Investigating Recruitment and Selection Practices of SMEs Travel Agencies in Penang, Malaysia

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Abstract
Tourism is one of the main contributors to Malaysia’s economy. Amongst important players in tourism are travel agencies. Realising the crucial role of the travel agencies, recruitment and selection of the right employees are paramount. At present there is dearth of literature in recruitment and selection pertaining to travel agencies in Malaysia and other developing countries. Against this background, the purpose of this paper is to investigate on how SMEs travel agencies in Penang, Malaysia exercise recruitment and selection to equip capable employees. This research utilised a qualitative research technique for data collection, where five key persons of selected travel agencies were interviewed at their premises in the mid 2010. The research findings support previous studies pertaining to recruitment of small ventures elsewhere where SMEs usually use methods that are convenient, inexpensive and directly controllable by their businesses such as direct applications, personal and employees referrals, and newspaper advertising. But walk-in interview, job fairs, help from employment agencies are not usually applied. As far as selection proses was concerned, travel agencies in the study considered priority on personal characteristics, knowledge and working experiences of candidates pertaining to the industry. While the owners of travel agencies have their own basic requirements that applicants should fulfill, no specific guidelines to hire new workers are established. In conclusion, SMEs travel agencies in Penang preferred traditional and informal recruitment and selection methods. In order to equip themselves with competent employees SMEs travel agencies in Penang should also exercise the current trends of recruitment and selection methods such as online advertisement, psychological test and aptitude test.

Keywords: Human Resource Management, small medium entreprenuers, travel agency, recruitment, selection

1. INTRODUCTION

Human Resource Management (henceforth HRM) can be described as administrative activities associated with human resource planning, recruitment and selection, orientation, training, appraisal, motivation and remuneration. HRM plays a crucial role in organization, enhancing management tools to meet company strategic goals by attracting potential employees and at the same time tries to retain qualities employees as well as managing their human capital more effectively. Employees are the biggest asset for organizations and they will influence the survival or demise of an organization. Richard and Johnson (2001) argue that HRM strategies impact on an organization’s overall effectiveness.

On entrepreneur’s point of view, effectiveness of HRM is able to enhance the competencies and in turn ensures sustainability and the organizational growth. This is also true for enterprises in tourism industry. The importance of effective and efficient human resources is more crucial in small firms as they are disadvantages in terms of resources. Small firms find difficult to survive without energetic and enthusiastic group of employees to market their products and services. Effective HRM should be practiced from the early phase of hiring the right candidates especially
from recruiting and selecting the right employees to help an organization to achieve vision, mission and objectives. Recruitment process indicates the process of attracting many suitable applications to respond to the job vacancy in the company and selection is the way of assessing applications received through an effective filtering process to find the right persons that matches the job performance requirements both in terms of the competencies and attitudes. Amongst the general recruitment practices in Malaysia are: walk-in interviews, employment through advertising in the printed and electronic media, referrals, employment agencies, internship, job posting and job bidding. Apart from above-mentioned practices, the latest recruitment techniques used by government agencies, medium-sized enterprises and big firms is e-recruiting method by which the process of personal recruitment using internet improves the speed of organization recruitment process.

Tourism industries are divided into five main service sectors- food service, transportation, accommodation, entertainment and travel agent. Travel agency as a segment of the tourism industry helps in generating a large portion of income and creating related jobs to community. In addition, tourism industry provides tourism related business opportunities for entrepreneurs when foreigners/tourists travel and spend their money in Malaysia.

Travel agencies definitely involve in customer services sector, providing information about types and availability of services, making reservations, travelling arrangements, assembling packages of services and preparing tickets to tourists and their clients. Customers’ satisfaction depends on the services delivered by the employees, it may explicitly reflect on the company’s image and the whole country on the eyes of foreigners/tourists. It is true to say that travel agencies are the ambassadors and at the same time act as the litmus test of the capability of the country in tourism and hospitality industry. Hence, the process of recruitment and selection in this sector should be more cautious and rigorous compare to other business industries.

As for Small Medium Enterprises (henceforth SMEs), the cost of hiring unproductive employees should be avoided at any cost. Hiring the wrong person may cause lower morale in one’s firm working environment. Poor performers may lower the collective self-esteem of the whole team, creating distraction and making messes that employers have to clean up instead of spending extra money and time to motivate them. The issue on how to select quality employees always lies in hiring stage.

