sig. (2-tailed)		.000
	N	322	322
Competency_of_Workers	Pearson Correlation	-.730**	1
	Sig. (2-tailed)	.000	
	N	322	322

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The result of the correlation analysis above shows a negative correlation value of -0.730 and a probability value of 0.000 which implies a significant negative relationship between the dependent and independent variables. Since the PV of 0.000 is less than 0.05 at 5% level of significance, we then reject the null hypothesis, and conclude that there is significant negative relationship between federal character-based recruitment and selection and competency of workers in public enterprises in Rivers State. The implication of the findings is that the practice of federal character principle in recruitment and selection of candidates has negative effect on the competency of workers in public enterprises in Rivers State. As public enterprises continue to recruit workers based on ethnic and tribal considerations, they end up hiring incompetent people who lack expertise, morale and professionalism necessary for competent job performance. Therefore, as federal character practices in recruitment and selection increases, competency of workers decreases in public enterprises in Rivers State. This is further buttressed by the result of the data presented in Table above.

## DISCUSSION OF FINDINGS

### Effects of Quota System-Based Recruitment and Selection on Competency of Workers of Public Enterprises in Rivers State

Objective one of the study sought to determine the effects of quota system based recruitment and selection on competency of workers of public enterprises in Rivers State. As such, data was collected and analyzed using frequency distribution tables while hypothesis was empirically tested using Pearson Product Moment Correlation Statistics. The result of the correlation test of

hypothesis one revealed a negative correlation value of -0.730 and a probability value of 0.000 which implies a significant negative relationship between the dependent and independent variables. In view of the result, we therefore reject the null hypothesis and conclude that there is significant but negative relationship between federal character-based recruitment and selection and competency of workers in public enterprises in Rivers State. The implication of the findings is that the practice of quota system in recruitment and selection of candidates has negative effect on the competency of workers in public enterprises in Rivers State. As public enterprises continue to recruit workers based on ethnic and tribal considerations, they end up hiring incompetent people who lack expertise, morale and professionalism necessary for competent job performance. Therefore, as federal character practices in recruitment and selection increases, competency of workers decreases in public enterprises in Rivers State. This was corroborated by the result of data presented in tables 8 to 15.

The study in table 8 sought to find out whether quota system is observed in the recruitment and selection processes of public enterprises in Rivers State. From the table, it was observed that 146 (45.3%) respondents strongly agreed, 96 (29.8%) 52 (16.1%) agreed, 28 (8.7%) strongly disagreed. This means that Federal character principle is observed in the recruitment and selection processes of public enterprises in Rivers State. Recruitment and selection of workers into public enterprises in Rivers is done to cut across the senatorial states of the state as revealed in table 9 where, 162 (50.3%) respondents strongly agreed, 87 (27%) agreed, 48 (15.4%) disagreed while 25 (7.8%) strongly disagreed. This means that recruitment and selection of workers into public enterprises in Rivers is done to cut across the senatorial states of the state. Similarly, Quota system is adopted to ensure every local government area of the state is proportionally represented in the recruitment and selection process of public enterprises in Rivers State. From 10, it was seen that 92 (28.6%) respondents strongly agreed, 120 (37.3%) agreed, 84 (26%) disagreed, 26 (8.1%) strongly disagreed. This means that Quota system is adopted to ensure every local government area of the state is proportionally represented in the recruitment and selection process of public enterprises in Rivers State. Often times, recruitment and selection of candidates into public enterprises especially in Rivers State take consideration of people from other geopolitical zones in Nigeria. This was as revealed in table 11. From the table, it was observed that 172 (53.4%) respondents strongly agreed, 95 (29.5%) agreed, 36 (11.2%) disagreed while 19 (5.9%) strongly disagreed. This implies that often times, recruitment and selection of candidates into public enterprises especially in Rivers State take consideration of people from other geopolitical zones in Nigeria.

