Recruitment, selection, training practices and employee performance in service sector institutions of Nepal

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Abstract
This research is based on the analysis of relationship of recruitment, selection, and training with that of employee performance in service sector institutions of Nepal. The elements recruitment process, selection process, and employee training are considered as independent variables whereas employee performance is taken as dependent variable. This study is based on analysis of information gained through service sector institutions of Nepal consisting of hospitals, telecommunications, and airlines. In this research work, in total 321 questionnaires were distributed and 244 respondents provided their response, which was the basis of study. The statistical tools such as descriptive statistics, correlation, and regression analysis have used to study the data collected through questionnaire. In this study it is found that recruitment, selection, and training have significant position relation with employee performance. But, when examining the beta coefficient, it was explored that compassion to training is higher followed by selection process on employee performance. The conclusion is that if Nepalese service sectors define and implement specific procedures of recruitment, selection, and training process, it can improve the level of employee performance. The improvement of employee performance would be supportive for improvement of overall organizational performance.

Keywords: Recruitment Process, Selection Process, Employee Training, Employee Performance, Organizational Performance

Introduction
Human Resource Management (HRM) includes necessary activities for employee management of the enterprise. It involves the activities such as acquiring, developing, utilizing, and maintaining manpower in the enterprise for future long duration of period. This is necessary for effective functioning of organizational activities and to bring effectiveness in performance. It integrates together organizational objectives and individual objectives of employees through effective use of human efficiency and skills. The contribution of human resources in an enterprise can be seen from the production capability when the enterprise already has strong financial resources, fulfilled needed raw material and has the up-dated technology but there is lack of skilled human resources, the production process will not run in an effective way (Syamsuddinnor, 2014).

Enterprises that are searching for quality manpower should begin the rational recruitment process, selection process, and effective employee training. The major focus of recruitment process is to attract maximum number of competent applicants according to the need of the enterprise and to be employed in the enterprise. When recruitment process is completed the practice of selection process is started which is concentrated on placement of right person to the right job. The selection process may differ from organizations; however, its main focus is to select the candidates based on job requirement. After completion of selection process, the employees are placed to the job responsibility based on their area of efficiency. After certain duration of time period of performance, it is essential to manage training programs to the employees to improve their level of various skills and efficiency for introduction of certain change in day-to-day activities of the enterprise so that performance level of employee can be improved.

Regular efficiency development programs that are organized to the employees can support them to be dedicated with their job responsibility and with that of work climate and should gain self-assured ability and become enthusiastic, and have taken initiation to complete the assigned job (Handoko, 2013). After returning from training program the performance level of employees must be increased and they should do the assigned job effectively. The employee work achievement is measured through their performance result, it the reason that they have to fulfill assigned jobs and responsibilities effectively so that productivity can be maintained based on predetermined standard. Human resources are said to be the dynamic resources of the organization which would be supportive for the proper utilization of physical properties which involve capital, raw material and machines of the organization. The proper use of resources facilitates to minimize wastage, maximize productivity, and maintain quality of products and services (Pradhan & Shrestha, 2022). It is necessary to gain competitive advantages in changing business
environment of the society. At the present world, the reasons of organizational success are the activities of efficient manpower and that is the reason, more emphasize has been given for human resource management.

Human resource management involves a process for acquisition, training, maintaining, developing, assessing, providing incentives for employees, managing good labor relations, health and safety, and all the subject-matters relating to employee justice (Guest, 2002). As a key function of HRM, recruitment is involved as a set of activities of an organization to draw the attention of job candidates that have the abilities needed to support the organization to achieve its specific objectives and goals (Othman et al. 2019). The completion of recruitment process is the main function of human resource department and it is the first step towards making the competitive quality and maintaining strategic advantages of the organization. Selecting process involves a progression of steps to be taken after for scrutinizing the recruited applicants to fulfill the suitable employee for the vacant position of the entity (Anwar & Abd Zebari, 2015). The selection procedure states after recruitment and partitions the competitors in two sections consisting of the individuals who will be offered work and those would not offer (Anwar & Surarchith, 2015).

Employee performance involves the ability, knowledge, expertise, motivation, attitude, personality, and work value, work climate, and employee-management relations with the hope that employees will be more passionate and have eagerness to accomplish assigned job. Employee performance contains elements of achievement of standard of performance in actual practice. There are different scholars and researchers have given their views regarding the concept of recruitment, selection, training, and their relation with employee performance by studying the human resources management system of various institutions of their own country. Most of the researchers studied the human resource management system of various enterprises consisting of manufacturing, financial institutions, and other service areas. However, these research works do not cover many areas of studies of Nepalese service sector institutions especially hospitals, telecommunication, and airlines. Based on these discussions, this study focuses on recruitment process, selection process and employee training components of human resource management practices in service-oriented institutions of Nepal and their relationship with and impact on employee performance.