1.1 Problem statement
Travel agencies may trigger the tourism and hospitality industry. The agencies facing constantly changing of demand for capable human resources. Since employees are important assets to gain competitiveness, travel agencies must ensure they are provided with competent resources. Undoubtedly, quality and capable human resources provide good services quality to attract customers and at the same time contribute to efficiency of working productivity for organisations, in turn contribute to achieve organizational goals. In a larger perspective, competent travel agency industry contributes to Malaysia competitiveness in tourism. Nevertheless, recruitment and selection practice in small travel agencies in tourism sector always be handicapped by lack of capital and resources. Thus, they opt for informal recruitment and selection process which use convenient and inexpensive way to acquire workers. The weak recruitment process would give negative outcomes. Low morale of working environment, high rate of employee turnover, occurrences of negative attitude, and the cost paid by the employer in cleaning up the mess done by the employees are resulted from poor recruitment and selection process. Incompetent employees in turn would tamish Malaysia’s image as tourism destination. Notwithstanding with the importance of capable employees in travel agency industry, there are dears of literature in this sector.
1.2 Objectives of study
The main aim of the study is to find out how travel agencies recognize quality of prospective employees and hire the right candidates during recruitment and selection process. This study focuses on small and medium sized travel agencies in the state of Penang.

The objectives of this study are as follows:
1) to explore the important functions of recruitment and selection process in organization amongst a few small travel agencies.
2) to identify current practices of recruitment and selection amongst travel agencies.
3) to identify what kind of employees’ characteristics sought by travel agency industry sector.
4) to determine the challenges of recruitment and selection encountered by travel agencies.

2. SMEs TRAVEL AGENCIES IN MALAYSIA
It goes without saying: travel agency becomes the “Department Store” of the tourism industry. It sells travel services to tourists as they offer a wide range of travel tickets and holidays. A travel agency also gives advice and information to tourists to purchase travel services and makes arrangements for transportation, hotel accommodations, car rentals, tours, and recreations. In addition, it is an important intermediary distribution channels in tourism industry - making information and services widely available and cost.

The SME Corp. Malaysia (n.d.) approved the definitions of SME in Malaysia based on the Annual Sales Turnover or Number of Full-Time Employees. A micro enterprise in service sector is defined as an enterprise with full-time employees of less than 5 and the annual sales turnover is less than RM200000. A small enterprise in service sector is an enterprise with full-time employees between 5 and 19 and with the annual sales turnover between RM200000 and RM1 million. A medium enterprise in service sector is an enterprise with full-time employees between 20 and 50 and with RM1 million to RM5 million annual turnover sales.

There are many travel agencies have been established in tourism industry in Malaysia, but this research focuses on SMEs travel agency in the state of Penang. Apart from conventional tourism, recently medical tourism is booming in Malaysia because of competitive medical fees and modern medical facilities provided by the country. Penang is one of the states that attract such a kind of tourism. The reason the researchers choose Penang because Penang is the fourth highest number of tourist arrivals in Malaysia and recently known as a popular medical tourism destination. In addition, Penang Woos Tourists (2010) program with three years Plan Document indicated that tourism contributed 56% of Penang’s GDP in service sector in 2008.

3. LITERATURE REVIEW
HRM is an organisational study that focuses on human resource planning, recruitment and selection process, job analysis and performance appraisal management, organization development, training, safety, administration and also provides direction for the people who work in an organisation. The importance of HRM to organizational success is overwhelmingly agreed by many researchers (Aldrich & Langton, 1997; Heneman & Tansky, 2002; and Katz et al., 2000). In other words HRM is critical for entrepreneurial survival and growth. Entrepreneurs
who are seeking capable employees must have a good understanding of HRM process and its roles towards effective HRM. In HRM recruitment and selection process are very crucial to ensure an organisation is equipped with the right candidates. Abang Othman (2009) conducted a research on Strategic HRM Practices on perspectives of Malaysian and Japanese owned companies in Malaysia, pointing the effectiveness of managing the key HRM practices of recruitment, selection and training or development. A further study by Yetton et.al. (1987), cited in Buller and Napier (1993) recognised an increasing attention is the degree to which the firm’s HRM practices such as recruitment or selection and training and/or development are integrated with its business strategy. But in reality, there are still a gap of recruitment and selection practices between small firm and large firms. Cardon & Stevens (2004) also mentioned in their study that in small firms where resources are likely to be scarce, there may be a very small number of formal human resource department (HRD) or professional in human resource. The difficulties in recruiting and retaining employees are compounded due to lack of financial resources and reluctance of employers to engage in costly practices. For example, Deshpande and Golhar (1994); Heneman and Berkley (1999); Hornsby and Kuratko (1990); McEvoy (1984) indicate that recruiting in small ventures primarily involves use of sources that are convenient, inexpensive and directly controllable by companies such as direct applicants, personal and employees referrals and newspaper advertising. Overall, selection of prospective employees largely based on interviews training experiences and education requirements for jobs, reference and background checks (Deshpande & Golhar, 1994). Selection is also done in consultation with hiring supervisors and work unit employees of the job being filled (Heneman & Berkley, 1999). Abang Othman (2009) provided an example of the largest food company – Nestle. In Malaysia, Nestle embarked on an approach to ensure that the right talent is hired from the beginning of its “New Talent Development” Programme. An applicant who matches the criteria and profile of +/-3 years’ working experience, a university degree and being active in extra-curricular activities stands a better chance of being selected. Besides, each applicant is subjected to three levels of selection -a preliminary interview; test battery and interview with the directors. Test battery is testing on applicant's aptitude, personality and interest assessment. The second interview is involving with HR and line manager, and a final interview with the directors of the company.

