

THE INFLUENCE OF RECRUITMENT AND SELECTION ON PERFORMANCE OF SAVINGS AND CREDIT COOPERATIVE SOCIETIES (SACCOS) IN TANZANIA

Kelvin M Mwita^{1*}, Joyce Nzulwa², Mary Kaamara³

^{1,2,3}Jomo Kenyatta University of Agriculture and Technology, Nairobi-Kenya, Kenya
e-mails: ¹kelvinmwita@gmail.com

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ABSTRACT

Objective: This study sought to examine the influence of recruitment and selection on performance of SACCOS in Tanzania. **Research Design & Methods:** The study used a quantitative approach. Data collection was done using self-administered questionnaires to collect data from 231 HR Managers (or their equivalent) in Tanzania SACCOS with a specific focus on the Dar es Salaam region. Simple random sampling technique was used to sample the respondents. Questionnaires were distributed to the respondents who were asked to fill correct and relevant information. Descriptive and inferential statistics were used for data analysis. **Findings:** The study found a significant positive relationship between recruitment methods and SACCOS performance, selection criteria and SACCOS performance, and selection process and SACCOS performance. Further, workforce diversity had a significant moderating effect on the relationship between recruitment and selection and SACCOS performance. **Implications & Recommendations:** The use of effective recruitment and selection practices is capable of enhancing performance of SACCOS in Tanzania. Diversified workforce in SACCOS is capable of moderating the relationship between recruitment and selection and SACCOS performance. The study recommends the use of best practices in recruiting employees in SACCOS and ensures workforce diversity is embraced in these organizations for an improved organizational performance. **Contribution & Value Added:** The study extends the literature on the influence of recruitment and selection practices on organisational performance with specific reference to Tanzania SACCOS something that the existed body of knowledge missed. As per the reviewed literature, this is the first study to examine the influence of recruitment and selection on performance of SACCOS in Tanzania.

Keywords: organizational performance; recruitment; SACCOS performance; selection.

JEL codes: M5, O15

Article type: research paper

INTRODUCTION

Organizational performance has been one of the major concerns among researchers and practitioners for decades. People interested in how organizations perform have been seeking best practices that enhance organizational performance since they are crucial parameters of organizational success (Demeke & Tao, 2020). Like any other organizations, Savings and Credit Cooperative Societies (SACCOS) have been in search for best ways to make these organizations impactful (Mmari & Thinyane, 2019). SACCOS are financial institutions that are collectively owned and democratically controlled by members to advance financial services such as savings and loans to their members with a focus on improving their social and economic wellbeing. SACCOS have a long history as a grassroots

movement that has played an important role in addressing socio economic challenges facing the marginalized communities around the world in a more sustainable way (Mushonga et al., 2019). Business models that SACCOS use are different from those used by other financial institutions since their primary objective is not to generate profit rather helping their members to achieve their individual goals while group or organizational goals are achieved (Mmari & Thinyane, 2019). Despite their distinctive features, they operate in the same competitive business environment as other financial institutions (Mmari & Thinyane, 2019).

In Tanzania, SACCOS have a long history of helping poor people who cannot access financial services from other financial institutions like commercial banks. Their role cannot be underscored in helping Tanzanians to access basic services like education, housing, health and water services, among others (Mmari & Thinyane, 2019). Moreover, micro-credit services from these institutions have been a source of business capital for many. However, they have been considered less effective with a low capacity to meet the expectations of their members (Mmari & Thinyane, 2019). It has been argued that SACCOS do not have proper strategies to mobilize various resources needed to enhance their performance including human resources. Employee acquisition in most of these organizations is said to be poorly done hence leading to hiring people who are less competent to help their organizations achieve expected performance. Although this is considered to be one of the major reasons for their failure, the literature lacks empirical evidence to validate the assertion. Additionally, studies like Telyani et al. (2022) and Pandey & Risal (2020), among others, argue that recruiting competent employees is important for enhancing organizational performance but when these employees are diverse, organizations may experience a more superior performance. It is believed that recruitment methods play a significant role in enhancing organizational performance since they facilitate hiring competent employees who are the important determinants of the organizational performance (Kepha et al., 2014). Internal recruitment for instance, is believed to be less costly and effective when the organization is supplied with the needed employees to fill the vacancies. On the other hand, external recruitment helps in bringing on board employees from outside the organization that have needed competences for achieving organizational goals (Mlawa, 2021). Recruitment methods cannot be effective when employee selection does not depend on relevant criteria. Organisations cannot select competent employees if they do not use relevant criteria (Omar, 2019). Against this backdrop, this study intended to examine the effect of recruitment and selection on performance of SACCOS in Tanzania using workforce diversity as a moderator. This study contributes to the body of knowledge by showing how recruitment and selection can affect performance of Tanzania SACCOS something that has not been explored in the literature since previous studies put much emphasis on other types of organisations leaving SACCOS out of focus.

