

The Recruitment, Selection and Retention Practices by Family Owned Small and Medium Size Enterprises (FOSMEs) in Cameroon

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Abstract

Human Resource is a unique approach to employment and pursues to achieve modest benefit through the planned deployment of a highly dedicated and capable staff, using a combined selection of cultural, structural and personal techniques. Hence ensure those organisations can achieve success through people. This paper, examine the extent into which HRM practices such as recruitment, selection and retention are practice by family owned Small and Medium Size Enterprise(FOSMEs) in Cameroon as a means of continuous improvement. Cameroon national statistics [8] show that enterprise accounts for 90% of the economy and 34% GDP and that SMEs account 62% permanent staff and 70% job creation. This paper adopted a quantitative approach. Questionnaires were distributed to 30 SMEs manager/owners in Cameroon. They were selected through a convenience sampling technique. Out of the 30 questionnaires circulated to 30 managers/owners, 100% responded. The result shows that almost all the FOSMEs in Cameroon do not use HRM practice in selecting, recruiting and retention of employees and also no formal HR department. Except one Security Company that practice HRM and has HR department. The majority of FOSMEs in Cameroon does not practice HRM or have HR policies in place. Most of FOSMEs recruit, select and retain by using the services of their family members, colleague's friends, neighbors, close relatives or people from the same tribe or kinship. The literature on FOSMEs shows that such practices whereby kinship, friendship and family members play an important part in the recruitment, selection and retention of employees. Family owned SMEs in Cameroon should use HRM practice in recruiting, selecting and retention and also use HR department or use the services of HR practices and policies if they want to be competitive in the scare global market talent.

Keywords

Family Owned Small and Medium-Size Enterprise (FOSMEs), Recruitment, Selection, Retention, HRM, Cameroon

1. Introduction

Human Resource Management (HRM) is a concept that has been discussed and written about by many scholars and practitioners alike. To this effect, Storey [1] believes that HRM is a 'set of interrelated policies with an ideological and philosophical underpinning'. In 1995, Storey [2] defined HRM as a unique approach to employment which pursues competitive benefit over a planned placement of a highly dedicated and talented staff, using a combined display of social, organisational and personal practices. On the other

hand, Armstrong [3] defines Human Resource Management as a strategic and coherent approach to the management of organisations most valued assets: the people working there who individually and collectively contribute to the achievement of its objectives. Armstrong [3] went further to argue that the overall purpose of human resource management is to ensure that the organisation can achieve success through people. Taylor [4] on reflecting about HRM pointed out that HRM can be broken down into four people management practices which are recruitment selection, payment systems, performance appraisal, training and development. The extent to which SMEs uses these four

HRM practices in Cameroon is not known. Thus, this paper aims at examining the recruitment selection and retention practices done by family owned Small and Medium size Enterprise (FOSMEs) in Cameroon. In other words, the purpose of this paper is to examine the current existing method of recruitment, selection and retention in FOSMEs in Cameroon as a means of continuous improvement.

There is no research in Cameroon to examine HRM practices such as recruitment, selection, and retention in a family own small and medium size enterprise hence my interest in writing this paper. In Cameroon it is important that Family owned small and medium size enterprise engage the best HRM practices in order to achieve an excellent performance, increase in productivity, job satisfaction and exceeding customer's satisfaction. As noted above, there is little or no evidence in Cameroon to show how workers are being recruited, selected and retained in family owned small and medium size enterprise in Cameroon. Family owned business is very important for economic development in developed and developing countries and Cameroon is not immune. Therefore, it is very important for managers or management of family owned small and medium size business to put in place policies or strategies to help them recruit, select, and retained the best staff to help their business to achieve their goals, instead of using unconventional recruitment, selection and retention practices that ruin their business. The essential research question for the paper is purely to find out current present method use by FOSMES in recruiting, selecting and retention of their workers. In other words, the aim of this paper is to investigate current practices by managers/owners of family owned business in recruiting, selecting and retention of their employees.

According to Govaerts et al. [5] obtaining, developing and keeping gifted individuals have become one the most important goals of HRM in the past two decades. To this effect, Rappaport el. al. [6] emphases that the establishments that do not thrive in having their high performing staff lose their ability to stay competitive.

Recruitment is a process of generating a pool of very competent individuals to apply for employment within an organisation. Selection is a process by which specific tools are used in selecting from the group of personalities the most suitable candidate for the job available, Ofori and Aryeetey [7]. Retention and more importantly effective employee retention is a systematic effort by employers to create and foster an environment that encourages current employees to remain employed by having policies and practices in place that address their diverse needs. A strong retention strategy becomes a powerful recruitment tool. On the hand poor recruitment decision can have a long-term negative effect in terms development cost, training and poor performance, absenteeism, poor service delivery to customers and low productivity. The organization can fail to achieve its objectives and at the same time loses its market and competitiveness.

Thus, the retention of key employees is critical to the long-

term health and success of any organization. It is a known fact that retaining your best employees ensures customer satisfaction, increased product sales, satisfied colleagues and reporting staff, effective succession planning and deeply imbedded organizational knowledge and learning. Organizational or business success depends mostly on acquiring and retaining high quality talented staff. Business or small or medium size enterprises in Cameroon need to be selective in their choices when recruiting staff, since poor recruitment can produce long term effect on staff morale, low productivity and service delivery failures.