Recruitment process encourages individuals to seek employment with a firm, and then the purpose of selection process must be to identify and employ the best-qualified employee. Pertaining to this, Abang Othman (2009) stated that usually there are two interviewers from a Japanese owned company, emphasizing the importance of selecting candidates who are versatile, with the right sort of temperament and personality, who are adaptable and can work as a team, in view of the company’s emphasis on teamwork, participatory decision making and devolution of functions and cross-functional activities. But the characteristic of employees in travel agencies are uniqueness compare to other industries. Through the previous research conducted by Haven-Tang and Jones (2008) on labour market and skills needs of the tourism and related sectors in Wales, United Kingdom, the authors noted that tourism sector is labour-intensive and the customer-employee interface is a key determinant of quality. Thus, getting the right staff with the right skills in the right place at the right time is critically important. Evans et al. (2003) also noted that service industries must identify employees’ knowledge and abilities to learn and adapt to change, that they have the right attitude and other skills which are difficult to acquire through formal training routes, e.g. social and interpersonal skills, work and ‘life’ experience. Additionally, Haven-Tang and Jones (2008) stated that employees must understand and be committed to service quality goals, as well as having skills, knowledge, attitude, authority and personality to deliver a high-quality services.
In recruitment process, internal sources and external sources respectively are taking place by getting people from the internal pool of employees and from the external labour market. The former includes job posting and job bidding. Job posting is a procedure for informing employees that the vacancy exists in the organisation. Vis-à-vis job bidding is a procedure that permits employees who believe that they possess the required qualifications to apply for a posted job. The other method for internal recruitment is employee referrals. Many organisations believe that their employees can serve an important role in the recruitment process by actively soliciting applications from their friends and associates. The later includes advertising, employment agencies, recruiters, internship, walk-in applicants and job fair. Method of advertising is the way of communicating the firm’s employment needs to the public through printing and electronic media. Utilized employment agencies method to help firm recruit employees and at the same time aids individuals in their attempt to locate jobs. Mostly, those agencies perform recruitment and selection function that have proven quite beneficial to many organisations and what types of recruitment and selection process preferred depend on private employment agencies and public employment agencies. The recruiters method is most commonly focuses on technical and vocational schools, community colleges and universities. Employers rank on-campus recruiting as the number one method for recruiting students. Organizations utilize their recruiters efficiently such as identify qualified candidates, schedule interviews and provide suitable rooms for interviews. On the other hand, internship is a special form of recruitment that involves placing a student in a temporary job with no obligation either by the company to hire the student permanently or by the student to accept a permanent position with the firm following graduation. Walk-in applicant method is if an organization has the reputation of being a good place to work, it may be able to attract qualified prospects even without extensive efforts.

Overall, selection is the process of choosing from a group of applicants the individual best suited for a particular position and organisation. It typically begins with the preliminary interview; the purpose of this initial screening of applicants is to eliminate those who obviously do not meet the position’s requirement. The next stage is to review of applicants and resumes by asking applicants to complete the firm’s application format for employment. The employer then evaluates it to see whether there is an apparent match between the individual and the position. The selection test based on personality, ability, motivation of potential employees and allowing managers to choose candidates according to how they will fit into the open positions and corporate culture. Cognitive aptitude test, Psychomotor abilities test, Job-knowledge test, Work-Sample test, Personality test and Vocational test involve in this stage. Employment interview is the following stage and it tries to evaluate candidates capabilities - possessing a goal-oriented conversation in which the interviewer and applicant supposedly exchange information. The next stage of the selection procedure is references and background checks. Reference checks are validations that provide additional insight into the information furnished by the applicants and allow verification of its accuracy. Applicants are often required to submit the names of several references that can provide additional information about them. Additionally, background investigations involve obtaining data from various sources including previous employers and business associates. The principal reason for conducting background investigations is to hire the right workers. The final stage is selection decision and this stage is playing the actual role of hiring decision. The final choice is made after references checks, selection tests, background investigations, and interview information have been evaluate. The individual with the best overall qualifications may be hired.