LITERATURE REVIEW

Resource Based View Theory

This study was guided by the resource based view (RBV) theory which was proposed by Penrose (1959). The theory postulates that various resources in organizations including human resources form a basis for competitive advantage of organizations (Assensoh-Kodua, 2019). This implies that success of any organization is a function of its resources. Resources will only be meaningful to an organization if they add value. To achieve that, resources are expected to be valuable, rare, imitable and non-substitutable (Chumphong et al., 2020). The theory explains that organizations' resources have to be well and carefully acquired to ensure that organizations are supplied with what can help them to achieve intended goals. Recruitment and selection is considered to be one of the important practices since it is what opens doors for human resources to enter an organization. This means it has a big role to play in ensuring that organizations have human resources that are valuable, rare, imitable and non-substitutable. Organizations with a resource based view tend to have a well-designed system of acquiring organizational resources, most importantly the human resources. Although the theory explains well an aspect of recruitment and selection and its essence in organizational performance, it has been criticized by some scholars for its focus on internal resources only while ignoring the external business environment. However, Enriquez de la O (2015) insist that focusing on internal

resources and capabilities does not necessarily mean that external environment and assumptions of industrial organization as proposed by Porter (1980) are not important, rather are complemented. RBV forms an important basis of this study since it explains how recruitment and selection may play a role in enhancing the organizational performance of SACCOS.

Performance of SACCOS

Globally, SACCOS have been playing an important role in financing different groups and individuals particularly those that cannot access finances from other financial institutions like banks. SACCOS in Tanzania, like in other parts of the world, are under the umbrella of cooperatives. Majority of SACCOS operate on a small scale, something that limits their capacity to mobilize quality resources especially human resources due to the competitive environment they operate in. Undoubtedly; human resources play a significant role in enhancing organizational performance. Organizations that succeed in recruiting and selecting competent human resources are more likely to achieve competitive advantage. This implies that organizations have to understand where to look for people and who to select from a pool of recruited potential job candidates.

Recruitment Methods and SACCOS Performance

Organizations may either choose to recruit from within an organization (internal recruitment) or from outside (external recruitment). There are a number of factors that may influence an organization to choose from the two and the results from using either of them may be different. The study of (Josephine, 2019) that was conducted in Uganda at Mulago Hospital found that internal recruitment had a significant effect on organizational performance. In SACCOS, recruitment has been associated with various variables that are the functions of organizational performance. For instance, the study of Miheso et al. (2019) which was done among SACCOS in Kakamega, Kenya found that once recruitment is carried out well it may result in employee retention which is among important variables for SACCOS performance. Although all recruitment methods are important in helping organisations to achieve their intended goals, there is a need to strike the balance between internal and external recruitment (Mwita & Kinemo, 2018). This means, there are circumstances in which one method can be appropriate or relevant while in some others it will not.

H1: There is significant positive relationship between recruitment methods and performance of Savings and Credit Cooperative Societies in Tanzania

Selection Criteria and SACCOS Performance

As noted earlier, for SACCOS to achieve their expected goals it is important to understand the type of people they need. This will create a basis for identifying important criteria to be used in assessing who has to be hired. The study of Hamza et al. (2021) observed that selection criteria are important in enhancing organizational performance. The study of Kosgei (2019) which was done at Patnas SACCO Society Limited in Kericho, Kenya found that selection criteria when well identified and used can help to enhance performance of SACCOS. Selecting employees who possess the right knowledge and skills is vital for organizational success (Kuryło et al., 2019). As far as SACCOS in Tanzania are concerned, stakeholders are anxious about whether employees recruited in these organizations have what it takes to achieve the goals of these firms (Anania & Rwekaza, 2018; Mwita, 2019). Identifying and putting selection criteria in place based on the knowledge and skills needed is important to help select employees who will enhance organizational performance.