The significant of recruitment is that it is a costly exercise and at the same time a vital part of any business. That is why it is very important to get it right the first time. Organization or business may have the latest technology but without the right people or employees they will not achieve objectives. Recruitment and selection are an essential part of HRM and at the same time the most expensive part. When an organization hire the right people for the job, train them and treat them properly they will produce excellence result and at the same time stay longer with the organization. Thus, the significance of this paper is that the result of this paper will help family owned small and medium size enterprise in Cameroon to adopt measures in the context of HRM practices in relation to recruitment, selection and retention. Some family owned business may benefit from this study and find some solutions to their business as a result of this paper. The ministry of enterprise in Cameroon may find some benefit from this paper and advice some of the family owned business in the area of recruitment, selection and retention.

There is no universal definition of SMEs. However, SMEs in Cameroon sprang from Law 2010/001 of April 13, 2010, to promote, Small and Medium size Enterprise (SMEs). The Law classifies enterprises into the following categories: Very Small Enterprises (VSEs), Small Enterprises (SEs) and Medium-size Enterprise (MEs) [8]. VSE: hires five employees at least with yearly income net duties below 15 million CFA Francs. SE: hire amid six and 20 workforces with an annual income of 15 and 100 million CFA francs. ME: hire 21 up to 100 workforces with a yearly income net (taxes amid 100 million and 1 billion CFA francs) [8].

Kinfaack and Akinboade [9] define SMEs in Cameroon by using the investment code (decree no 90/007 of the 08/11/1990). The order states that an enterprise is reflected as an SME if: At smallest 35 percent of its stake (at least) is possessed by Cameroonian (s); investment is less than or equivalent to 1 to 5 billion FCFA. They cited FOGAPE (decree no 84/510 of the 13 June 1984). The order states that an enterprise is considered as SME if, 51 % of the investment business is owned by and the director (s) is/are Cameroonian(s). If the investment revenue is less than or equal to 1 billion CFA per year, and if the entire asset is more than 500 million CFA a year and the temporary credit is less than 200 million CFA.

Kinfaack and Akinboade [9] cited BEAC (decree no 71/MINFI/DCE/D of the 16/06/1989), which starts that an SME is an enterprise where: the majority of the capital

turnover owned by and the manager is Cameroonian.

The establishment of the Ministry of Small and Medium-Sized Enterprises, Social Economic and Handicraft is evidence that the Cameroon government is taking the issues of SMEs seriously. The responsibilities of the ministry are to Promote and supervise Small and Medium Enterprises, Promote SME products, Monitor the activity of organisations providing support to SMEs, Monitor professional SME organisations, and establish databank with professional teams. Set up projects for investors in the SME sector, identify, mentor and train informal economy actors to foster their migration towards SMEs.

The National Statistics Institute study show that enterprise accounts for more than 90% of Cameroonian national economic and 34% Gross Domestic Product (GDP) [10]. It is, therefore, imperative that SMEs are very significant for the economic growth of the country, which contributes about 22% of the GDP [8]. According to the National Institute of Statistics, there are 93,969 enterprises in Cameroon, 99.2 % are small and medium-sized enterprise (SMEs), and they account for 62% permanent staff [10]. Afriland First Bank [8] affirm that the SMEs sector makes an enormous contribution to economic growth in Cameroon and accounts for 70% of job creation.

Most of the literature on Human Resources Management relating to recruitment, selection and retention is use to great businesses, not small family owned business in Africa most specifically Cameroon. Thus, this paper underscores the importance of examining such an important issue such as recruitment, selection and retention for FOSMEs in Cameroon were such a study had not been carried out. Horrnby and Kuratko [11] attest to the fact that SMEs are usually incapable of having enough money to pay for Human Resources Management staff and their owner-manager may have to perform the duties of recruitment and selection by themselves. On the other hand, Altenburg and Eckhardt [12] argue that SMEs are effectively job makers and provide salary, training opportunity and services for poor people. OECD [13] acknowledges the fact that SMEs play a fundamental role in the transition and developing countries. Such firms typically account for more than 90% of all enterprises which are not agricultural by nature, form a larger part of employment and play a significant role in local and foreign money. Therefore, SME development emerges as a key instrument in poverty reduction efforts. Kayanula and Quartey [14] agree that SMEs help improves national markets and make good use of resources at home and also facilitate long-term economic development. Beck and Kunt [15] also argue that SME's accomplishments and financial growth are vital because many of SMEs in developing countries bring in a considerable amount of money from international sources such as the World Bank and other sources.

Dalberg [16] report that support for SMEs in developing countries show that SMEs are an important part of the economic fabric in emerging economies and that they play a vital role in promoting growth, invention and wealth. SMEs

have a limitation in accessing funds that they need to grow and expand. In line with the argument put forward by Horrnby and Kuratko [11]. De Kok and Uhlaner [17] also argue that small firms pay less attention to human resource management than their larger counterparts. Audretsch et al. [18] attest to the fact that Human resources are becoming more significant to SMEs.

2. Theoretical Framework

Many theories inform practices in a family owned SMEs business as in none- family SMEs. No one single theory of organisational behaviour can ultimately inform practices. Therefore in this paper, the framework for this paper are examined.