4. RESEARCH METHOD

This research used qualitative approach, considering the nature of the study that explores the effectiveness of HRM in recruitment and selection process. In addition, qualitative research is
able to answer how and why questions. In order to ensure reliability, the interviews were based on interview’s protocol. Out of fifteen travel agencies approached in the mid 2010, only five travel agencies participated in the study. The interviews were conducted by one of the researchers between May 2010 and September 2010 in Penang. Since all participants are Chinese, the mediums of conversation were based on any or combination of languages the respondents prefered - English, Mandarin and Hokkien. Overall, interviews took 30 minutes. The interview protocol was divided into four different sections namely demographic, recruitment, selection and effectiveness of HRM. Amongst other questions asked to the respondents were: What kind of education background that you obtained as a recruiter?; How many years you has involved in tourism field?; What kind of medium of recruitment method use in your organization?; Can you explain what steps involve in the recruitment and selection process?; What do you emphasize in your recruitment and selection process?; What are the challenges are encountered during recruiting and selecting applicants?; How you select applicants to ensure person that you has chosen is the right person you wanted to hire?; Will you precede selection test?; Will you do references and background checks?; and are your employees working performances fulfill your expectations?

The conversations were audio-recorded using MP4. The data then were transcribed verbatim after each interview. Inputs from the previous interviews were used in the following interview to learn to improve interviews and to probe important issues emerged in the study. The researchers read the whole transcripts of the interviews to get an overview of conversation. Various codes and sud codes were created according to the topic of the interview. Later they were grouped under different themes. In order to ensure validity and reliability of the study, all transcripts of interviews were sent back to the respondents to get their feedbacks. Since none of the respondents response, the researchers assumed they agreed with the transcripts sent to them.

5. DATA ANALYSIS

5.1 Respondents’ and companies background
The five respondents participated in the study were given pseudo names - Mrs.L, Ms.G, Mrs.N, Ms.H, and Mrs.A. Table 1 show respondents and respective companies background.

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Mrs.L</th>
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<th>Ms.H</th>
<th>Mrs.A</th>
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Table 1: Respondents and companies background
Mrs. L aged 50 years old, responsible for all duties in the company and did not has any job title. She did not mention how many years she worked with the company, when the company established and what kind of services provides for customers. The second respondent, Ms. G is a single woman, age 28 years old. Although she did not mention her educational background, from the researcher observation of her confidence, knowledge and capability she is an educated person. She is a marketing manager of a medium size of travel agency, responsible on marketing and HRM including sourcing and hiring suitable candidates. Ms. G did not mention how many workers work for her company. The third respondent named Mrs. N is 44 years old, worked as a sale manager. She has been with the company for 25 years. She is a senior staff who looked after 20 employees and also responsible for recruitment and selection. She began her career as an apprentice, she is a sales manager in her company. Her company is a medium size of travel agency. As far as her job responsibility is concerned she involves in recruiting of prospective employees but the final decision on selecting applicants will be decided by her superior.

The fourth respondent, named Ms. H, aged 32 years old, her title is an Account and Administration Manager in her company. Her job responsibilities related to payroll, financial transactions and including Telegraphic Transfer service. She also handled a branch recruitment. The company has been operated for 28 years and over hundreds workers serves at the main branch but only five employees worked in Penang branch. Looking at the number of workers, her company is considered as a medium size travel agency.

Mrs.A, aged 52 years, a wife of the owner of the company. She helps her husband to manage their business. She incharge in recruitment and training new workers. Her husband is responsible for marketing including sales and promotions. She did not have any working experiences in tourism industry but learning all aspects of tourism upon her marriage. However, during the interview she did not mention about her educational level. Her company hires five employees. Her travel agency has been operated more than ten years.

5.2 Recruitment Method

5.2.1 Internal recruiting

5.2.1.1 Internal promotion
The first and foremost advantage of internal recruiting is less costly and quicker than an external recruiting. Ms. H is totally agreed with this statement. She mentioned that in her company, anything pertaining to recruitment is incharge by the head quarter in Kuala Lumpur. If Penang branch wants to recruit new employee for a vacant position, the department needs to get an approval from the head quarter. The main office usually sends interviewers to Penang and
interview the applicants before making final decision on suitable applicants for the vacancy. This complicated procedure makes Ms. H felt that if her company practices internal promotion for Penang branch the recruitment process would be easier and convenient. They can omit unnecessary procedures including waiting for main branch approvals. Since the internal promotion is done in-house, then it is easy for both the applicants and for recruiters to carry out the process recruitment.