H2: There is significant positive relationship between selection criteria and performance of Savings and Credit Cooperative Societies in Tanzania

Selection Process and SACCOS Performance

Arguably, having good selection criteria is meaningless if the process of selecting employees for organizations is not done in a proper manner. It is recommended that organizations consider administering selection in a systematic way to make it fruitful (Oluoch & Mbugua, 2018). Although having an appropriate selection process is important, it has to be fairly done to make organizations successful (Park, 2021). Findings from the study of Pham & Paillé (2020) show that having a

systematic process of selecting employees increases the chance of hiring employees with relevant skills and knowledge. Moreover, the study reported fairness to be among important predictors of an effective employee selection process. These findings are supported by those of Hunkenschroer & Luetge (2022) which show that perceived fairness in recruitment is among important predictors of employee performance.

H3: There is significant positive relationship between selection process and performance of Savings and Credit Cooperative Societies in Tanzania

Moderating Effect of Workforce Diversity

Workforce diversity has been emphasized by various stakeholders to be considered in organisations for various reasons. Some believe that having workforce diversity can help organisations to have a mix of different expertise, experiences, knowledge, skills and no many others variables that are considered important for organisational success. For instance, a study which was done in Bangladesh from 80 firms which were listed in Dhaka stock exchange detected a positive significant between gender diversity and firm performance (Ahmed & Bukth, 2019). Another quantitative study which was done in South East Nigeria among 173 employees confirmed that age, gender and education diversity were among predictors of firm performance (Ezeanyim & Ezeanolue, 2020). There are other empirical evidences that show the moderating effect of workforce diversity on the relationship between other variables and organisational performance. For instance, the study of Kim et al. (2021) which investigated the influence of CEO turnover on firm performance attempted to examine the moderating effect of workforce diversity on the relationship. The study found gender and education diversity had significant moderating effects on some sub-variables of firm performance. Moreover, Lu et al. (2015) found workforce diversity to be a significant moderating variable of the relationship between human resource management and organisational performance.

H4: Workforce diversity has significant moderating effect on the relationship between recruitment and selection and performance of Savings and Credit Cooperative Societies in Tanzania

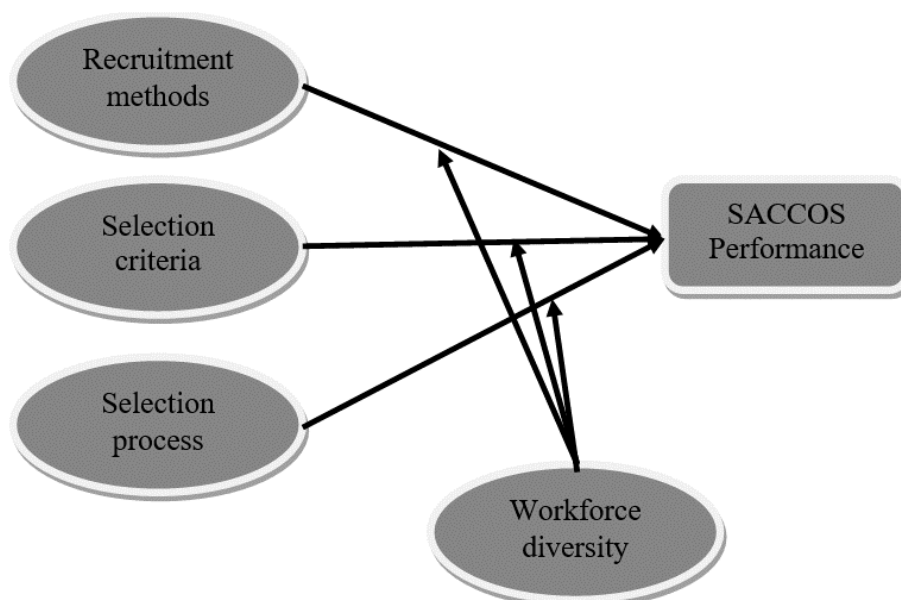


Figure 1. Conceptual Framework

METHODS

This study adopted positivist research philosophy. Positivist research philosophy claims that the social world can be understood in an objective way. In this research philosophy, the scientist is an objective analyst and, on the basis of it, dissociates himself from personal values and works independently (Mwita, 2022; Žukauskas et al., 2018). It is derived from natural science and is characterized by the