Decenzo and Robins [18] argue that the evaluation of human civilization theory emphasizes the knowledge worker in the knowledge economy as the primary factor of production.

The first to be discussed is the Resources-Based perspective. According to Range, [19] Resources-Based perspective (RB) is based on the assumption that differences in physical, organisational and human resources among firms cause a structural heterogeneity in their productive potential. Due to this heterogeneity, the long-term attractiveness of a company depends upon the resources that not only differentiate it from its competitors but are also durable and difficult to imitate and substitute. Resource-Based Perspective focuses on human resources as a source of competitive advantage. For companies to maintain their competitive environment requires a sound management of human resources that make sure that these resources stay competitive, for the physical resources are easier to imitate or substitute than human resources. Narasimha [20] on the other hand suggests that HRM is an integral part of corporate strategy. Selection, training, appraisal and rewarding can contribute to the knowledge stock of a company, and human resources are seen as significant contributors to the success of the firm.

The second theory is the Transactional-Coast Economic (TCE). TCE is best explained by Nootboom [21] who argue that small companies are often handicap by large companies on costs, due to the lower volume produced (scale) and fewer products (scope). They may also be characterised by less experience and more limited capacity for the acquisition of knowledge. The focus of TCE is on make-or-buy decisions among large firms. The small company may have neither the resources to develop needed programmes in-house nor the resources to search, evaluate and negotiate for quality applications from the outside. He concludes that small companies often lack more sophisticated applications because they do not have the resources to implement them, not because such programmes are less appropriate to the small firm. Thus, the smaller company often lacks the essential financial and human resources to implement specific HRM practices, and the choice for specific HRM practices depends upon their perceived value. The underlying

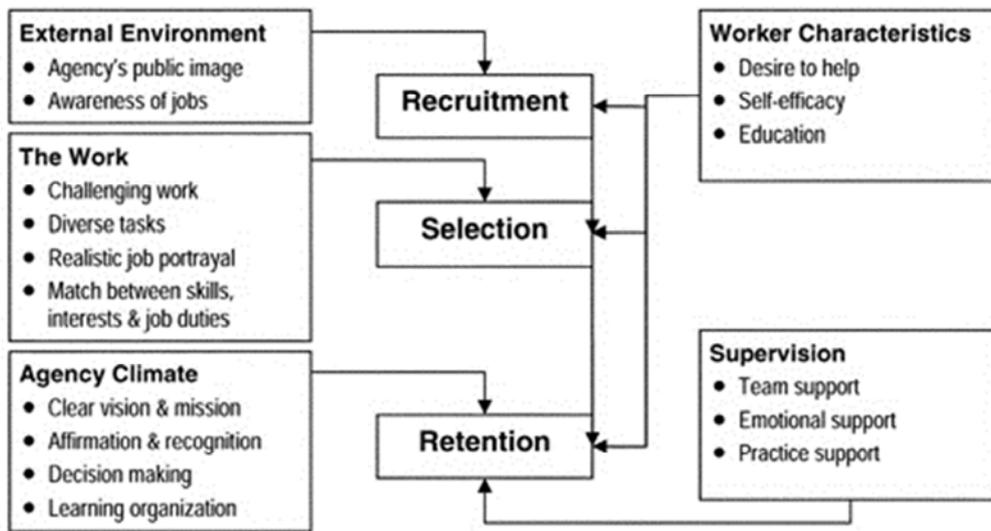
assumption behind TCE is the lack of formal HRM practices in a small firm or company. Not due to size, but due to higher costs required to develop specific programmes that fit the need of small business.

The third theory is Social Exchange Perspective (SE), according to Blau [22] is based on the assumption that employee-employer relationship is based both on the economic and social exchange. Social exchange relationships rely on mutual obligations, which involve resources and behaviours that are often difficult to specify and measure. Macky and Boxall [23] also argues that from the view of the employer, the interest in employee well-being, stability, and career advancement, as well as more symbolic dimensions, such as the commitment to promises and the capacity to ensure fairness and procedural justice.

The final theory is Human Capital (HC) perspective. According to Lepack and Snell [24], the Human Capital perspective suggests that employees with high qualifications incline to learn more efficiently at work and as a

consequence develop a firm-specific human capital that would not be valuable in other occupations. The human capital theory also emphasized that the acquisition of people with exceptional skills, knowledge, experience and attitude as a high priority in organizations today. Jiang et al. [25] attest to this fact and argue that indeed, the more talented and valuable employees, even though they may have more opportunities in the labour market, appear to increase their positive emotional responses to the organisation and to be less attracted by alternative jobs.

The conceptual framework that influences recruitment, selection and retention is seen below in Fig. 1. The employees are the asset of any organization and by acquiring the best help the organization or the business to stay competitive and be more successful. Thus for Family owned small and medium size enterprise in Cameroon to be successful they need to engage some of these HRM practices of recruiting, selecting and retention of qualified people to work for them and fig. 1 reflect that.



Sources: Adopted from (www.google.com.sa) [72]

Figure 1. Conceptual Framework of Influences on Recruitment, Selection and Retention.