However, it was however revealed that federal character requirement in recruitment and selection of workers has negative effects on the competency of workers in public enterprise in Rivers State. Table 12 aimed to ascertain whether there is high-level of competency among workers of public enterprises in Rivers State. From the result in the table above, it was revealed that 18 (5.6%) strongly agreed, 22 (6.8%) agreed, 94 (29.2%) disagreed while 188 (58.4%) strongly disagreed. This implies that there is low level of competency among workers of public enterprises in Rivers State. Workers of public enterprises in Rivers State do not perform tasks to match expectations of the organization and consumers. This was as observed in table 13 where was observed that 11 (3.4%) strongly agreed, 15 (4.7%) agreed, 104 (32.3%) disagreed, 192 (59.6%) strongly disagreed. Therefore, workers of public enterprises in Rivers State do not perform tasks to match expectations of the organization and consumers. Furthermore, Table sought to determine if workers in public enterprises in Rivers state exhibit high level of professionalism in discharge of official duties and responsibilities to the citizens. Findings revealed that workers in public enterprises in Rivers state do not exhibit high level of professionalism in discharge of official duties and responsibilities to the citizens. From the table, 38 (11.8%) strongly agreed, 27 (8.4%) agreed, 173 (53.7%) disagreed, while 84 (26.1%) strongly disagreed. This means workers in public enterprises in Rivers state do not exhibit high level further showed that there is low level of initiative and self-leadership among workers in public enterprises in Rivers state as 48 (14.9%) strongly agreed 19 (5.9%)

agreed, 91 (28.3%) disagreed while 164 (50.9%) strongly disagreed. This implies that there is low level of initiative and self-leadership among workers in public enterprises in Rivers state.

The findings of the study was corroborated by the findings of Zirra, Ogbu and Ojo (2017) which revealed that the more effective organizations recruit and select candidates, the more likely they are to hire and retain satisfied employees. Nwogwugwu and Oluwabukunmi (2015) found that as federal character increases by 1%, it will result to a multiplier effect of 63% in appointment into the civil service system in Nigeria. It was further revealed that federal character negatively affects appointment into the civil service in Nigeria, as merit is scarified on the altar of quota or representativeness. When merit is scarified or considered secondary in recruitment and selection of persons into public enterprises, competency requirement will be undermined. In a similar way, Asaju (2015) discovered that misapplication of federal character principle has negative consequences on national development. He therefore, recommended merit over federal character principles, which more often than not, promotes mediocrity over meritocracy.

The findings of this study is also in agreement with the discovery of Aondoakaa & Orluchukwu (2015) who submitted that despite constitutional provision of the federal character principle, it has not resolved the challenge of lack of adequate representation by the federating states to national integration and economic development. They regretted that the Nigerian state over-emphasizes, the federal character while de-emphasizing merit and hard work and promote and defend mediocrity and parochialism in running of various sectors of the economy. The practice of quota and its substantial application during recruitment into sensitive positions in government establishments undermine the principle of merit. Whenever quota is given priority in public recruitment the principle of merit is sacrificed on the altar of ethnic balancing which does not only deny public organizations of the opportunity to fill vacant positions in the organization with qualified job candidates, but also hampers the overall performance of the organization. Relatedly, Aondoakaa & Orluchukwu (2015:55) further notes that:

## **CONCLUSION**

The promoters of resource based view argued that if all the firms were equal in terms of resources, there would be no probability differences among them because any strategy could be implemented by any firm in the same industry. On the other hand, the human capital development view recognizes the fact that investment in human capital will have ripple effects on other parts of the organizations life. Therefore, it is the human resource an organization possesses that is its strength for competitive advantage; and performance results are a consequence of firm –specific resources and capabilities that are costly to copy by other competitors. Fatiregun(1992) in Onah (2015) summed it up in his argument that: "if we can have a reliable and eternally valid selection process, training and personnel development efforts would appear superfluous". Even though training and re-training are inevitable in an increasingly modern organization's dynamic environment, no doubt, organizations that undermine the importance of recruitment and selection requirements will run into cost in trying to make up for the employees in unnecessary training programmes which abinitio ought to have been taking care of during the recruitment exercise.

## **RECOMMENDATIONS**

Based on the findings of the study, the following recommendations were made.

1. In order to improve the competency of staff of PEs in Rivers State, there is need to uphold merit rather than quota system. Although the federal character is meant to accommodate diverse interests, its application sacrifices qualification on the altar of mediocrity, hence the continuous appointment of incompetent job applicants in the name of adherence to the tenets of federal character principle. It is therefore, recommended that federal character principle should be abolished. All acts by political office holders which disenfranchise people from gaining employments in government establishments should be discouraged.

2. Educational qualifications should be given due attention if effective performance of task must be achieved. A situation whereby people are appointed to head sensitive board positions without taking cognizance of their educational qualifications, experience and professional knowledge should be discouraged. This has been the bane of public enterprises performance in Nigeria and Rivers State in particular.

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