testing of hypotheses developed from existing theory (hence deductive or theory testing) through measurement of observable social realities (Saunders et al., 2015). This made the use of a quantitative approach important in this study. A quantitative approach involves testing objective theories by examining the relationship among variables; these variables, in turn, can be measured. The study population included in this study is 1505 HR Managers from SACCOS in Tanzania mainland. In SACCOS where there were no HR Managers, those executing HR functions were used to collect data from. The study used a sampling frame of 432 HR managers from SACCOS located in Dar es Salaam, to obtain a sample of 317 (as per Yamane's formula). A sample size of 317 HR Managers was sampled using a simple random sampling technique. In selecting who should be involved in the study a lottery method was used to make sure all intended respondents had equal chances of being included in the study (Mwita, 2022). Data collection was done using a standardized questionnaire. Questionnaires were distributed to the respondents and filled with an assistance of the researchers. Out of 317 distributed questionnaires 231 were properly filled, returned and included in the study for analysis which accounted for 71.3% response rate. The actual study was preceded by a pilot study done to 30 respondents. The study used descriptive and inferential statistics (correlation and regression analysis).

FINDINGS

Demographic characteristics of the respondents of this study are summarized in Table 1. The results show that male respondents were more than female respondents. This could be attributed by the fact that there are more male HR and SACCOS Managers in Tanzania SACCOS. When considering age of the respondents the study was dominated by old respondents. This perhaps is associated with the fact that respondents were people holding managerial positions and acquiring these positions require people with many years of working experience. The same reason attributed having more people who have degree and postgraduate education and working experience.

Table 1. Demographic Data

Characteristic	Category	Frequency
Gender	Male	151 (65.4%)
	Female	80 (34.6%)
Age	Below 30 years	13 (5.6%)
	30—39 years	40 (17.3%)
	40—49 years	73 (31.6%)
	50 — 60 years	94 (40.7%)
	Above 60 years	11 (4.8%)
Education level	Diploma	39 (16.9%)
	Bachelor degree	128 (55.4%)
	Post-graduate education	64 (27.7%)
Working Experience	0—2 years	6 (2.6%)
	3—5 years	21 (9.1%)
	6—8 years	47 (20.3%)
	9—11 years	81 (35.1%)
	Above 11 years	76 (32.9%)

Validity of Research Instrument

In order to ensure validity of constructs used in this study, convergent and discriminant validity were tested. In convergent validity standardized factor loading, average variance extracted (AVE) and composite reliabilities were considered. As a rule of thumb, AVE had to be greater than 0.5, CR had to be greater than 0.6 and standardized factor loadings had to be above 0.4 (Chareonwongsak, 2017). Table 2 shows that all constructs were met the above criteria and therefore convergent validity was met.

The study tested for discriminant validity. To meet discriminant validity the AVE values, have to be greater than its squared correlation. Table 3 shows that discriminant validity was met since AVE values are greater than their respective squared correlations.

Table 2. Convergent Validity

Variable	Item Loading	AVE	Cronbach's Alpha	CR
<i>Recruitment methods</i>		0.848	.850	0.893
Methods used for recruitment in our SACCOS help to reach a sufficient number of prospective job candidates	.642			
Recruitment methods used encourage competent candidates to apply for job openings in our SACCOS	.698			
Recruitment methods used in our SACCOS consider specific job requirements	.601			
<i>Recruitment criteria</i>		0.869	.888	0.932
Employee selection criteria used ensure competent people are employed by our SACCOS	.668			
Employee selection criteria used in our SACCOS consider specific workforce demands of our SACCOS	.762			
Our SACCOS uses appropriate criteria for employee selection in each job position	.765			
<i>Recruitment process</i>		0.790	.946	0.881
Employee selection process is done systematically	.760			
Employee selection process is done in an ethical manner	.813			
I consider employee selection process in our SACCOS to be done fairly	.817			
<i>Workforce diversity</i>		0.637	0.996	0.972
Our organization recognizes, accepts and understands all employees irrespective of their gender	.752			
Both male and female employees are fairly represented in our SACCOS	.739			
Both male and female employees are treated fairly in our SACCOS	.754			
Our organization recognizes, accepts and understands all employees irrespective of their age.	.773			
There is equitable representation of all age groups (younger, middle-aged & older employees) in our SACCOS	.796			
All age groups are fairly treated in our SACCOS	.837			
Our organization recognizes, accepts and understands all employees irrespective of their education levels	.850			
There is equitable representation of employees of different education levels in our SACCOS	.805			
Employees are treated fairly irrespective of their education differences in our SACCOS	.777			

