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INTRODUCTION

REVIEW OF LITERATURE

NEED/IMPORTANCE OF THE STUDY

STATEMENT OF THE PROBLEM

OBJECTIVES

HYPOTHESES

RESEARCH METHODOLOGY

RESULTS & DISCUSSION

FINDINGS

RECOMMENDATIONS/SUGGESTIONS

CONCLUSIONS

SCOPE FOR FURTHER RESEARCH

ACKNOWLEDGMENTS

REFERENCES

APPENDIX/ANNEXURE

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10.   **FIGURES & TABLES:** These should be simple, crystal clear, centered, separately numbered & self explained, and **titles must be above the table/figure**. **Sources of data should be mentioned below the table/figure**. It should be ensured that the tables/figures are referred to from the main text.

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CONTRIBUTIONS TO BOOKS
- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES
- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS
- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

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- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

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AN ANALYSIS ON THE RESPONDENTS PERCEPTION OF THE RECRUITMENT AND SELECTION PROCESS AND ITS EFFECT ON THE PERFORMANCE OF EMPLOYEES IN THE MICRO- FINANCE INSTITUTIONS IN RWANDA

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ABSTRACT

The study investigated the recruitment and selection process and its effect on employee performance in the microfinance institutions in Kigali Rwanda. The Study on recruitment and selection process on employee performance focused on elaborating the relationship between the variables (the recruitment policy, recruitment procedures, cost constraints, selection techniques, and selection criteria) in the microfinance institutions in Kigali Rwanda.   The performance of the employees in the Microfinance institutions performance has been poor in the last decade. Hence the need to determine the suitable recruitment and selection strategies that could increase their performance. Research questions were generated to investigate the topic. The empirical documents were technically used to deepen the insight on the existing literature. The data were collected from the microfinance institutions in Kigali city, Rwanda. Data was collected through a self constructed and statistically validated questionnaire. Convenience sampling technique was used to administer the questionnaires to the respondents. Out of the 290 questionnaires distributed, 274 were retrieved with usable data for statistical analysis reflecting a 94% retrieval success. The study found that there was a significant positive correlation between recruitment and selection, and employee performance in the microfinance institutions.

KEYWORDS
Recruitment, selection, performance.

INTRODUCTION

Human Resource management is the management function that implements strategies and policies relating to the management of individuals (Patterson, 1987). Every organization always goes through the process of selecting, recruiting, and retrenching of its employees. In the United States as well as multinational or international corporations, human resource reflects a quantitative and strategic approach to workforce management demanded by corporate management to gain a competitive advantage, and to utilize limited and highly skilled workers (McLean, Osman-Gani & Cho, 2004). However, over time, usefulness and effectiveness of human resource practices in the performance of microfinance institutions have not been clearly defined and focus of HRM practices has mainly been on multinational or international corporations. Yet the outlook of all organizations, regardless of sizes and types, are directly linked to their personnel. According to Ominde (1964), human resource is the most important asset of an organization because it is the one that manipulates all other resources, to function according to the stipulated plan so as to meet organizational goals and have a competitive advantage. The performance of microfinance institutions in Kigali, Rwanda should therefore be a reflection of the performance of their staff, and how they are managed, and more specifically, how they are recruited and selected for the available positions.

Recruitment is the process of attracting, screening, and selecting qualified people for a job. According to Montana and Charnov (2000), recruitment includes sourcing candidates by advertising or other methods, screening potential candidates using tests and interviews, selecting candidates based on the results of the tests or interviews, and on-boarding to ensure that the candidates are able to fulfill their new roles effectively. Recruitment forms a major part of an organization's overall resourcing strategies, which identifies and secures people needed for an organization to survive and succeed in the short to medium-term (Elwood & James, 1996). Moreover, as Zheng (2006) and Croucher (2008) point out, there is a positive and significant relationship between recruitment and selection and the performance of a firm. Sang (2005) also discovered a positive association between recruitment and selection and business performance. Ichniowski and Shaw (1999), Katou and Bedhwar (2006), and Wright et al. (2005) also reported similar positive results between recruitment and selection and performance in Canada, in Finland and in New Zealand. However, these studies and reports focused mainly on large corporate organizations, and not microfinance institutions. But more particularly, the case of recruitment and selection and performance of microfinance institutions in Kigali, Rwanda in particular still needs to be investigated.   The process of hiring requires engagement of the persons responsible in looking for the appropriate skills required so that the organizations can meet their objectives and thus have a competitive advantage. There are many ways to improve productivity, but none is more powerful than making the right hiring decision. Therefore, it is clear that effective recruitment and selection will remain a central human resource objective for the foreseeable future, (Derek and Steven 2008).