3. Literature Review

A study done by Cameron [26] shows that the formation, building and maintaining a strong relationship between a corporation and workforces is critical to the real recruitment, selection and retention of personnel in family-owned small industry, and that owner /managers of family-owned small commerce as should always sell themselves to their staffs by focusing on association as the primary importance of recruitment, selection and retention of staff. Maas and Diederichs [27], argues that in the United States Of America (USA) family business or account for almost 80% of all business and are responsible for 50% the gross domestic product (GDP). Similarly, for Europe on family businesses account for 60% and 70% of all SMEs and add between 45% and 65% of the European countries Gross National Product (GNP). In Latin America and Asia, the picture is largely the

same. Poza [28] attests to the fact that Latin American countries, family businesses account for 90% to 98% of all sales and also account for 80% of all employment. There are similar figures for developing countries especially Cameroon, although they have no refined regulatory system or financial system that can support them. Kinfaek Djourmessi and Akinboade [9] argue that SMEs in Cameroon face a strict regulatory tax system that creates a burden for business. In Cameroon, there is no reliable database for family activities but is common sense that the family business is a predominate form of sales. The Ministry of Small and Medium Size Enterprises and Handicraft should create data for a family owned business activities.

The Center for Family Business at the University of St. Gallen, Switzerland conducted a study which showed that family-owned companies make up 80-90 of firms worldwide are the primary drivers of GDP and job growth [29].

Members of the Family Owned Business 500 index amount to \$6.5 trillion in yearly sales, seemingly to the third –largest economy in the world surpassed by China and the USA) and employ almost 21 million people around the world [29].

A study conducted by Ongori [30] shows that effective employee recruitment, selection and retention are key factors of human resources in any given organisation, which also lead to successes and sustainability of SMEs. Mohammed [31] study on talent attraction and retention in Saudi Arabia Family Owned small and Medium Scale Enterprise shows that employers are embracing ‘laissez-faire’ methods of checklists, rather than traditional HRM approaches followed by big industry, and that these practices might bring to their business in terms of the ability to recruit, select and retain the best talent. He also proposed that Family owned SMEs should hire HR specialists to deal with recruitment, selection and retention and most importantly to develop HR policies. Barrier [32] study revealed that SMEs quite often do not spend time and effort in effective recruitment and selection process and this leads to lower retention rates. A study by Puplampu [33] on the other hand shows that human skills and competencies are compulsory for the efficient administration of SMEs. The skills needed by SMEs were technical expertise, academic capacity skills which refer to educational qualifications, marketing skills, team, strategic planning, managerial and leadership skills. For Puplampu, lack of managerial know-how places constraints on SMEs development.

3.1. The Role of SMEs in Cameroon and Constraints on Their Development

Odd-Helge Fjeldstad et al. [34] argue that SMEs are vital for economic development and industrialisation in developing countries. Kinfect Djourmessi and Akinboade [7] on the other hand argue very strongly that developing countries like Cameroon are in urgent need to improve the SMEs environment because SMEs promotion can help develop the private sector economically and helps to make it more efficient. There is also evidence from the Ministry of Small and Medium Size Enterprise and Craft that SMEs in Cameroon account for 22% of the country's GDP [7]. Ayyagari et al. [35] also state that the promotion of the SMEs sector is an essential ingredient to foster employment, poverty alleviation and economic growth. They further conclude that small companies (less than 20 employees) contribute to around 20.21% of total permanent staff, while small and medium company (20 to 99 employees) are considered together with employment of 47.94% which is comparable to the contribution made by large corporations. A family business is defined by Poza [28] as a business in a unique synthesis of Firstly, ownership control (15% or higher) by two or more members of a family or a partnership of families. Secondly, it has the strategic influence of family members on the management of the firm, whether by being active in management, by serving as advisors or board members, or by being active shareholders. Thirdly, there is a concern for family relationships. Finally, there is the promise

of the dream (or possibility) of continuity across generations.

3.2. Some of the Constraints, Faced by SMEs Development in General and Cameroon in Particular

Haar and Brenes [36] argue that the challenges facing family businesses are characterised by the absorption of proprietorship, control, and often, important administration positions among family members, even after the retirement of a corporate founder. Such types of practices are established in countries that have weak legal structures where trust among family members may function as a substitute for uninspiring corporate governance and contractual enforcement. Piabuo et al. [37] study show that interest rate, the size of the enterprise, the size of the loan, the size of collateral, the maturity of the loan and legal status of companies are the major constraints faced by SMEs. The effect of credit limitation affects small business more than medium size enterprises. Westhead et al. [38] on the other hand argue that some family business owners do not focus solely on ‘business agendas’ (profit maximisation). Rather, some family business owners place more emphasis on ‘family programs’ and broader ‘social agendas’ such as social cohesion, protection of a local culture and a minority language, employment of local people, and the utilisation of local suppliers. Kinfect Djourmessi and Akinboade [7] on examining SMEs business in Cameroon attest to the fact that there are several obstacles when creating a business in Cameroon. The highest in the list of complications in building a business in Cameroon is the regulatory procedures. Many compliance regulations mainly fiscal, employment and economic rule are confusing and create a significant burden to the development of SMEs, it also takes a longer time to register and are also costly. Rigid and inconsistent regulations lead to corruption and to the assumption that all rule is wrong. Their study shows that business that registers for tax and those in the manufacturing sector sees taxes as a burden. A study conducted Cuevas et al. [39] shows that getting access to bank credit by SMEs has repeatedly been observed in many studies as a major constraint to industrial growth. The lack of access to bank loan by SMEs is their inability to pledge for acceptable collateral. Financial limitations have always been a major problem for SMEs expansion even though there are now many banks in Cameroon and a distinctive bank has been created for small and medium size enterprises. Kinfect Djourmessi and Akinboade [7] alluded to the fact that despite a government effort to expand SMEs in Cameroon, the rigid business environment is a barrier to the expansion of indigenous SMEs and also an opportunity for foreign investor entry into the country. The 2016 ranking by the World Bank [40] rank Cameroon as number 172 as one of the countries not easy to do business, due to matters linked to starting a business, dealing with construction permit, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. Zhang and