Other advantages of internal recruiting are; workers’ working attitudes, habits, and their performance appraisal records are acknowledged by the employer. Thus, it is easier to evaluate the employees' performance. Internal applicants can also easily assimilate into the new position since they are familiar with the firm environment - no need to re-adapt a new working environment and corporate culture. Furthermore, it gives better career advancement opportunity to the existing employees in the travel agency. This method undoubtedly motivates existing employees to perform better and give them more confidence to work in the company. Mrs. A’s opinion is not far different with Ms. H when it comes to internal recruiting, she said:

They (existing employees) are already adapted (to) the environment and we known them well. Whether they are hard working or lazy we knew that. So we prefer. lets them get an internal promotion. By this way, they will more confident on company because they have chances to get promotion..right?

5.2.1.2 Employees referrals

By and large, travel agencies who participated in this research indicated that sometimes they are practicing employee’s referrals method. Usually candidates referred by referrals tended to be of high quality because the referrals usually screens those they proposed closely. So, most of recruiters will be assured on their worker's capabilities. Ms. H said her company will recruit worker through employees’ referrals. She only uses newspaper advertising if her company urgently needs applicants to fill a vacancy. Ms. H shared the recent experienced of her company; a case of a new staff and yet be interviewed by the management. From this case, the researchers found that Ms. H counted to referrals’ recommendation.

As far as employee’s referral is concerned Mrs. A a little bit different with Ms. H. He seemed to take precaution. She believes her workers are reluctant to propose and to be a referee to incapable person.

5.2.2 External recruiting

5.2.2.1 Advertising

In terms of advertising, it was found that all five respondents used newspapers as a recruitment medium. They advertise job vacancy in daily newspapers which are “Guang Hua Daily” and “Guang Ming Daily”. Both Penang local state of Chinese newspapers are primary recruitment channels. The main reasons they advertised in Chinese newspapers because they preferred to hire Chinese as their workers. The second reason for using Chinese newspapers is because these two newspapers are the most popular and extensively read by local people. Furthermore, Mrs. A indicated that most of her regular customers are Chinese. Communications between customers and workers is the first consideration when she recruits employees. The reasons was explained in her words:

because we want... hire Chinese ma.... my customers mostly Chinese, if I hire other races.... They (will) difficult to communicate and explain with customers ma.
so if I hire Chinese is easier for them explain to customer lo. Customers will more satisfy after explanations ma…. If not then my worker hard to explain with customer and cause wrong perception or not clear with the explanations, then I cannot make the sales.

Answers given by Ms.H in using Chinese newspapers as a medium to recruit workers when one of the researchers asked her why not using English newspaper such as The Star for advertising was:

if you only able to read and know English.. but don’t know Mandarin is unhelpful for us… if the tour is based in China or Taiwan, they don’t know how to lead, unable to explain.. So we prefer know….er…. in case you know Mandarin, mostly you know English ma. So, we prefer.. this advertising in Chinese newspapers.

The company which Ms.H works served outbound tour such as China or Taiwan Tour. Since Mandarin is the primary language of communication for both destinations, most probably the spoken language for the tour leader is Mandarin, not English. Thus, a person who can speak and writes in Mandarin is preferred by the travel agency. Ms.H said that readers who read Chinese newspapers might understand Mandarin but not all English newspaper’s readers understand Mandarin. Thus Chinese newspapers is the best medium for advertising.

5.2.2.2 Internet
Recruitment through internet is rarely used by Penang travel agencies. One over five interviewees used internet for recruitment purposes. Most of the interviewees explained that they are not good in ICT. Mrs.A explained she is not highly educated person and does not know English very well. Besides, she also did not know how to use internet. Thus, she only used the simplest method like personal recommendations and newspaper advertisement to recruit people.

5.2.2.3 Walk-in applicants
The similarities amongst respondents of the travel agencies in the study is that they prefer walk-in applicants. However, Mrs.A further said that “I felt that walk-in interview is useless lo because it needs people who walk by your shop and able to recognize the notice, newspaper creates better awareness among the readers”.