A company's ability to recruit and manage talent has become a key pillar for the overall health and longevity of the organization. Motivated employees with applicable knowledge skills, abilities, and other attributes, remain critical to the success of any organization. However, recruitment and selection as a human resource management functions, are one of the activities that impact critically on the performance of an organization. (Jackoson & Schuler 1999). In contrary, it is understood and accepted that poor recruitment and selection decisions continue to affect organizational performance and limit goal achievement. Acquiring and retaining high quality talent is critical to an organization's success, and further having a competitive advantage (Bown, Don, & Harvey, 2000). The recruitment and selection process majorly entails identifying, attracting and choosing suitable people so as to meet the organization's human resource requirement. Both are integrated and intertwined activities in that where recruitment stops, and selection begins can be termed as a moot point (Beardwell & Claydon, 2007).

Beardwell and Claydon, (2007) indicates that the importance of ensuring that the selection of the right people to join the workforce has become increasingly apparent, emphasis on people as the prime source of competitive advantage has grown. As the job market becomes increasingly competitive and the available skills grow more diverse, recruiters need to be more selective in their choices, since poor recruiting decisions can produce long term negative effects, among

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them being high training and development costs, incidence of poor performance and high turnover which, in turn impact on staff morale, productivity of goods and services, (Collings & Wood, 2009). Organizations recognize the crucial part their people play in achieving and sustaining a competitive advantage and they are therefore aware of the need to attract people of the right caliber. Because of skills shortage and the resultant war for talent. Talent management has become well established as an HR priority and is recognized to be of strategic importance to business organizations. The process of recruitment and selection are closely linked. Both activities are directed towards obtaining employees with the requisite competencies and attitudes. Recruitment activities play a great deal of impaction in laying the groundwork for the selection process by providing the pool of applicants from whom the selectors may choose. (Foot & Hook, 2008).

The staffing process, putting the right people in the right positions at the right time, is one of most critical tasks any organization faces. The quality of the work performed can be only as high as the capacities of the people performing it. Recruitment is the process of finding qualified people and encouraging them to apply for work with the firm. Selection is the process of choosing among those who do apply. Together these two facets of human resources management supply the lifeblood to the organization. (Decenzo & Robbins, 2005). A successful recruitment campaign will have resulted in a good number of applications from people who are suitably qualified for the vacancy and the next step or task is to select the most suitable persons from the highlighted positions. Employers must consider who should be involved in this task and provide support in terms of policies, procedures and training, (Foot & Hook, 2008). According to Mondy (2009), Human resource is traditionally seen as the soft side of business, but he submits that attracting and retaining the right people for the organization is the hard side of business because that is the foundation upon which everything is based. While literature is abounding with studies conducted mostly in the developed world, in the Rwandan context this area is underrepresented as no studies to the best knowledge of the authors have been conducted in this area. It is against this background that this research takes a thrust and endeavors towards collecting divergent perceptional views on the recruitment and selection process of the employees into organizations, and its effects on the performance of the very mentioned employees. The work is divided into sections with the foregoing introduction, followed by the theoretical and related literature review, methodology design, data analysis, interpretation and discussions, and the conclusion respectively. In general every organization either private or public needs to hire competent people to ensure that the organizational objectives are met. Therefore, attracting and retaining the right people for the organization is one of the key critical areas of concern with all human resource managers. It has been noted that the performance of the employees in some organizations, is not up to the required standard, this has been attributed to various reasons without proper evidence. The aim of this research is to assess the recruitment and selection process of the employees in the microfinance institutions in Kigali, Rwanda, and analyze if indeed the recruitment and selection process has a significant impact on the performance of the employees.