Gong [41] also attest to the fact that one of the critical problems facing SMEs is a lack of good management practices vis-à-vis human resource management practices by which employee's capabilities and enthusiasm can be uncovered and abused. Sheehan [42] also alluded to the view that SMEs can have competitive advantages over their rivals if they use effective HRM practices. Audretsch and Thurik [43] argue that SMEs require highly capable staff from an employment market with skill shortage. To this effect Walker [44] agrees that recruitment and selection are the best way of attracting workers at the right time, with the right qualifications. There is a need for recruiting the right staff for SMEs and failure to do so can cause deficiencies in their performance. Fishman [45] while reflecting on hiring and firing practices in family business concluded that family businesses tend to be in the best interest of the clan rather than the industry. Subsequently, a mutual family test is the belief that the eldest child (usually the son) will undertake control over the business. That the next suitable heir will ultimately need to have a desire for the firm. The ability to run it, a vision for future business growth and development, and an empathetic character. Katz and Green [46] on the other hand argue that there is a need for family businesses to strike a balance in human resources issues which are continuously developing in the family business. These problems are related to nepotism, meritocracy, and managing privilege. For them, nepotism is a management philosophy that selects and promotes staff based on family ties, while meritocracy is grounded on management philosophy of selecting and endorsing staff based solely on them being the most appropriate one for the post. Therefore, there is a need to have good recruitment and selection practice in SMEs.

3.3. Recruitment and Selection Evidence from the Literature

According to Bratton and Gold [47], recruitment is the way of creating a pool of competent individuals to apply for work in a firm. Stone [48] defines recruitment as the process of 'seeking and attracting a pool of applicants from which qualified candidates for the job vacancies within the organisation can be nominated. Townley [49] on the other hand, recognises recruitment and selection as part of the personnel or HRM practice and proposes that it involves uncovering some essential knowledge about the individual to aid rational decision-making, by indicating which person should be hired. Brink et al. [50] highlight the fact that studies show the failure of SMEs to notice, appeal and reward appropriate employees; losing indispensable workers; small production and inadequate training and expansion of staff are problems that affect their lifespan. Aitkinson and Meager [51] argue that external recruitment is a critical aspect for small businesses, because it happens rarely, and that external recruitment provides new lifeblood and fresh ideas while reducing internal favouritism. Carroll et al. [52] also attest to the fact that family owned businesses use worth-of-mouth contact to their advantage.

3.4. Selection and Empirical Evidence

The process of selection is very significant to family-owned SMEs because the performance of SMEs has a direct correlation with employees in a company. It requires that SMEs select the best and the people for the job so that they stay productive and competitive. The interview is one of the best methods of selecting SMEs enterprise staff. To this effect, McEvoy's [53] studies ascertain that application outright or interviews did 90% of selection approaches used by small commercial. Armstrong [54] argue that worker selection procedure typically takes place in following orders; the preliminary interview to eliminate candidates who do not meet minimum requirement identify the company or the business. Those who are successful in the first stage of the initial interview are required to complete an application form or blank which deals with age, experiences and qualification. Written tests such as aptitude test and personality test are conducted through the selection process. Those candidates who go through preliminary and a written examination move on for employment interviews which are designed to find a candidate who is suitable for the job. To make sure that physical fitness is tested, a medical test is carried out. With proper references, a candidate is given an appointment letter. Opatha [55] acknowledges that selection is the procedure of making the choice of the most appropriate candidate from the pool of candidates essential to fill the significant job vacancy. Gamage [56] argues that there is a significant relationship between recruitment and selection and the performance of a company. He attests to the fact that selection practices determine who is employed. If properly designed will ensure that the right candidates get a good job. It is, therefore, clear that SMEs who select the best candidates for the vacancy would increase productivity.