5.2.2.4 Internship
The advantages of the internship obtained by the entrepreneur are the low-cost labour, helps employers solves the manpower issues and as a short-term operations support to increase organisation productivity. All respondents (except Ms.G.) overwhelmingly indicated that they have accepted internship students and train them during practical period at their office. During the interview with Mrs.A, she accepted students practical in her company due to the following reasons:

internship…. they are fresh…just left college, they are enthusiastic on working ma…then honest la, it is more cheaper lo….no need pay high salary just give them some allowance only..

Enthusiastically, Mr A told one of researchers that she welcomes students to do internship at her small travel agency. “New people like fresh blood, they are brought in organisations, their fresh ideas, specialized strengths and skills and also their novel ideas will contribute on company”. On the other hand, internship is inexpensive resource method that all small and medium size
travel agencies preferred. In other word such it is an affordable method. By paying small allowances, travel agencies able to get knowledgeable workers through internship which may help in increasing their productivities in a short term.

5.2.2.5 Personal recommendations
Personal recommendation is one of the informal recruiting methods that commonly used to hire new employees. This is because personal recommendation is often referred to as word of mouth communication and can be a good recommendation from a colleague at work of reliable friends.

Three respondents, Mrs.L, Ms.G and Mrs.N usually recruited workers recommended by connoisseur or friends and families. Although Ms.H yet hires employees through friends or families recommendations but she is willing to hire applicants whom have working experiences in tourism.

Meanwhile, Mrs.A is also practicing the personal recommendation when it comes to recruitment of a new staff. She felt personal recommendation did not bring any difficulties for her if the applicants are recommended by friends or families compare to other recruitment method. She gave a chance for those referred applicants to work in her company. She would observe her new staff performance, attitude and commitment towards their jobs during three months probation period.

5.3 Recruit and selection process
The five travel agencies in Penang found two different ways when it comes to recruitment and selection process of their employees. Some organisations have a proper and consistent recruitment and selection process but some prefer to proceed in dynamically.

Mrs.A admitted that her company does not have a proper or consistent recruiting and selecting process. She indicated that:

my step is when I felt employees are not enough in my company, I (know) I need new workers…. either I request my friend to recommend or I do recruitment advertisement on newspaper lo…. then interview them lo……if I observed that the applicant is okay, friendly, at least form 5 standard la…..then able to speak Mandarin ar…Malay ar… English ar and also must have computer skill. Because nowadays everyone able to function computer ma. Just like that lo….very simple.

On the contrary, medium sized travel agencies who representatives by Ms.G, Mrs.N, and Ms.H informed that their companies have systematic and consistent recruitment and selection process. As Ms.H said: “if we want to recruit employees we will advertise on newspaper, after advertisement, they (applicants) will call, a week after they (applicants) called, (we) arrange the time where they come interview in the same day. They (interviewers from the headquarter in Kuala Lumpur) will come here for interviews.

Selection Test References and Background Checks, the findings of the research show all respondents did not precede selection test prior interview. There are number of the reasons why, for example Ms.G said:

for us, we don’t think that the test will really necessary. The most important thing is their (candidates) ability to respond due….especially when any emergency conditions and or also or how the way they handle the emergency conditions. So…test is not so important ….
At the same time, Ms. H justified with a fact that occurs in Penang tourism sector and she noted that:

so far as what I know, no one is use this test in travel agency unless you go to big organization such like DELL er....and so on maybe they will proceed it la. But in travel line, I never heard (anyone) uses this test before.

Majority of the interviewees denied that they proceed on references and background checks even sometimes they requested applicants to write down their personal data. Mrs. N said that references and background checks are not important and Ms. H said usually they recruit fresh graduates who have yet experience so they are unable to check applicant's previous working history. Mrs. A disagreed, she pointed out it clearly:

Because I felt that is not necessary. They able to cheat if they want to, even you make a phone call, people also ignore you. They refuse to entertain you.... Since we give 3 months probation ma…. We can observe during the probation period.

5.4 Selection

5.4.1 Employee's qualification

5.4.1.1 Education background
As far as education background requirement is concerned, interviewees in the study agreed that applicants must have some basic qualifications, at least with Malaysian Certificate Examination (SPM), good command in English, Mandarin and Malay. Besides that, applicants must possessed computer literacy. On the educational background, Ms. H not emphasizes on this. She pointed out that her company sends new employees for training before they are given job responsibilities, no matter if the applicants are graduates from tourism degree or SPM education level.