Source: Compiled by the Authors

Table 3. Discriminant Validity

Indicator	Recruitment Methods	Selection Criteria	Selection Process	Workforce Diversity	SACCOS Performance
Recruitment methods	0.848				
Selection criteria	.811	0.869			
Selection process	.771	.840	0.790		
Workforce diversity	.611	.563	.575	0.637	
SACCOS performance	.616	.605	.613	.683	0.716

Source: Compiled by the Authors

Descriptive Findings

The mean scores of the constructs of the variables show are generally average (ranging from 3.03 to 3.9). This gives an implication that the practices are neither poorly nor excellently performed by the SACCOS. This was the same with workforce diversity which was used as moderating variable in this study. The results are summarized in Table 4.

Table 4. Descriptive Findings

Variables and Statements	Mean	Standard Deviation
<i>Recruitment methods</i>		
Methods used for recruitment in our SACCOS help to reach a sufficient number of prospective job candidates	3.39	.816
Recruitment methods used encourage competent candidates to apply for job openings in our SACCOS	3.9	.880
Recruitment methods used in our SACCOS consider specific job requirements	3.03	.944
Weighted Mean & SD	3.44	.880
<i>Recruitment criteria</i>		
Employee selection criteria used ensure competent people are employed by our SACCOS	3.15	.903
Employee selection criteria used in our SACCOS consider specific workforce demands of our SACCOS	3.22	.999
Our SACCOS uses appropriate criteria for employee selection in each job position	3.23	.997
Weighted Mean & SD	3.2	.300
<i>Recruitment process</i>		
Employee selection process is done systematically	3.22	1.021
Employee selection process is done in an ethical manner	3.36	.985
I consider employee selection process in our SACCOS to be done fairly	3.40	1.042
Weighted Mean & SD	3.33	1.016
<i>Workforce diversity</i>		
Our organization recognizes, accepts and understands all employees irrespective of their gender	3.45	.917
Both male and female employees are fairly represented in our SACCOS	3.25	.962
Both male and female employees are treated fairly in our SACCOS	3.16	1.076
Our organization recognizes, accepts and understands all employees irrespective of their age.	3.25	1.053
There is equitable representation of all age groups (younger, middle-aged & older employees) in our SACCOS	3.26	1.084
All age groups are fairly treated in our SACCOS	3.33	1.074
Our organization recognizes, accepts and understands all employees irrespective of their education levels	3.40	1.037
There is equitable representation of employees of different education levels in our SACCOS	3.28	1.105
Employees are treated fairly irrespective of their education differences in our SACCOS	3.29	1.130
Weighted Mean & SD	3.33	1.016

Source: Compiled by the Authors

Reliability of Research Instrument

Lee Cronbach in 1951 developed the Cronbach Alpha to offer a measure of the internal consistency of a scale or test, expressed as a number between 0 and 1 which is used for items whose responses are on a scale (Quansah, 2017). Higher values of alpha are more desirable. Some professionals as a rule of thumb require a reliability of 0.70 or higher before they will use an instrument (Manerikar & Manerikar, 2015). This study used this rule of thumb to determine the reliability of the research instrument. Reliability findings are presented in Table 5. The fact that all four variables had Cronbach's alpha of above 0.70 proves that the instrument was reliable for data analysis.

