

## RECRUITMENT AND SELECTION PROCESS IN COMPANIES

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### ABSTRACT

This study investigates the impact of recruitment and selection criteria on performance using Fidelity Bank Plc, Lagos Nigeria as focal point. The analyses of 130 valid responses obtained through a questionnaire that was administered to randomly selected respondents revealed that recruitment and selection criteria have significant effect on organization's performance. The more objective the recruitment and selection criteria, the better the organization's performance

**Keywords:** Recruitment, Organization, Selection, Human Resource, Performance.

### 1. INTRODUCTION

One of the most significant developments in the field of organizations in recent times is the increasing importance given to human resource. People are vital to organizations as they offer perspectives, values and attributes to organizational life; and when managed effectively, these human traits can be of considerable benefits to the organization. As revealed in Djabatey (2012) this scenario lends credence to the increasing attention being paid to the people aspect of organizational wealth. This is so because the development of people, their competencies, and the process development of the total organization are the fulcrum of human resource management (Mullins, 1999; Djabatey, 2012). Akin to this development is the contention in National University of Ireland (2006) that the

Continued growth of the most recruitment and selection processes have elements of subjective judgement inherent in them. But treating job applicants in a professional and positive manner is more likely to leave them, whether they are successful or not, with a positive view of the organization and how it has dealt with the applicants (National University of Ireland, 2006). Experience also shows that a successful appointment can produce results which impact favorably on the wider aspects of organizational life while a poor one can have damaging effects far outside the organization in which it is made. However, the recruitment and selection of employees also provides an opportunity for the organization to present itself in a favorable light (National University of Ireland, 2006).

Available literature has argued that the success of the enterprise is directly linked to the performance of those who work for that business. By the same token, under-achievement can be a result of workplace failures. Because hiring the wrong people or failing to anticipate fluctuations in hiring needs can be costly, it is important that conscious efforts are put into human resource planning (Biles & Holmberg, 1980; Djabatey, 2012). It has also been argued that in order for the enterprise to build and sustain the competitive advantage, proper staffing is critical

Thus, recruitment and selection have become imperative in organizations because individuals need to be attracted on a timely basis, in sufficient numbers and with appropriate qualifications. Therefore, this study sets to examine the effect of recruitment and selection criteria on performance using Fidelity Bank Plc as population of interest. In order to achieve this objective, we then hypothesized that:

1. Recruitment and selection criteria have significant effect on organization's performance
2. The more objective the recruitment and selection criteria, the better the organization's performance.

### Theoretical framework

This study rests on Human Capital Theory, Resource Based View Theory and Equity Theory. Human Capital theory as proposed Adam Smith (1723-1790) in Teixeira (2002) has the central idea that people are fixed capitals just like machine because they have skills and useful abilities that has genuine cost and yields profits. The premise in the human capital theory, according to Armstrong (2006) is that people and their collective skills, abilities and experience, coupled with their ability to deploy these in the interests of the employing organization, are now recognized as making a significant contribution to organizational success and also constituting a significant source of competitive advantage. Resource

Based View (RBV) of Barney (1991) suggests that sustainable competitive advantage is attainable when firms have a human resource pool which cannot be imitated or substituted by rivals. According to the Resource-Based view, firms should constantly evaluate their workforce to ensure that they have the right people with the right skills in the right places to ensure sustained competitive advantage (Barney, 2001) and when this is not the case, firms should make-up for the shortfall by employing appropriate recruitment and selection criteria. The theory maintained that the major part of any firm's strength or weakness stem from the calibre of the people employed and the quality of their working

relationships. To this end, Boxall (1998) revealed that firms which recruit and retain exceptional individuals have the capability of generating human capital advantage. According to Sparrow et al., (2002), technology and capital can be acquired by most firms any time, for a price, but it is not easy to acquire a ready pool of highly qualified and motivated employees. Thus, in order to be differentiated, the companies need to be very careful with the recruitment and selection process. Equity Theory as proposed by Adams (1963), underlines the principle of fairness. According to the principles of the Equity Theory, the best recruitment and selection criteria in the organization is that which portrays the firm as Equal Opportunity Employer

Finding competent workers is an important organizational challenge (McEvoy, 1984; Deshpande & Golhar, 1994; Atkinson & Storey, 1994), with the difficulty centering on recruiting and selecting employees with the correct qualifications to help achieve goals (Priyanath, 2006). As further argued in Priyanath (2006) this problem is compounded by the lack of systematic method for recruiting and selecting employees.

A systematic recruitment process according to Gamage (2014) involves identifying vacancies, job analysis, job description, person specification and advertising. As against informal process for recruiting and selecting employees, a systematic selection process involves the recruiting process, gathering information about qualified applicants, evaluating the qualification of each applicant and making decisions about employment (Gamage, 2014).

### **Recruitment, selection criteria and organizational performance**

Recruitment and selection form a major part of an organization's overall resourcing strategies, which identifies and secures people needed for an organization to survive and succeed in the short to medium-term (Elwood & James, 1996). In fact, the basic purpose of recruitment is to create a pool of suitably qualified candidates to enable the selection of the best candidates for the organization, by attracting more and more employees to apply in the organization whereas the basic purpose of selection process is to choose the right candidate to fill the various positions in the organization (Gamage, 2014).

Available evidence indicates that there is a positive and significant relationship between recruitment and selection and the performance of an enterprise (Gamage, 2014). Sang (2005) for example discovered a positive association between recruitment and selection and business performance. Such were also of positive results between recruitment and selection and performance as seen in Ichniowski and Shaw (1999), Katou and Budhwar (2006) and Wright et al. (2005). Other studies such as Syed and Jama (2012) have equally shown that implementing an effective recruitment and selection process is positively related to organizational performance.