5.4.1.2 Experiences
Ms. H prefers to hire inexperience applicants. Her company will send new employees for training after they are accepted as employees. The purpose of training is to ensure workers have knowledge and to ensure they do well in their job. Usually training programme including on lead tour and ticketing. Experienced person or inexperience person is not such a big things for her company. She had highlighted that:

normally you observe la, you look at newspaper, nowadays they recruit many people...er... travel agency recruit people, they also did not intend to hire those have experienced. If you are in tour then maybe request have experiences ma...because they worry you unable to lead well your customers and complaint by customers after come back.

Different opinions were echoed on the preference of experienced or inexperience applicants between Ms. H and Mrs. A. The former prefers to hire experienced people, but willing to hire inexperience applicants. She felt that experienced people is helpful and she willing to pay higher salary for experienced persons. Mrs. A reluctant to spend time to train new employees especially when she is very busy with her job. She pointed out:

because some part of job they did previously, they knew the procedure already so we no need train them from basic. For me, experienced people are easier la..... pay high salary is doesn’t matter, it convenient to us. When the moment I'm
very busy and the new worker does not know anything then we have spent time to train them.

5.4.1.3 Personal characteristic
Employee’s behaviors and attitudes give direct affect on organization performances -either positive or negative impacts. In this research, all interviewees said that employee’s personal characteristics are very important and they give priority to the factors when recruit applicants except Ms.H and Mrs.N who seems neither agree nor disagree on this issue. Ms.H indicated that:

if you did not hire her, you never know how she is and like what you said….. more enthusiastic
You only knew after you hire ma….

This statement was supported by Mrs.N who also not emphasized on the employee’s personal characteristics especially from interview. She said:

it is not specifically seeking for what kind of characteristic’s person la…haha…. It is really hard to say. Some of people refuse come to work after interview also many. Some applicants after interview….they found salary offered less then (they expected) they turned down the offer.

In contrast, the rest of interviewees had different perception on employee’s personal characteristics. Mrs.L mentioned that she is more emphasizes on personal characteristics and she usually observe applicants during the face to face interview. Ms.G also pointed out that she realizes employee’s personal characteristic is very important from their previous experiences. Mrs.A provided more detail explanation on the reasons why personal characteristic is important. She explained in this way:

hard working lo…. The person I want. Hard working, friendly lo….don’t want hot temper kind of person. Some employees will show the unfriendly face to customer, the worker will scare of my customers.

5.4.1.4 Selection of right applicants
To answer the question on how to select the right applicants actually is a very subjective. Different recruiter has different methods to identify the right applicants that they want to hire. There is no specific or standard appraisal system to judge applicants. Overall, five respondents indicated that they usually refer to applicant’s education background and working experiences. When doing face to face interview, recruiter will observe on applicants personal characteristics. Moreover, some of recruiters rely on their instincts. For example Mrs.N and Mrs.A preference depends on the solid impression on applicants during interview. Which mean that those applicants who able to leave a good impression for recruiters will have a big chance to earn job, coupled with fulfillment of the basic job requirements. In reverse, Ms.G and Ms.H are more rational on selecting applicants. Ms.G noted that every applicant deserves an equal opportunities to get job.

5.5 Challenges in recruitment and selection of applicants
All travel agencies involved in the study admitted that they encountered difficulties in employees recruitment and selection. Mrs.L pointed out that her company unable to pay high salary for employees. Furthermore, heavy workload in small sized travel agency makes difficult for them to recruit workers. The working environment in tourism industry is believed to have more pressure compare to other industries. The difficulties encountered by Ms.G were: some of
candidates requested for high pay but they fail to perform, unable to carry out their job responsibilities effectively and efficiently.

Other difficulties encountered by Mrs.N whereby certain number of applicants are reluctant to come to work after second interview because they noticed the low salary and not satisfy with the salary offered by company. They will reject the offer when they found so. Even sometimes a new worker run away after working for a few days when they felt the job is not suitable for them. They are unable to adopt of heavy workload, not accustomed with travel agency job or they find better jobs elsewhere.

Ms.H told one of the researchers about a real case happened in her travel agency. After the incident happened, her company is reluctant to hire Indian employee and this case actually reflected the difficulties of recruit and selecting the right applicants. As Ms.H said:

previously I had one case I don’t know whether is his family has problem or personal problem....I also don’t know......because this person is recruited by my ex-manager. Wah… his working performances is really ….he come to work twice or three days a week, there is less than ten days in a month he came to work.

then after that he took the salary….he always asked when his salary would be paid. Once his paid he totally disappeared. He (did not) even mentioned that he wanted (to) resign, nothing at all…just not come to work like that.