3.5. Definition of Employee Retention in SMEs and Empirical Evidence

Stauss et al. [57] define retention as a customer liking, documentation, assurance, trust, willingness to recommend, and repurchase intentions, with the first four being emotional-cognitive preservation constructs, and the last two being behavioural intentions. The fundamental challenge facing employers in the organisation is retaining the hired employees in the company. To do so many companies make an effort to provide the best facilities and employment package for their employees. To satisfy employee human resources family owned businesses are faced with a tough task. A study by Brodie [58] shows that age, job image, organisation commitment, job satisfaction, met expectations; tenure is reliably linked to turnover intentions and actual turnover. Gberevbie [59] argue that if an organisation applies suitable workforce's retention policies, workers will confidently continue to work for the achievement and success of the company goals. Hytter [60] acknowledges that personal premises of loyalty, commitment, trust, identification, attachment with the organisation have a direct influence on worker retention. Hytter [60] Further explain that rewards, career opportunities, leadership, training and development of skills, working conditions and the balance

between personal and professional life have a direct influence on retention. Flexible working hours, paid holidays, health insurance, bonuses and pension are also known to influence worker to stay. Kyndt Eva et al. [61] in their study found that factors such as level of education, self-perceived leadership skills, seniority, learning attitudes, appreciation, pressure of work are of great important to employees retention. Govaerts et al. [5] attest to this fact by stating very clearly that developing, acquiring and keeping talented individual is vital for HRM for years. Jiang et al. [25] maintain that talented and appreciated staff, typically increase their self-confident emotional response to the organisation and to be less attracted by other jobs in other organisation. Razouk [62] on the other hand contend that performance appraisal is another HRM tool that can be used to generate cheerful staff attitudes and behaviour, through discussing career developing opportunities, clarifying expectations and providing feedback. Middlebrook [63] argues that generous pay and benefit are used to increase employee motivation. Lines [64] suggest that opportunity enhancing HRM practices, which are meant at increasing empowerment of employees and generating prospects for them to contribute in the decision-making have shown to increase the extent of employee organisational commitment.

The focus of this paper is on family owned SMEs and retention valuable employees in family-owned firms is very vital. Empirical evidence on HRM in family businesses is scanty as compared to the non-family enterprise. To this effect, Pittino and Visintin [65] argue that family firms seem to prefer informal, often discretionary, mechanism and familial logics in the management of human resources rather than a formalised system, particularly in small and medium size organisations. They went on further to assert that small and medium size firms are usually less motivated to adopt formalised managerial practices (including HRM techniques), regardless of their family business status. De Kok et al. [17] studies on examining the adoption of professional HRM practices among small and medium size companies found that family business significantly lower degree in adopting formalised HR practices in their organisation. The informality among some family owned SMEs or firms as argued by Barnett and Kellermanns [67] is due to company's inability to attract, manage and retain staff, especially the smart ones because they may like a working environment with an opportunity to grow. However, Pittino et al. [66] further argue that familial informal HR practices create unusual forms of social exchanges, which certainly influence retention, even those respected employees who are typically the targets of HRM practices.

Long and Mathews [68] also assert that family firms are considered by a so-called Generalised Exchange System (GES) which is grounded on standards of unilateral and indirect exchange. There are no expectations among family business members for an instant and direct return for an action. This type of transaction is based on friendship, kinship, and affection and leads to styles that are cooperative, homogenous and cohesive. Zellweger et al. [69] also maintain that family image, history and value might promote empathy towards the clan by the non-family employees.

4. Methodology

This paper adopted structural questionnaires to collect data from the respondents in Cameroon. Delpont [70] argues that surveys or survey designs are one of the data collection methods. A quantitative research method was carried out using questionnaires as the main survey tool. The data for this paper was collected using convenient sampling. The total of 30 questionnaires was distributed to targeted family owned SMEs only. 30 were returned representing a response rate of 100%. The data was analysed using descriptive statistics and inferential statistics. According to Trochim [71], descriptive statistics are used to describe the essential features of the data in a study. For him, they provide simple summaries about the sample and the measures. Together with simple graphics analysis, they form the basis of virtually every quantitative analysis of data. He further asserts that with descriptive statistics you are just describing what is or what the data shows. With inferential statistics, you are trying to reach conclusions that extend beyond the immediate data alone.

5. Result

Data analysis of demographic variables of the owner /managers of Family owned business. A total of 100 response were received see figure 2. Part one is demographic analysis and part two covers analysis of the questionnaires for the study.

Part One

5.1. Gender

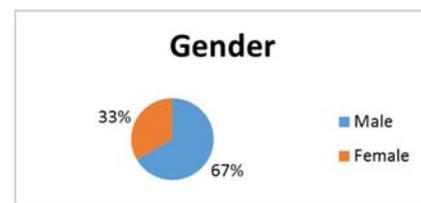


Figure 2. Demographic variable of gender of FOSMEs in Cameroon.

Fig. 2 above shows that 67% of the respondents for this paper were male while female respondent accounted for 33%.

5.2. Age of Respondents

Age of male respondents.

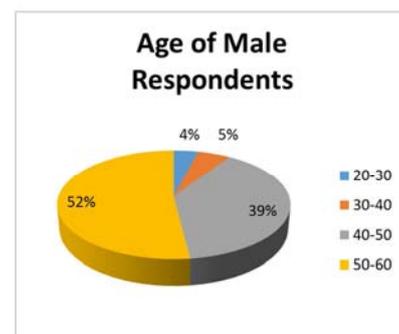


Figure 3. Age of Male Respondent.

Fig. 3 shows that the age of male respondents varies. 52% of the respondent age are 50-60 and above seconded by those with 40-50 years above with 39%, while 5% of the respondent with age 30-40 were in third position and finally only 4% of the respondents age 20-30 was the less age of the respondent who owns family business. Thus, most of family businesses are owed by those with older age as shown in this paper.

Age of Female Respondents.