OBJECTIVES OF THE STUDY
The underpinning objectives for this research include:-
1.   Identifying the perception of the respondents towards recruitment and selection and its effect on organizational performance.
2.   Indentifying whether there is an underlying relationship between recruitment, selection and organizational performance.

RESEARCH HYPOTHESES
The main hypothesis of this study was, recruitment and selection process is a significant determinant of employee job performance of the microfinance institutions in Kigali Rwanda.

THEORETICAL AND REVIEW OF LITERATURE
RECRUITMENT
Recruitment is the process of attracting individuals on a timely basis, in sufficient numbers, and with appropriate qualifications to apply for jobs with an organization. The firm may then select those applicants with qualifications most closely related to job descriptions. Finding the appropriate way of encouraging qualified candidates to apply for employment is extremely important when a firm needs to hire employees. Thus, a properly functioning recruiting program can have a major impact on the bottom line performance of a company. (Mondy, 2009)

RECRUITMENT PROCEDURES
The first step in recruitment process is to assess the need for additional human resources and decide whether or not you have a vacancy you wish to fill. The vacancy may be a new post that has been identified through the development of the corporate strategic plan, or it may have arisen because an employee has resigned, retired or been dismissed. The latter are sometimes referred to as replacement posts to distinguish them from new posts. You may also decide to recruit a job-share partner for an established employee who no longer wishes to work full time. Filling vacancies which arise because an employee has decided to leave or creating new posts should be part of a careful planning process, scrutinized in terms of how the action contributes to the organization's strategic goals. (Foot & Hook, 2008).

Job analysis is the process of gathering together all data about an existing job, which activities are performed and what skills are needed. Some decisions need to be made about who will carry out the job analysis most effectively. The collected data are then structured to create job descriptions and person specifications or a job profile related to a competency framework. A similar process may be carried out to create this documentation for new posts though this would inevitably rely more on managerial knowledge and judgment.(Foot & Hook, 2008). Job analysis is the procedure through which you determine the duties of these position and characteristics of the people who should be hired for them. The analysis produces information on requirements; this information is then used for developing job descriptions (a list of what the job entails) and job specifications (a list of thejob's human requirements, or what kind of people to hire for the job (Dessler, 2000).

RECRUITMENT POLICIES
A policy is simply a statement of intent on the part of an organization; it outlines the approach everyone is expected to adopt and the standards they should achieve in carrying out an organization's business. A recruitment policy enables all employees involved in the process to direct their efforts towards achieving the organization's goals and to know that they are acting in the spirit intended by the organization. A basic recruitment policy should at the very least include statements about the organization's stance on: the overall goal of recruitment and equality of opportunity. To show that they value their employees, wish to retain them and want to provide them with every opportunity to develop, organizations may also adopt a policy of giving preference to suitably qualified internal applicants over external applicants, and this too would need to be stated explicitly in the organization's recruitment policy. Such a policy would have implications for the way that recruitment procedures are developed. (Foot & Hook, 2008)

SOURCE OF RECRUITMENT
1.   **Internal recruitment:** Internal recruiting is the process of looking inside the organization for existing qualified employees who might be promoted to higher-level position. Vacancies, of course are often filled internally. Sometimes organizations advertise all vacancies publically as a matter of course and consider internal candidates along with any one from outside the organization who applies. This approach is generally considered to constitute of good practice and is widely used in the United Kingdom's public sector. However many organizations prefer to invite applications from internal candidates before they look at their external labor markets for new staff (Denisi & Griffin, 2004). There are considerable advantages from the employer's perspective. First it is less expensive to recruit internally, there being no need to spend money on job advertisement or recruitment agencies. Instead a message can simply be placed in a company newsletter or posted on its intranet or staff notice board, (Torrington, Hall, & Taylor, 2008). The methods for internal recruitment include:
a.   **Current employees:** many companies have a policy of informing current employees about job openings. Internal job postings give current employees the opportunity to move into the firm's more desirable jobs. However an internal promotion automatically creates another job opening that has to be filled. (Mejia, Balkin, & Cardy, 2001)
b.   **Job postings:** job postings prominently display current job opening to all employees in an organization. They are usually found on bulletin boards (cork as well as electronic). Other than word-of-month, job postings are the most commonly used method for generating a pool of internal applicants. Job postings