With specific reference to recruitment and selection criteria and organizational performance, Montana and Charnov (2000) maintained that recruitment and selection include sourcing candidates by advertising or other methods, screening potential candidates using tests and interviews, selecting candidates based on the results of the tests or interviews, and on-boarding to ensure that the candidates are able to fulfill their new roles effectively.

According to Huselid (1995) it is recruitment procedures that provide a large pool of qualified applicants, paired with a reliable and valid selection regime that will have a substantial influence over the quality and type of skills new employees possess. The implication of this line of thought is that an organization's human resource policies and practices represent important forces for shaping employee behaviour and attitudes.

For Gamage (2014) the selection practices will determine who is hired. If properly designed, it will identify competent candidates and accurately match them to the job. The use of the proper selection device will increase the probability that the right person is chosen to fill a slot. When the best people are selected for the job, productivity increases. Little wonder that literature such as Terpstra and Rozell (1993) reported of a positive association between the extensiveness of recruiting, selection test validation and the use of formal selection procedures and firm profits. Similarly, Rauf (2007) discovered that sophisticated recruitment and selection procedures are positively related to performance in organizations.

Writing on some of the challenges facing recruitment and selection criteria in organizations, István (2010) observed that there are a plenty of techniques used in recruitment and hiring today among which are some methods not accepted by experts universally, or not recommended for the hiring process. As argued by István (2010), selection methods can be evaluated in several ways. One possible approach is to compare hiring techniques on the basis of their validity, impartiality, scope of usage, and cost.

### **Recruitment and selection quality and organizational performance**

The effectiveness of different recruitment and selection criteria of employees has been the topic of research for over 60 years (Sinha & Thaly, 2013). The effectiveness has primarily been assessed by examining the rates of turnover, job survival and job performance along with organizational issues such as referrals by current personnel, in-house job postings, and the re- hiring of former employees (Zottoli & Wanous, 2000).

The study by Sen and Saxena (1997) has emphasized the importance of a quality process during the time of recruitment and hiring given that the right type of labor is hard to come by. In fact, while lending credence to the importance of hiring quality candidates who are hard to find Tendon (2006) warned that talent deficiency is unrelated to huge population. While reporting that recruitment is the only component for attracting and retaining knowledge workers, Unwin (2005) gave significance to the process involved during the time of recruiting and hiring good candidate.

Although the study conducted by Subbarao (2006) explained the recruitment sources used by individual job seekers at various levels, the study further highlighted the importance of different types of approaches used at the time of recruitment which in turn makes any organization well- established or less established.

According to Sarkar and Kumar (2007) organizational performance is hinged on the approach which the organization adopts in the recruitment and selection of employees. To this end, Sarkar and Kumar (2007) spoke of a holistic model of recruitment i.e. emphasizing the importance of the whole process of recruitment and the interdependence of its parts (Sinha & Thaly, 2013).

## 2. METHODOLOGY

This study adopted survey research design and structured questionnaire was used to collect data. The research population covered the six (6) main business divisions of Fidelity Bank Plc in Lagos State. The respondents covered top, middle and lower positions workers in marketing and operation sections of the bank. The six (6) business divisions in Lagos State include Apapa Division, Ikeja Division, FESTAC Division, Mainland Division, Island Division and Victoria Island Division. There are 3756 full time employees at Fidelity Bank Plc. It is instructive to note that out of the 3,756 full time employees at Fidelity Bank Plc

## 3. DISCUSSION

The findings of this study is in tandem with existing information in the literature that recruitment and selection criteria have significant effect on organization's performance. Huselid (1995) observed that recruitment and selection criteria have significant organizational performance effect due to the provision of large pool of qualified applicants: paired with a reliable and valid selection it has a substantial influence over the quality and type of skills new employees possess.

Similarly, Gamage (2014) noted that the recruitment and selection practices will determine who is hired, shapes employee behaviour and attitude. If properly designed, it will identify competent candidates and accurately match them to the job. The use of the proper selection device will increase the probability that the right person is chosen to fill a slot. When the best people are selected for the job, productivity increases. According to Rauf (2007) Terpstra and Rozell (1993) there is a positive association between the extensiveness of recruiting, selection test validation and the use of formal selection procedures, organisations performance and firm profits. Rauf (2007) further concurred that sophisticated recruitment and selection procedures are positively related to performance in organizations.

Accordingly, Okoh (2005), not just that organizational selection practices determine who is hired, the use of the proper selection criteria will increase the probability that the right person will be chosen. When the best people are selected for the job, productivity increases (Osemeke, 2012).

## 4. CONCLUSION

Recruitment and selection in any organization is a serious business as the success of any organization or efficiency in service delivery depends on the quality of its workforce who was recruited into the organization through recruitment and selection exercises (Ezeali and Esiagu, 2010). Bohlander, Snell & Sherman (2001) reported that it is important for managers to understand the objectives, policies and practices used for selection. More importantly, those responsible for making selection decisions should have adequate information upon which to base their decisions. As Robbins (2005) observed, organization's human resource policies and practices represent important forces for shaping employee behaviour and attitudes. In view of the findings, the study suggests that in designing and instituting recruitment and selection criteria quality should not be compromised. This is more so as the right type of labour is hard to come by. Furthermore, given that organizational environment is ever changing, the bank's management is implored to constantly evaluate the bank's selection methods on the basis of their validity impartiality, scope of usage, and cost.

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