**Literature review**

Human resource management is the process of dealing with various issues and problems along with the scope of employees, managers and other workers to be able to support the activities of the organization in order to achieve specified objectives. DeCenzo and Robbins (2010) indicate that the human resource management functions include both managerial functions and operational functions for effective functioning of the organization. The managerial functions involve planning, organizing, leading, and controlling, whereas the operational functions involve acquiring material and resources, development of human efficiency, making provision of proper compensation, integration of organizational activities, maintaining disciplines and dismissal of workers those who are violating systems. Recruitment is concerned with identification of the location of potential and qualities candidates and using effective tools and techniques for attracting such candidates for application to the required jobs so that management can fulfill job vacancies in the organization (Anwar & Shukur, 2015). The recruitment process includes verifying the necessities of work, attracting candidates to that occupation, scrutinizing and selecting candidates, contracting and assigning jobs to them and coordinating the new employee with the organization and its activities (Khan & Abdullah, 2019). The job specification and job description are the important components of job analysis that specifies the experience a person should possess in the organization to perform assigned the work effectively (Anwar & Balcioğlu, 2016).

Human resource management is the major function of management that involves the responsibility for researching and selecting the efficient applicants for these vacant posts (Anwar & Shukur, 2015). For improving employee performance, there is need of all around developed process by considering the real work situation and requirement so that right kind of applicant can be selected and unsatisfactory candidates are discarded. Usually, for selection of operating level of employees the development of a single and brief selection interview might be enough, while for selecting managerial level applicants, it would be appropriate to take the interview by a number of professional in the concerned area of disciplines (Ali, 2014). According to (Guest, 2002) training is a series of activities in order to teach employees, both new employees and old employees, about the basic ability of a job, this training is intended to improve the quality and quality of employees in carrying out their duties or jobs (Rigksa, 2017) Training is an effort or effort in order to improve employee knowledge and skills. To boost the abilities and talents possessed by each employee, training activities are needed in accordance with the work or responsibilities of workers. Dessler (2013) defined that training is a process of educating employees about the basic skills they have needed and make them easier to do assigned job effectively, improve their level of performance, increase their knowledge and skills, and change their attitudes and value so that they can do assigned work more effectively and efficiently. The main objectives of implementation of employee training are to increase their internal strength and capability so that quality of work and high level of productivity can be maintained. Training can support for determination of human resource planning, development of morale attitude and value, team spirit, level of employee motivation, development of health and safety work environment and improvement of overall performance level of the employees. The main objective of
the training is to development skills and to improve knowledge, value, attitude, and efficiency of employees so that they adapt themselves in their work based on changing level of science and technology. Priansa (2016) indicated that measurement of employee performance can be done using five dimensions consisting of job quantity, quality of work, independence, initiative, and adaptability.

**Theory of linking recruitment, selection and training with employee performance**

Human resource department of the organization is accountable to select right persons or best qualified candidates based on the need of the organizational jobs (Othman et al. 2019). At the time of assessment of current jobs, job analysis, and job design stage it is the responsibility of management is to identity whether existing employees working in the organization would be able to fulfill the requirements of new jobs or it would be appropriate to hire from external sources to fulfill the new job requirement (Anwar, 2017). The process of recruitment involves systematic procedure of searching out the sources of competent candidates and attracting them for submitting applications so that interview can be managed within limited resources and time (Anwar, 2016). According to Allen and Wright (2008), the process of recruiting, usually, is starting with job description and job specification based on future objectives of organization. Job description involves detail information about the jobs such as name of jobs, their nature, place, procedures, resources required etc. whereas job specification involve detail information about skills, ability, and knowledge of employees for accomplishment of assigned jobs effectively.

Employee selection is the process of filtering and evaluating through interviewing the candidates who are applied for a specific job which concentrated on placement of right person to the right job (Allen and Wright, 2008). When management has decided for the application of appropriate means of recruitment for attracting potential candidates for the job it’s another task is to determine the most appropriate and relevant technique to be used for the selection of right persons to the jobs when there is any vacant post in the organization (Anwar & Abdullah, 2021). The selection process may differ from organizations to organization and it may vary from one department to another of the same organization (Anwar, 2017). In practice it was found that ever organization plans the selection procedures according to its requirement and effectiveness. Some organizations may have given importance for fulfillment of various examination and tests whereas other may apply interviews and reference verification before final selection of candidates (Anwar, 2017).