can reduce turnover by communicating to employees that they do not have to go elsewhere in order to find opportunity for advancement and development. Posting jobs also create an open recruitment process, which helps to provide equal opportunity for advancement to all employees.

c. **Talent inventories:** almost every organization has a pool of internal talent that it can tap when recruiting to fill open positions. Like savings accounts, internal talent pools contain easily accessed resources that can be " withdrawn " as needed. In addition, the future value of the organization's talent pool can be enhanced through investments in selection procedures, training programs, and retention efforts.

d. **Promotions:** regardless of how an employee becomes an applicant, recruitment activities can result in three types of career moves within the organization. A promotion generally involves moving into a position that's recognized as having higher status and often, higher pay. To plan for employee promotions, some organizations use replacement planning charts in addition to maintaining a talent inventory. Replacement planning charts list the current and potential occupants of positions in the firm. The charts also list each person's promotion potential and developmental needs, (Jackoson & Schuler, 1999).

The job families take the new position within the company often involving lateral job transfer rather than a promotion. After several transfers, employees develop a broader perspective and can better understand how the entire organization functions as a system. (Jackoson & Schuler, 1999).

2. **External recruitment**: If internal candidates would require training in order to be qualified, it may be cheaper, easier, and quicker to hire people with the competencies needed. In addition, recruiting from the outside brings in people with new ideas, which is especially important for organizations that require innovation and creativity. External applicants come from many sources and are recruited through a variety of means. Under tight labor market conditions, employers generally must adopt a more proactive approach to external recruitment. The methods for external recruitment include:

a. **Walk-in applicants:** Some individuals become applicants by simply walking into an organization's employment office. Before the internet explosion, walk ins were especially prevalent for clerical and service jobs; managerial, professional, and sales applicants were seldom walk ins. New technology is quickly changing that. Now applicants for almost any type of job can " walk- in " to an organization through its electronic, cyberspace doors. Virtually all major employers now have electronic home pages that describe their operations and list available employment opportunities.

b. **Employee referrals:** Employee referral occurs when a current employee informs someone they know about an opening and encourages them to apply. Informal referral programs consist of informing current employees about job openings and encouraging them to have qualified friends and associates apply for positions. This is a very low - cost approach.

c. **Employment agencies:** Public and private employment agencies are good sources of temporary employees and permanent employees. Many organizations use external contractors to recruit and screen applicants for a position.

d. **College recruiting:** schools are important sources of recruits for most organizations, although their importance varies depending on the type of applicant sought. For some jobs, the recruitment process begins in the high schools even though the hiring process doesn't kick in until college graduation

e. **Media Advertising:** Advertising communicates the firm's employment needs to the public through media such as newspapers, trade journals, radio, television, and billboards. (Mondy, 2009)

f. **Internet recruiting**: Organizations first started using computers as a recruiting tool by advertising jobs on a bulletin board service from which prospective applicants would contact the company. Now some employers are not only posting jobs and accepting resumes and cover letters on- line but also are conducting employment interview on- line. Advantages for such internet recruiting by employers include reaching more applicants, having lower costs and faster response time frames. (Mathis & John, 2000)

g. **Foreign nationals: I**n some professions such as chemical engineering, software engineering, and others that involve high-tech skills. Labor shortages cause employers to recruit foreign nationals. Recruiting for foreign nationals successfully requires making an extra effort to understand other cultures from which applicants are sought. (Jackoson & Schuler, 1999).