Correlation Analysis

In order to establish a causal relationship between independent variables and the dependent variable, correlation analysis was conducted. The results of analysis are hereunder provided. The results in Table 6 shows that recruitment methods were positively correlated with SACCOS performance ($r = 0.616$, $p < 0.01$). This finding implies that recruitment methods have a moderate positive effect on SACCOS performance. Further, selection criteria were found to positively correlate with SACCOS performance ($r = 0.605$, $p < 0.01$) which means that selection criteria was also found to have a positive moderate effect on SACCOS performance. Selection process was also found to positively correlate with SACCOS performance ($r = 0.613$, $p < 0.01$) Moreover, it was found that workforce diversity and SACCOS performance correlated ($r = 0.683$, $p < 0.01$) which gives an implication that workforce diversity has a positive effect on SACCOS performance.

Table 5. Cronbach Alpha Values for the Variables

Variable	Cronbach's Alpha	No. of items
Recruitment methods	.850	3
Selection criteria	.888	3
Selection process	.946	3
Workforce diversity	.996	9
SACCOS performance	.958	15

Source: Compiled by the Authors

Table 6. Correlation of Matrix for Variables

Indicator		Recruitment Methods	Selection Criteria	Selection Process	Workforce Diversity	SACCOS Performance
Recruitment methods	Pearson	1				
	Sig. (2-tailed)					
Selection criteria	Pearson	.811	1			
	Sig. (2-tailed)	.000				
Selection process	Pearson	.771	.840	1		
	Sig. (2-tailed)	.000	.000			
Workforce diversity	Pearson	.611	.563	.575	1	
	Sig. (2-tailed)	.000	.000	.000		
SACCOS performance	Pearson	.616	.605	.613	.683	1
	Sig. (2-tailed)	.000	.000	.000	.000	

Source: Compiled by the Authors

Hypothesis Testing

This section provides information concerning testing of the hypotheses which this study used. All hypotheses were tested at 5% level of significance. The test of beta coefficient shows a statistically significant positive linear relationship between recruitment methods and SACCOS performance ($\beta = 0.840$, $P\text{-value} = 0.000$). Hence, H1 is accepted since there is a significant positive linear relationship between recruitment methods and performance of SACCOS ($\beta \neq 0$ and $P\text{-value} < 0.05$). The test of beta coefficient shows a statistically significant positive linear relationship between selection criteria and SACCOS performance ($\beta = 0.502$, $P\text{-value} = 0.000$) as shown in the Table 7. Hence, H2 is accepted since there is a significant positive linear relationship between selection criteria and performance of SACCOS since $\beta \neq 0$ and $P\text{-value} < 0.05$. The test of beta coefficient shows a statistically significant positive linear relationship between selection process and SACCOS

performance ($\beta = 0.669$, P-value = 0.000) based on this result, H3 is accepted since there is a significant positive linear relationship selection process and performance of SACCOS ($\beta \neq 0$ and P-value < 0.05).

Table 7. Hypothesis Findings

Hypothesis	Results	Decision
H1: is a significant positive linear relationship between recruitment methods and performance of SACCOS	$\beta = 0.840$, P-value = 0.000	Accept
H2: is a significant positive linear relationship between selection criteria and performance of SACCOS	$\beta = 0.502$, P-value = 0.000	Accept
H3: is a significant positive linear relationship between selection process and performance of SACCOS	$\beta = 0.669$, P-value = 0.000	Accept

Source: Compiled by the Authors

Multiple Linear Regression

Table 8 shows two multiple linear regression model. The first model is before interaction of moderating variable the and the second one is after interaction of the moderator (workforce diversity). Before interaction recruitment methods was a significant predictor, selection criteria was not a significant predictor while selection process was a significant predictor of SACCOS performance. After interaction all the independent variables (recruitment methods, selection criteria and selection process) were found to be significant predictors of SACCOS performance. Based on the results, H4 was accepted since workforce diversity had a significant moderating effect on the relationship between recruitment and selection and SACCOS performance.