Priansa (2016) indicated that employee job training process is designed and completed so that they can gain new skill, efficiency, knowledge, and positive attitude. Similarly, Kaswan (2013) defined employees job training is the process of improving employee knowledge and skills so that they can accomplish the assigned job effectively. Employee training is also essential for changing attitudes the employees so that they would become responsible and effective. According to Dessler (2009) there are various employee training indicators such as need of training materials, method of training used, ability of training instructor, physical facilities of training, and ability of trainee. Veithzal Rivai (2014) specified that training is beneficial to the employees and also to the organization at large. Some of the common benefits of training for employees include, first it supports employees in making rational decisions while solving problems, develop working efficiency, improve level of responsibility for accomplishment of assigned tasks. Second, it helps for self-development and self-confidence for doing jobs; it develops maturity to cope with stress, work pressure, conflict, frustration and anxiety. Fourth, it helps employees to improve their leadership ability, communication skills and positive attitude; fifth, it supports employees to consider personal goals along with improving communication skills. Employee training is beneficial to the organization, first it leads to increase profitability position or a more positive direction towards profitability. Second, it helps to improve skills, capability and knowledge at all levels and departments of the organization. Third, it oriented the employees about the goals of the organization; fourth, it helps to create better image of the organization through effective performance; and fifth, it supports to maintain and improve better relationship between managers and subordinates. Sixth, it supports to minimize operating cost in different areas of functions such as production, administration, HR, marketing etc.; seventh, it encourages employees to adapt to change for better performance outcome of the organization.

The ultimate outcome of recruitment, selection, and training is to improve employee and organizational performance. The employee performance indicated the skills, ability, knowledge, expertise, encouragement, positive attitude, work ethic, work environment, personality development and good relation between employee and management that support to enhance the quality of work, and improve employee performance along with organizational performance. There are various factors may affect the employee performance in the organization such as personal knowledge and ability, level of effort devoted, and organizational support that he received. Yulasmi (2016) defined that performance is the quality and quantity of work achieved by employees in carrying out their duties and completing the responsibilities that are assigned to them in an effective way. The indicators of measuring employee performance in respect of recruitment, selection and training are adjusted to the interests of the organization itself.
Research methods

Research design

The research design used in this research work includes descriptive, co-relational, and causal comparative research design to study the relationship of recruitment, selection, and training with that of employee performance in service-oriented institutions. The descriptive research design is applied with the objectives of fact-finding, conceptualization, description, and operation searching for adequate information in the context of recruitment, selection, training and their impact on employee performance in Nepalese service-oriented institutions. In this research work, the research design adopted is identical as the previous researches taken place, for example (Amstrong, 2012).

Research hypothesis

Main focus of this research work is to assess the relationship between recruitment, selection, training with that of employee performance of in Nepalese service-oriented institutions specially hospitals, airlines, and telecommunication. On the basis of above objectives and relation, following hypotheses are taken into consideration:

- **Hypothesis 1**: There is a significant positive co-relationship and impact of recruitment process on employee performance in Nepalese service oriented institutions.
- **Hypothesis 2**: There is a significant positive co-relationship and impact of selection process on employee performance in Nepalese service-oriented institutions.
- **Hypothesis 3**: There is a significant positive co-relationship and impact of employee training on employee performance in Nepalese service-oriented institutions.

Sources and nature of data

The necessary data and information were collected through primary sources consisting of distributing questionnaire and collecting opinion of respondents of service institutions to fulfill the objective of research work. The information used in this research work were collected from two hospitals consisting of B& B Hospital Pvt. Ltd and Bhaktapur Hospital; two airlines consisting of Nepal Airlines and Budha Airline Pvt. Ltd; and two telecommunications consisting of Nepal Telecom Company and Ncell Pvt Ltd. The research work involves two types of information such detail information of respondents about recruitment, selection, and training along with detail information of employee performance were collected for analysis. The study questionnaire was developed by considering the literature given by Guest (2005). In this research work the normative theory of maintaining relations between recruitment, selection, training and employee performance was taken into account.