The aim of recruitment is to attract qualified job candidates. We stress the word qualified because attracting applicants who are unqualified for the job is a costly waste of time. To avoid these costs, the recruiting effort should be targeted solely at applicants who have the basic qualifications for the job (Gomez-Mejia, Balkin, & Cardy, 2003). It's hard to overemphasize the importance of effective recruiting. If only two candidates apply for two openings, you may have little choice but to hire them. But if 10 or 20 applicants appear, you can use techniques like interviews and tests to screen out all but the best (Jackoson & Schuler, 1999)

SELECTION

Selection involves choosing personnel to fill specific jobs in the organization on the basis of educational qualifications, trainings, skills, abilities and the personalities of the persons available for the jobs. Selection starts only after an adequate number of applications have been secured through different sources of recruitment. (Bown, Don, & Harvey, 2000).   The ultimate goal of selection is to choose the best person for the job. Selectors attempt to match candidates to the job requirements, predicting how well they will perform if offered the position, but they also need to ensure that the candidates fully understand all major aspects of the job so that new recruits are not likely to become disillusioned and leave within a short period of time (Foot & Hook, 2008). The selection process involves screening and testing of candidates who applied for the jobs. Selection is necessary because some of applicants may not be suitable for the jobs in the organization, therefore the number of applicants who are suitable for the jobs may be more than the vacant jobs to be filled hence; the process of selection is a negative process as more candidates are rejected than hired in contrast with the positive program of recruitment which seeks to induce as many persons as possible to apply for a job in the enterprise. (Bown, Don, & Harvey, 2000).

BASIC SELECTION CRITERIA

a. **Education and experience:** Education and experience are relatively straight forward to assess in a selection context. Education refers to the formal classroom, training an individual has received in public or private schools and technical schools. Although education is likely to continue to play an important role in the selection process, there is some concern that general education level, such as specifying that an individual needs a high school diploma or two years of college might be a bit too removed from what many employers today need from a person for example competences vary in meaning from organization to organization but basically refer to relatively broad capabilities that are necessary for effective job performance. Experience is the amount of time the individual may have spent working, either in a general capacity or in a particular field of study.

b. **Skills and ability:** Another common set of selection criteria is skills and abilities. Skills and abilities relate more precisely than do experience or education to the specific qualifications and capabilities of an individual to perform a specific job.

c. **Personal characteristics:** In some jobs it is also important to an organization to assess the personal characteristics of individual job applicants. These personal characteristics are usually thought to reflect the individual's personality and may be an important factor in certain kinds of jobs. (Denis, Griffin 2001)

POPULAR SELECTION TECHNIQUES

Organizations use a variety of techniques for gathering information about an individual's education and experience, skills, abilities and personal characteristics. Indeed, most organizations rely on a comprehensive system involving multiple selection techniques to ensure that they gather all the relevant data and that they assess this data rigorously, objectively, and in nondiscriminatory fashion.

a. **Application and background checks:** One of the steps in most selection system is to ask applicants to complete an employment application. An employment application asks individuals for various bits of personal information, such as a candidate's name, educational background, career goals, and experience. Of course all information on employment application must bear on an individual's ability to perform the job.

b. **Employment tests:** An employment test is a device for measuring the characteristics of an individual; such as personality, intelligence, or aptitude. Although we usually think of employment tests as being of a paper and pencil variety, the courts consider any device used to make an employment decision, including interviews, to be a test. In fact most employment tests are either administered on paper or are computer administered tests. Various types of employment tests are commonly used. Before identifying them, however we should make the distinction between aptitude and achievement tests. These terms often refer to how the test is used rather than the nature of the test, but aptitude tests focus on the mastery of some set of learned skills.

c. **Personal Interviews:** Although tests are popular, the most widely used selection technique in most organizations is employment interview. Interviews are face to face conversations between prospective job applicants and representatives of the organization. The purpose of interviewing candidates is to improve effectiveness at using what is perhaps the most important screening tool, the selection process. An interview is a procedure designed to obtain information from a person through oral responses to oral inquiries, a selection interview, which focus on the procedure designed to predict future job performance on the basis of applicant's oral responses to oral inquiries.

Interviews are often broadly classified as structured, unstructured, and behavioral.