From the case told by Ms.H, and Mrs.A, complaint about the bad attitude of new employees also highlighted. One of them claimed that the bad attitudes or negatives side of applicants are hard to detect especially in the short period of interview session. She indicated that:

it was a case happened before this. Because the new generations... nowadays, especially new workers....they will quit the job when they (are) unhappy with their job. Once they have an intention to quit, they will come to work and absent as they like. They will run away after they find a new job. No responsibility at all.

Both cases mentioned by the two respondents are supported by Mrs.L. She noted on the earlier stage of interview that it is very difficult to observe employees characteristics.

6. DISCUSSION

Different recruitment methods used by participants can widen their chances of recruiting a capable and good potential employees who are able to contribute significantly towards their organizations. The external resources are utilized by Penang travel agencies are internship, newspaper advertisement and referrals by others. In contrast, the mediums they used through internal resources are internal promotion and employee referrals. Amongst these methods, newspaper advertisement was the most common medium used to recruit new employees. Furthermore, the similarity amongst the participated travel agencies is they only advertise in local Chinese newspaper, excluding for other’s possibility. The research findings support and directly related with the theories stated by Deshpande and Golhar (1994); Heneman and Berkley (1999); Hornsby and Kuratko (1990); McEvoy, (1984) who indicate that recruiting in small ventures primarily involved usage of sources that are convenient, inexpensive and directly controllable by the company such as direct applicants, personal and employees referrals, and newspaper advertising. Moreover, other medium which often mentioned in HRM such as walk-in interview, job fairs, employment agencies and recruiters were not adopted by the participated travel agencies in Penang. Otherwise, internship is one of a good mediums to find potential
employees and reducing the hiring cost. Employers able to recognize practical student’s working performance and attitudes through observation during the internship period. Thus, some of travel agencies hired the internship students who doing practical training in their companies after the internship terms end. Organization acquires human resources through employee referrals and internal promotion to address vacancy problems which happens all the time in Penang travel agencies and is considered as a common trend. Referrals by others such as recommendations by the person who works in the tourism field; certain interviewees will utilize this network to find potential employee but some refused to do so.

Employee’s qualifications is one of the factors that will be considered by the recruiter when they decided to recruit new employees. In this respect, applicant’s education background, applicant’s personal characteristic and working experiences are the main considerations for the travel agencies to select right candidates. Past research within the labour market skills needs of the tourism and related sectors in Wales by Haven-Tang & Jones (2008), suggests that employees must understand and be committed to service quality goals, as well as having skills, knowledge, attitude, authority and personality to deliver a high-quality service. But on actual situation, especially in the case of Penang travel agency, there is a gap between the theory and practices on educational background. All participated travel agencies set minimum requirements; the applicants must at least obtain Malaysian Certification Examination (SPM), good command in Mandarin, English and Malay. Albeit the first is the most preffered. There is an argument on related working experiences in tourism field among all of travel agency’s recruiters. Some of travel agencies insist to hire experienced worker vis-à-vis to the others preferred to hire fresh graduates with their own management concept. Applicant’s personal attitudes are important issues for employers when they select new employees. It is very hard to recognize one’s characteristics, especially in the first meeting, but their attitudes will influence organizational effectiveness. Some recruiters paid more emphasize in this aspects although it is really hard to detect. But some companies disregard it.

On the other hand, travel agencies have their own way to judge and select applicants. There is no specific guidelines or standard for hiring people but they have their own basic requirements which applicants must fulfill. It also depends on the person who are responsible to the recruitment process; rational model or instinct. Resources that the organizations have also affect their recruitment and selection process. The sizes of the travel agencies would determine the suitable recruitment methods to be applied. In the actual recruitment and selection process, SMEs travel agencies in Penang invites job applicants to come for an interview before directly proceeds with the review of the applicants and the resume after advertising vacancies through variety recruitment methods. They are practicing the so-called informal or simple recruitment and selection process vis-à-vis to the theory. They made omission on preliminary interview, selection test and also references and background checks. The new employee is hired after recruiters make a decision to select suitable applicants.

7. CONCLUSION

While the methods and trends of recruitment and selection process in HRM are getting advances and developed years by years, nevertheless, the recruitment and selection of HRM in SMEs travel agencies in the state of Penang are still undeveloped and limited. They preferred traditional and informal recruitment and selection process compare to big organizations. New recruitment and selection methods which add values to the conventional recruitment and selection method such as internet recruitment, psychological test and aptitude test are hardly exercised. Furthermore, during the selection process, Penang travel agencies recruiters emphasized more on applicant’s characteristics but it also the most harder thing to do, especially to observe during employment interview section. Results of this study provide
tentalizing insights into recruitment and selection practices in SMEs in travel agencies in Penang, Malaysia.

References