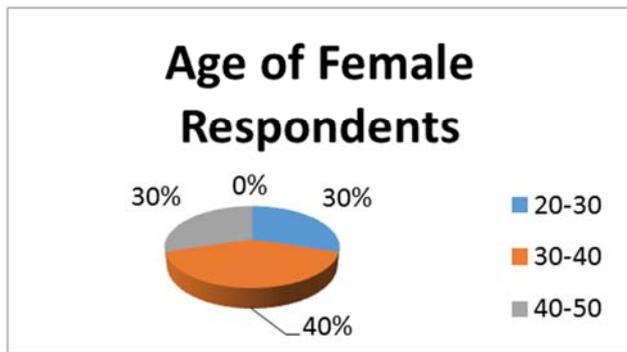


Figure 4. Age of Female Respondents.

Fig. 4 shows that the age of female respondents varies. 40% of female respondent age are 30-40 years, while those of 40-50 and 20-30 share 30%. This shows that female respondents who owed families business majority of them are between the ages 30-40 with 40%.

5.3. Level of Education of Respondents

Level of Education of male FOSMEs respondents

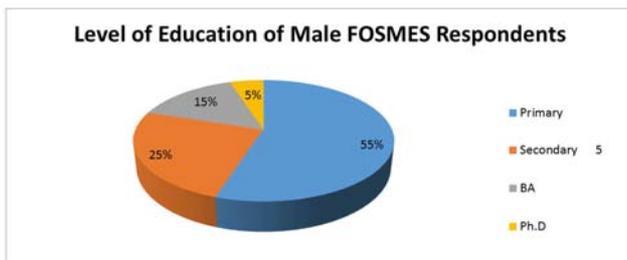


Figure 5. Level of Education of Male FOSMEs Respondents.

Fig. 5 shows the level of education of male respondents who are family owned SMEs. 55% of Family owned SMEs are primary Education Certificate level, 25% are of Secondary Education holders, 15% with Bachelor degree, while 5% Ph.D. holders. Thus, the majority of male respondents 55% are Primary school leavers.

Level of Education of Female FOSMEs Respondents

Fig. 6 shows that the level of education of female respondents who are family owned SMEs varies. 70% of female respondents who owned family are primary school certificate holders, 20% with Bachelor degree while 10% are secondary school leavers. The majority of female respondents who owned family businesses are primary school educated with 70%.

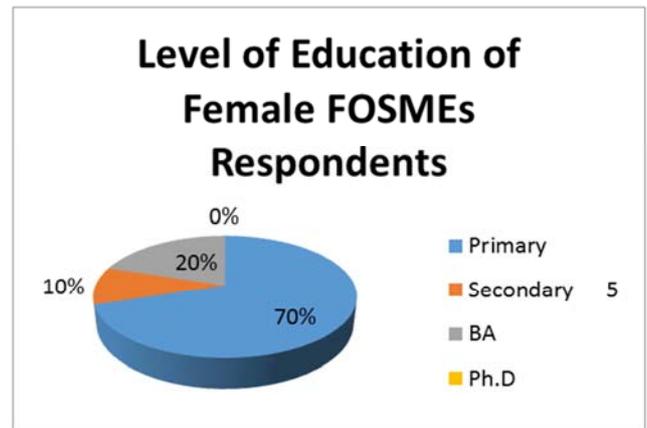


Figure 6. Level of Education of Female FOSMEs Respondents.

Part Two

5.4. Types of Business

All the respondents for this paper are sole traders, who started their business from scratch. The respond from the entire 30 respondent chose a sole proprietorship for both men and women.

5.5. Kind of Business by Gender

Kind of Business done by Male FOSMEs

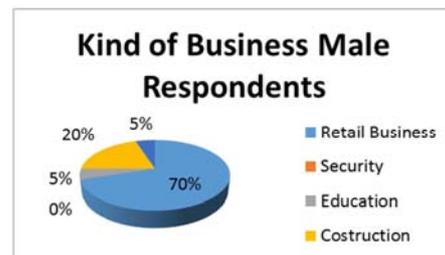


Figure 7. The Kind of Business done by Male FOSMEs.

The kind of businesses done by male FOSMEs varies. 70% are into retail business (clothing, shops, mobile shops, article shops), while 20% of the kind of business are in the construction industry, while 5% are in education, the other 5% are into tailoring businesses. The majority of FOSMEs are into retail business 70%.

The Kind of Business done by female FOSMEs

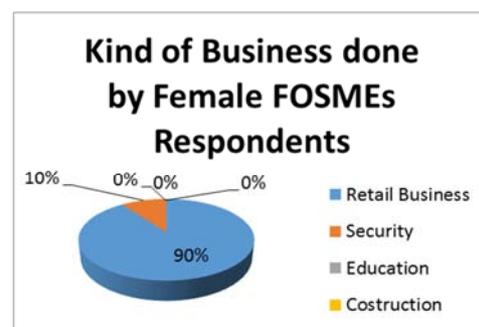


Figure 8. The Kind of Business done by Female FOSMEs.

Fig. 8 shows that the level of education of female respondents who are family owned SMEs varies.

5.6. How Respondent Started Their Business

All the respondents started their business from scratch except one female respondent who inherited her business from a family member.