1. Unstructured interview**:** is one in which the interviewer asks probing, open- ended questions. This type of interview is comprehensive, and the interviewer encourages the applicant to do much of the talking. The unstructured interview is often more time consuming than the structured interview and results in obtaining different information from different candidates.

2. Structured interview**:** In the structured interview, the interviewer asks each applicant for a particular job the same series of job- related questions. Although interviews have historically been very poor predictors of job success, use of structured interviews increases reliability and accuracy by reducing the subjectivity and inconsistency of unstructured interviews. A structured job interview typically contains four types of questions. (Mondey, 2009)

ORGANIZATIONAL PERFORMANCE

As an integral component of the success system model, the performance management system should provide benefits to both the employee and to the organization. Organizational Performance management is the process that enables employees to perform their roles to the best of their abilities with the aim of achieving or exceeding established targets and standards that are directly linked with the organization's objectives (Collings & Wood, 2009). Recruitment and selection process involves a measurement of its success both qualitatively and quantitatively. Any recruitment and selection system should be based on three fundamental principles:

a. **EFFECTIVENESS:** Effectiveness can be measured for recruits, include retention rates, promotion rates, and percentage of recruits perceived as having high potential after three to five years. However, these factors can also be influenced by working conditions and emphasis on employee development within the organization (Ford, 2000).

b. **EFFICIENCY**: Is mainly concerned more with the costs of the exercise, and it also measures the average cost per recruit, average time lapse between various stages, percentage of the offers made, and offer-acceptance rate (Hollman, 2000).

c. **ORGANIZATIONAL IMAGE**: Is the perception that different people hold of an organization. Such perceptions can have different sources depending on how well people know the organization. Some perceptions derived from individual experiences and impressions of the organization, while others are influenced by the marketing and communication activities seeking to influence the image of the organization. Image is important for an organizations ability to attract and retain relationships with its different internal and external stakeholders. (Balmer & Greyser, 2003)

The basic assumption is that an image adds value to the organization by creating positive perceptions of how the organization is different from and better than others. Within organizational studies, organizational image has been subject to different conceptualizations and debates. Most importantly, many organizational scholars take organizational image to be organizational members' perceptions of how outsiders perceive the organization. Organizational image is a useful concept for understanding the impressions individuals have of organizations or that organizations want to convey to individuals. The term refers to an image that encapsulates the likeness of an organization. (Cheney & Christensen, 2001). Organizational images can have a strong influence on most aspects of members' organizational experiences. From an individual perspective, organizational image helps to explain how people: (1) seek membership in organizations, (2) identify with organizations, (3) make sense of and compare organizations, (4) align their decisions and behavior with others serving the same organizational cause, and (5) understand themselves and their roles in organizations. From an organizational perspective, organizational image helps the dominant coalition to establish or position the organization, its goals, and its views in the minds of its employees, customers, or other stakeholders. For employees, organizational image helps envision what types of activities are appropriate; for external constituencies, the image helps place the organization into a category of similar organizations while simultaneously differentiating the organization from the others organizational Communication. (Aluesson, 1990).

d. **EMPLOYEE INNOVATIVENESS**: Employee innovativeness can be defined as engagement in innovative behaviors, which includes behaviors related to the innovation process, i.e. idea generation, idea promotion and idea realization, with the aim of producing innovations. Innovations connected to the implementation or adoption of novel ideas can in turn be categorized as either technological (changes in products, services, production processes) or administrative (changes in activities, social processes, structures), and as either radical or incremental, depending on the extent of their influence for existing products or processes. Employee innovativeness can thus be examined throughout the innovation process, from initial idea generation to product development, and eventually to product commercialization, or the adoption of new processes or structures in the organization. (Vincent, Decker 2002).