Table 8. Multiple Linear Regression

Variable	Model 1			Model 2		
	B	t	Sig.	B	t	Sig.
Constant	.104	.462	.645	-.315	-1.521	.130
Recruitment methods	.404	3.316	.001	.165	1.468	.036
Selection criteria	.172	1.359	.175	.141	1.257	.002
Selection process	.289	2.751	.006	.178	1.879	.016
Interaction variable (Workforce diversity)				.532	7.818	.000
Constant						
R-square	.431			.552		
Adjusted R-square	.424			.544		
F	F (3, 227) = 57.329,			F (4, 226) = 69.663		
Sig. F	.000			.000		

Source: Compiled by the Authors

DISCUSSION

Descriptive findings show that all sub-variables of recruitment and selection namely recruitment methods, selection criteria and selection process are not excellently practiced in SACCOS. Although they are all above a midpoint of 3 from a scale of 1 to 5, it gives an impression that something has to be done to make them more effective. Given the importance of recruitment and selection as a function of human resource management, better results were expected. Moreover, this study shows how important recruitment and selection is in enhancing SACCOS performance. The findings are consistent with those of Josephine (2019); Kosgei (2019); Kuryło et al. (2019); and Miheso et al. (2019). The aim of recruitment and selection is to ensure organizations hire the right people that are expected to help organizations to achieve their goals. These findings imply that when SACCOS put in place effective recruitment and selection practices they may help SACCOS to perform well. The empirical evidence shows that SACCOS in Tanzania are not performing as expected by various stakeholders, particularly their members (Mmari & Thinyane, 2019; Zakaria, 2019). Relating this to

the findings of this study, the performance of SACCOS in Tanzania can be explained by how recruitment and selection is done. This could be one of the reasons for unsatisfactory performance. The literature informs that organizations cannot perform well without having the right people on board and recruitment and selection is the entry point for people to get into various organizations (Oluoch & Mbugua, 2018). As the resource based view theory postulates, performance of organizations largely depends on its resources including human resources and arguably human resources are the most important organizational resources of all (Halmaghi & Bacila, 2018; Hamadamin & Atan, 2019; Rubel, 2019). Based on the resource based view, for organizations to attain competitive advantage the resources have to be valuable, rare, hard to imitate and substitute. One of the relevant questions is whether recruitment and selection can help SACCOS in Tanzania to recruit and select human resources of these aforementioned qualities. In other words, human resources that the theory describes are those with unbeatable competences. Al Aina & Atan (2020) argue that employing these people not only requires an organization to have enough resources including finances to attract them but also an ability to retain them. Tanzania SACCOS operate in an environment full of competition from other microfinance institutions and commercial banks which have bigger financial muscles; this makes their ability to compete for talented employees questionable (Anania & Gikuri, 2015). However, having an effective recruitment and selection system may help SACCOS to hire employees who will have an added advantage unlike when recruitment and selection is inappropriately done.

The issue of workforce diversity was also found to be of relevancy as far as the relationship between recruitment and selection and SACCOS performance is concerned. Gender, education and age diversity collectively were found to have a significant positive moderation effect in the relationship. This calls for the consideration of characteristics of people who get hired in SACCOS. This seems to be a policy issue since it requires operationalization of how workforce diversity can be embraced in SACCOS. Workforce diversity is said to enhance the presence of a wide range of skill sets in an organization, it inspires creativity, fosters innovation and it helps to attract and retain talents, among other benefits (Goel, 2018).

CONCLUSION

This study concludes that recruitment methods, selection criteria and selection process as individual variables of recruitment and selection have significant positive effect on performance of SACCOS in Tanzania. Moreover, workforce diversity moderates the relationship between recruitment and selection and SACCOS performance. To make sure recruitment and selection is impactful to organizational performance, recruitment methods should be carefully used to attract the right candidates for SACCOS. Identifying employee selection criteria should be well done to ensure only competent employees will be hired in these organizations. Additionally, the recruitment process has to be done systematically and appropriately with fairness to avoid hiring people who won't be beneficial to SACCOS. SACCOS are also recommended to institutionalize their recruitment and selection systems by putting in place policies to guide appropriate recruitment and selection practices. SACCOS have to consider creating an environment that enhances workforce diversity. This will help them have a diverse workforce in terms of knowledge, skills, gender, and age that has an impact on their performance.

This study has a number of limitations. Firstly, the study used quantitative data only, for this reason the study lacks depth and detailed information about the phenomenon under study. The study used SACCOS that are located in Dar es Salaam only. This limited the scope of the geographical study area. This study recommends future research to be done by considering the use of both qualitative and quantitative approach to get a broader spectrum of understanding the research problem. Further, including SACCOS of other parts of the country rather than Dar es Salaam only in future research will help to provide a broader picture of the research phenomenon.

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