5.7. Number of People Employed

The number of people employed in the family owned SMEs in Cameroon differs from sector to sector. The number of people employed by female in the retail business employing from 1 person to 10 is about 9, while the same number against male is 18, while in security the number goes to 40 and beyond education from 10 individuals to 20 while tailoring employ from 1-10 people about 1.

5.8. How Many Are Your Family Members?

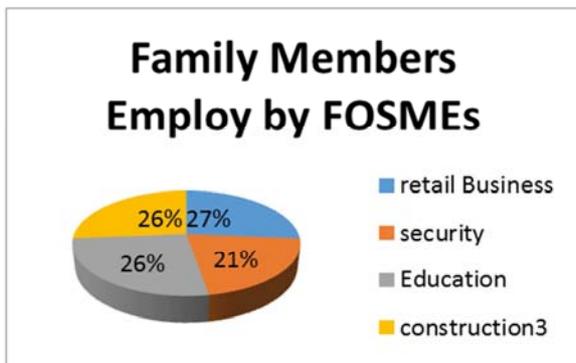


Figure 9. Shows the percentage of family members being employ by FOSMEs.

The highest in recruiting family members is in retail business. The second is in both construction and education with 26% while security is least in percentage, 21%.

5.9. Do You Use HRM Practices in Recruiting, Selection and Retention of Your Staff or HR Department Services?



Figure 10. HRM practices in recruiting, selection and retention or the services of HR department to recruit select and retain employees in their FOSMEs.

In fig. 10, almost all the FOSMEs or managers do not use HRM practices in recruiting, selection and retention or the services of HR department to recruit, select and retain employees in their organization except one FOSMEs Security Company that uses the services of its HR department. Most of the FOSMEs employ family members, friends relative, neighbors, school friends, and worth of mouth to recruit, select and retain employees. Most of FOSMEs don't use HRM practices or HR services practices to provide them with adequate pool of qualified applicants for their family owned businesses. This is the current situation of some FOSMEs in Cameroon, whereby good practices are not used. There is a need for HRM practices or HR services department in Cameroon to aid FOSMEs in the country as a means for continuous improvement. This has been made clear in the literature by Zhang and Gong [41] who started that the lack of good HRM practices is a problem. Sheehan [42] also alludes to the fact that SMEs can be very competitive vis a- vis their competitors if they can use efficient HRM practices. Finally Walker [43] attests to the fact that recruitment, selection and retention are the best methods of alluring workers at the right time having the right qualifications and this is what FOSMEs in Cameroon should be doing. The lack of use of HRM practices or HR department services by Owner Managers of FOSMEs reflect the findings of Homsby and Kuratko [16] who argue that SMEs are incapable of affording HRM services due to the fact that owners managers may perform the duties of recruitment, selection and retention by themselves.

5.10. If You do Not Have HR Department and do Not Use the Services of HR How do You Recruit?

They all answers that they use family members, colleague's friends, neighbors, close relatives or people from the same tribe or kinship. They also use words of mouth to recruit, select and retain workers.

6. Conclusion

This paper examines the extent into which HRM practices such as recruitment, selection and retention are practiced by Family Owned SMES in Cameroon. The result shows that most of the FOSMEs do not use HRM practice in recruiting, selecting and retention of their staff and do not use the services of HR department or HR to recruit, select and retain employees in their business. Only one security firm show that they use the services of their HR department to recruit, select, and retain their employees. The lack of HRM practices or HR services in recruiting, selecting and retention of employees by these FOSMEs in Cameroon may have direct and indirect effect on these FOSMEs capability in recruiting, selecting, and retaining the best talent in this competitive global market of scarce resources and talent.

Family owned business in Cameroon should have at least HR department or employ the services of HR in recruiting, selecting and retention of their employees to be complete

and more successful in their business. Most of the family owned SMEs in Cameroon are primary school leavers, female 70% and male 90% as shown in this paper.

The literature from around the world show that good companies whether FOSMES or not employ the services of HRM or HR to bring the best talent to their organization.

The literature also points to the fact that FOSMEs firms uses the General Exchange System (GES) as noted by Long and Mathews[69] which shows that the exchange is based on friendship, kinship and affection and also Pittino et al [68] argues that familial informal HR practices bring out a peculiar forms of social exchange which positively influence retention. Zellweger et al [55] who also argue that family image, history and values might play a part in non-family members employees having empathy with family owns business.

One point to note in this paper is that most of the owner/mangers of FOSMEs in Cameroon who responded to the questionnaires in this paper fall in the Cameroonian categorization as derived from Law 2010/001 of April 13, 2010 on the promotion of Small and Medium size Enterprise (SMEs). They are categories: Very Small Enterprise (VSEs), Small Enterprises (SEs) and Medium-size enterprise (MEs) [6]. VSE: employs five persons at least with annual turnover net taxes below 15 million CFA Francs, SE: employ between six and 20 staff with annual turnover of 15 and 100 million CFA francs, ME: employs 21 up to 100 staff with annual turnover net taxes between 100 million and 1 billion CFA Francs[6]. Thus, the bulk of those who responded to this study are either Very Small Enterprise (VSEs) or Small Enterprises (SEs). More research needs to be carried out in all the categories of SMEs enterprises in Cameroon and non-family business SMEs to shed more light into the recruitment, selection and retention of staff in Cameroon.

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