As it is individual employees, either alone or together in groups, who are the source of creative ideas and subsequent innovation, it is not surprising that large amounts of research have been devoted to the examination of personality or person-specific factors that contribute to innovativeness. (Anderson, 2004). Research has repeatedly highlighted the importance of intrinsic motivation in creative work. Innovativeness requires a certain level of internal force that pushes the individual to persevere in the face of challenges in creative work. Moreover, it is this internal force that keeps the person going even when the challenges are successfully overcome. (Jung, 2001)

e. **EMPLOYEE TURNOVER:** Indicates the rotation of workers around the labor market; between firms, jobs and occupations; and between the states of employment and unemployment? As indicated by Hollman, (2000) organizations that have a high level of inefficiency translates to having a high level of staff turnover. Employees have a strong need to be informed. Organization with strong communication systems enjoyed lower turnover of staff. Employees feel comfortable to stay longer, in positions where they are involved in some level of the decision-making process. That is employees should fully understand about issues that affect their working atmosphere. But in the absence of openness' in sharing information, employee empowerment and the continuity of employees are minimal. Point out that a high labor turnover may mean poor personnel policies, poor recruitment policies, poor supervisory practices, poor grievance procedures, or lack of motivation. All these factors contribute to high employee turnover in the sense that there is no proper management practice and policies on personnel matters hence employees are not recruited scientifically **(**Johnson & Griffeth, 2000)**.**

RESEARCH METHODOLOGY

The research employed and utilized the descriptive and co relational research design. The choice of these designs was informed by the ability of descriptive method to profile respondents categorically (Greener, 2008) and the correlation was to examine the relationship between variables (Wallace and Wray, 2006). Primary data was used for the research. The research employed a self structured questionnaire that covered all the variables under study. The questionnaire was specifically designed to accomplish the objectives of the study. The questionnaire consisted of three sections, and employed the Likert scale of four points: Strongly Agree, Agree, Disagree, and Strongly Disagree. The first section collected information such as age, gender, level of education, experience, current position held by the respondent, and department the respondent works in. the second section inquired if the respondent was taken through the selection and the recruitment process, and if he thinks the process was transparent. The third section consisted of 39 questions that measured the analysis of the respondent's perception of the recruitment and selection process and its effect on the performance of employees in the micro- finance institutions in Rwanda. The questionnaire was administered using a convenience sample method to 5 microfinance institutions in Kigali city capital of Rwanda. Of the 290 questinnaires distributed for this study, 274 of them were useable giving a response rate of 94 per cent, which was considered satisfactory for subsequent analysis. The sample size decisions were primarily based on cost considerations.

DATA ANALYSIS, INTERPRETATIONS AND DISCUSSIONS

PROFILE OF THE RESPONDENTS

The profile of the respondents was analyzed through descriptive statistics as presented in Table 1.1 and it indicates that a total of 146 male group representing (52.5%) and 128 female, representing (46.0%) of the total 274 respondents used in the study. This proportional difference only reflects the number of respondents surveyed. Data presentation and analysis were done with the help of various statistical tools by using SPSS.

TABLE 1.1: DISTRIBUTION OF THE RESPONDENTS BY DEMOGRAPHIC FACTORS

Demographic Variables	Categories	Frequency	Percentage
Gender	*Male*	*146*	*52.5%*
	Female	*128*	*46.0%*
Educational Level	*Diploma*	*32*	*11.5%*
	Bachelors' degree	*218*	*78.4%*
	Masters	*24*	*8.6%*
	PhD	*0*	*0%*
Work Experience	*Less than 1 Year*	*55*	*19.8%*
	1 to 3 Years	*67*	*24.1%*
	4 to 5 Years	*93*	*33.5%*
	5 and above Years	*59*	*21.2%*

Table 1.1 further indicates that out of the 274 respondents, 32 respondents representing (11.5%) have a diploma, 218 respondents representing (78.4%), have a bachelor's degree, 24 respondents representing (8.6%), have a Masters, while there was no respondent with a PhD. On work experience, the highest number of respondents are those that have worked between 4 and 5 years

TABLE 1.2: SUMMARY OF THE RESPONDENT'S RESPONSE IF THEY WENT THROUGH THE PROCESS OF SELECTION AND RECRUITMENT

Response		Frequency	Percent
Process of selection and recruitment	yes	228	82.0
	no	46	16.5

From the foregoing statistical evidences, as indicated in table 1.2, it becomes explicit that the respondents' response indicates that a large number of them went through the process of selection and recruitment for the various positions that they hold in the institutions.