Population and sample size

Population of this research work involves all the employees working in hospitals, airlines and telecommunications of Nepal whereas sample size involves 244 employees working in the same service sector institutions. For this research work 321 questionnaires were distributed through email and also manually, and 244 respondents had returned the questionnaire by completely filling the needed matters provided. The information collected from 244 respondents is the basis of this research work. Along with previous literature used by Guest, 2005, the researcher had taken support from academic friend circles, academicians, and professional researchers. The questionnaires were developed by focusing the recruitment process, selection process, employee training and their relation and impact over employee and organizational performance. The employees who had given their opinion were of different levels and position such as managers, officers, assistant levels of the concerned service-oriented institutions. While distributing questionnaires the respondents were made understanding about the information that they had provided would remain confident and would be used only for academic research work.

Data analysis tools

It was attempted to explore the status of recruitment, selection, and training and employee performance in service sector institutions of Nepal. The status of above components of human resources management practices were analyzed from two perspectives consisting of universalistic and configurationally perspectives. According to the universalistic perspective certain human resources management practices are always effective than other and most of the organizations should adopt these practices in all the time for better performance of employees and also of the organization. Similarly, according to the configurationally perspective the multiple interdependent human resource practices have link to each other so it is essential to manage them effectively to enhance employee and organizational performance (Wright and McMohan, 1997). In service sector institutions of Nepal, it was realized that some level of recruitment, selection and training practices have been implemented to develop employee performance so that overall organizational performance can be improved. For determination of status of recruitment, selection, training and employee performance the descriptive statistical tools were used consisting of mean, median, mode, standard deviation, coefficient of variance etc.
Results and Analysis

The relationship between recruitment, selection and training with that of employee performance

This research work focused to maintain correlation between a dependent variable employee performance and three independent variables consisting of Employee Performance (EP) and three independent variables consisting of Recruitment Process (RP), Selection Process (SP), and Employee Training (ET). In calculation it was found that the upper bound showed non-parametric spearman correlation coefficient whereas lower bound showed parametric Pearson correlation between independent variables and dependent variables. The P-value is showed in the parenthesis * and ** showed the coefficient are significant at 5 percent and 1 percent level respectively.

Table 1
Pearson Correlation and Spearman Rho

<table>
<thead>
<tr>
<th>Variables</th>
<th>RP</th>
<th>SP</th>
<th>ET</th>
<th>EP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment Process (RP)</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selection Process (SP)</td>
<td>0.350**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Training (ET)</td>
<td>0.325**</td>
<td>0.452**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Employee Performance (EP)</td>
<td>0.326**</td>
<td>0.623**</td>
<td>0.712**</td>
<td>1</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed)**

Table 1 presented correlation and Spearman Rho correlation between specified elements of HRM practices consisting of Recruitment Process (RP), Selection Process (SP), Employee Training (ET), and Employee Performance (EP). The calculated value of the Pearson correlation presented that there are significant positive correlations between employee performance and of Recruitment Process (RP), Selection Process (SP), Employee Training (ET), and they are significant at 5 percent level. The calculated value of correlation guided that there are positive relations between three elements of HRM practices and employee performance. However, the calculated value of correlation showed that employee training has high level of correlation with that of employee performance of the organization followed by selection process. The calculation outcome also showed that there is positive relationship between three elements of HRM practices and employee performance of the service institutions. This calculated outcome is reinforced by earlier hypothesis set by Guest (2005).

The result is supported by prior hypothesis set by Guest (2005). In conclusion it is recommended that better recruitment process and selection process along with effective employee training would be supportive for higher employee performance.

Effects of recruitment, selection, training on employee performance

The study of Guest (2005) has indicated that Recruitment Process (RP), Selection Process (SP), Employee Training (ET), have positive impact on Employee Performance (EP) of the organization. Employee performance of service-oriented institutions is showed by the ability, skills, knowledge, expertise, encouragement, personality factors, positive attitude, work ethic and value, employee relation and working environment in the organization. Recruitment is the process of attracting competent candidates for applying to the respective jobs in the organization, selection is the process of filtering the applied candidates for appointment of employees based on job requirement, and similarly, training is concerned with introduction of efficiency development programs so that working efficiency of employees can be improved. The research result indicates that there is significant positive correlation between recruitment process, selection process and employee training and employee performance in the organization. The Recruitment Process (RP), Selection Process (SP), Employee Training (ET) are independent variables whereas Employee Performance (EP) is dependent variable Y. The regression model has been estimated as:

Table 2
Regression Analysis showing impact

<table>
<thead>
<tr>
<th>Recruitment Process</th>
<th>Selection Process</th>
<th>Employee Training</th>
</tr>
</thead>
<tbody>
<tr>
<td>EP = a + bRP</td>
<td>EP = a + bSP</td>
<td>EP = a + bET</td>
</tr>
<tr>
<td>EP = 12.121 + 0.190RP</td>
<td>EP = 12.661 + 0.288SP</td>
<td>EP = 12.820 + 0.311ET</td>
</tr>
<tr>
<td>T = (18.648) (7.802)</td>
<td>T = (22.121) (10.152)</td>
<td>T = (23.115) (11.178)</td>
</tr>
<tr>
<td>R = 0.292</td>
<td>R = 0.415</td>
<td>R = 0.441</td>
</tr>
<tr>
<td>R² = 0.241</td>
<td>R² = 0.312</td>
<td>R² = 0.318</td>
</tr>
<tr>
<td>Adjusted R² = 0.145</td>
<td>Adjusted R² = 0.215</td>
<td>Adjusted R² = 0.212</td>
</tr>
<tr>
<td>F-Value = 75.271</td>
<td>F-Value = 129.526</td>
<td>F-Value = 132.512</td>
</tr>
</tbody>
</table>

The calculate value of F for recruitment process, selection process and employee training are 75.271, 129.526 and 132.512 respectively whereas p- value for F test is 0.000 for all the variables. The statistical result indicates that F-
value is significant at 5% significant level. Therefore, the regression model used in this research work is fit to the situation. It indicates that there is the possibility of recruitment process, selection process and employee training on employee performance. The $R^2$ for recruitment process, selection process and employee training consist of 0.241, 0.312, and 0.318 respectively. It indicates that 24.1%, 31.2% and 31.8% changeability in recruitment process, selection process, and employee training respectively is described by employee performance. Thus, independent variables recruitment process, selection process and employee training contributed to employee performance positively along with additional elements of human resource management practices of service-oriented institutions.

Conclusion

The results clearly indicate that there is positive and significant effect of recruitment process, selection process and employee training on employee performance respectively. The outcome of this result is matched with hypothesis determined and prior research of scholars. It indicates that valuable and reliable implementation of recruitment process, selection process and employee training positively contribute to employee performance in nominal degree. In study, it is found that recruitment process, selection process and employee training system is considered reliable and effective for improving employee performance in private service entities than that of in government service-oriented entities.

The main objective of this research work was to analyze the impact of recruitment process, selection process and employee training on employee performance as it was identified by Pfeffer (1994) and Guest, 2002. The research hypothesis that was set based on Guest (2002) by focusing the impact of recruitment process, selection process and employee training system on employee performance was found to be relevant. It may be concluded that service-oriented institution of Nepal such as hospital, airlines, and telecommunications try to realize that competent candidates should be placed in the organization for improving employee performance as well as overall performance of the organization. Ultimately, it is recommended that if service-oriented institutions of Nepal invest significant resources and effort for implementation of recruitment process, selection process and employee training system, they can improve employee performance.

Implications

Human resources management involves all the activities essential for manpower management of the organization for its effective functioning. The development of human creativity and research work contributed for innovation of new business concept and also new business procedures. The evolution of economic globalization has brought tremendous change in global production and distribution system and it can provide both opportunity and threat for Nepalese service-oriented organizations. This study would give an understanding into some components of HRM practices and their relationship and impact over employee performance of Nepalese service-oriented institutions. The successful functioning of the business organization mostly depends on its effective functioning and quality of the services that it has provided to the potential customers. This study concentrated on recruitment process, selection process, employee training and their relationship and effect on employee performance of service-oriented institutions of Nepal. The conclusion of this study would be useful to business executives, functional managers consisting of HR managers, and other professionals involved in manpower management for improving employee and organizational performance.

In fact, effective recruitment, selection, and training practices are required for the effective management of human resources. These practices have a direct impact on an employee's efficiency and performance. If the right person is hired for the right job, it will not only increase employee performance because the employee is knowledgeable about the position and has the necessary skills, but it will also increase employee motivation to stay with the company and perform to the best of his abilities (Bakhashwain & Javed, 2021). As human resources are the most important asset of the business and help the organization to get a competitive advantage, motivating and keeping the appropriately recruited, selected, and trained employees will help it succeed while building a name for itself in the competitive industry.

Limitations

Some notable research limitations existed in this research work, they are as follows:

- Elements of human resource management used under this research work might not cover all the needed factors of employee performance.
- This research is concentrated only to limited-service oriented enterprises consisting of hospitals, airlines, and telecommunication. So, the result outcomes this research work might not represent to all the business enterprises.
All most all the data used in this research work are collected through primary sources by using survey method. Therefore, the reliability and validity of the data depends upon the individual perception of various respondents.

References