RESPONDENTS PERCEPTION ON SELECTION/RECRUITMENT AND EMPLOYEE PERFORMANCE

TABLE 1.3: MEAN AND STANDARD DEVIATION OF THE VARIABLES

Independent Variables	Mean	Std. Deviation
Recruitment Policies	2.4060	.37623
Recruitment Procedure	3.4355	.59514
Cost constraint	2.1305	.83183
Time constraint	1.3650	.57895
Selection/Recruitment Techniques	3.2600	.42327
Selection/Recruitment Criteria	3.4891	.66490
Dependent Variables	**Mean**	**Std. Deviation**
Effectiveness	3.5572	.52159
Organizational Image	2.9672	.57839
Efficiency	3.7600	.35631
Innovativeness	3.5119	.63807

From the statistical reports in table 1. time constraint, cost constraint, and recruitment policies had a mean less than 3.00 implying that these variables under the recruitment and selection process do not influence the performance of the employees. From the statistical result of recruitment procedure, selection/recruitment techniques and selection/ recruitment criteria had a clear indication that they influence the performance of the employees.

CORRELATION ANALYSIS OF VARIABLES

Pearson correlations were calculated to identify the correlations between the variables. Table 1.4 shows the correlations for all the variables.

TABLE 1.4: SUMMARY OF THE CORRELATION MATRIX BETWEEN SELECTION/RECRUITMENT AND EMPLOYEE PERFORMANCE

Variables		Selection /Recruitment	Employee Performance
Selection Recruitment	Pearson Correlation Coefficient	1	.956[**]
	Sig. (2-tailed)		.000
	N	274	274
Employee Performance	Pearson Correlation Coefficient	.956[**]	1
	Sig. (2-tailed)	.000	
	N	274	274
**Correlation is significant at the 0.01 level (2-tailed) * Correlation is significant at the 0.05 level (2-tailed)			

Based on the statistical relationship approach, this finding, thus, provides a robust and in-depth insight in indicating that there exists a significant relationship between selection/recruitment procedure and employee performance. The finding indicates that recruitment and selection is a significant determinant of the performance of the microfinance institutions in Kigali Rwanda. The findings fits well with the sentiments of Omolo, Oginda, & Oso, (2012) and the views of

Montana and Charnov (2000) that recruitment as the process of recruitment policy, recruitment procedures, cost constraints, selection techniques, and selection criteria of qualified people for a job, has a direct impact on performance.

CONCLUSIONS

The purpose of this study was to determine the effect of recruitment and selection on the employee performance in the microfinance institutions, through specifically investigating the effect of the recruitment policy, recruitment procedures, cost constraints, selection techniques, and selection criteria collectively, on the employee performance of the microfinance institutions in Kigali, Rwanda. The study found out that the recruitment policy, recruitment procedures, cost constraints, selection techniques, and selection criteria are significant determinants of the employee performance of the microfinance institutions in Kigali, Rwanda. Based on these findings, the study concludes that recruitment and selection have a significant effect on the employee performance of microfinance institutions in Kigali, Rwanda, and the better the recruitment and selection, the higher the performance of the microfinance institutions. This research contributes to the wealth of existing documentation through the identification of factors under the selection and recruitment that influence employee performance. The finding of the research cements the underlying policy that effective recruitment and selection are tools for better employees' performance. The suggested policy has implications for financial institutions and managers which can be used as a basis to plan efforts towards increasing workers' work performance and enhancement.

RECOMMENDATIONS

Based on the findings and conclusion drawn above, the study recommends that, the Ministry of Trade and Industry, in collaboration with the Local Government and the microfinance institutions to develop guidelines for recruitment and selection of new staff to be recruited by the SMEs. To provide a proof that such guidelines have been adopted and followed should be advanced during application for renewal of licenses. The application of new licenses and renewal of old licenses should be based on evidence of effective practices of the recruitment and selection process of the employees in an microfinance institutions.

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