

The Effect of Recruitment and Selection Practices on Employee Retention in Select Service Sector Organizations in Hyderabad

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Abstract:

The research during this report is specifically designed to assess the impact of hiring procedures on employee maintenance in an exceedingly selected sector of clients in Hyderabad. There's not much research, or evidence, on the connection between hiring and recruiting processes and also the behavior of our employees. Therefore, the research work was geared towards studying the impact of recruitment and selection procedures for personnel, similarly as employees of some flights, from the service sector. Data, which may be collected from a sample of 127 vendors, were released with a 28-point, systematic questionnaire, using a Likert point scale, and identifying positions, strong opposition, and strongly justified within the profession of faith. The collected data was analyzed using SPSS (28.0) version. During this study, it was found that there's a big positive relationship between recruiting and selecting employees and supporting employees within the selected sector of the organization. It's concluded that good recruitment and selection practices are essential for the Ministry of Labor within the service sector, industry, and improving employee retention.

Keywords: Recruitment practices, selection practices, service sector organizations.

Introduction:

It is understood that the flexibleness of a company to hunt out, attract and retain the foremost effective employees is that the foremost important people management issue that's faced by organizations today (Hughes 2008). To keep with the study of Amin et al. (2014), to achieve the aim, it is important to possess

sound HRM practices. Among the various responsibilities of Human Resources (HR), the foremost critical is that the recruitment of the most excellent employees and to keep them happy and on the job (Carterward et al. 2006). As given by Glueck (1979) recruitment might be a group of activities that an enterprise uses to attract candidates who have abilities and attitudes to help the enterprise achieve its objective. Employee retention entails a combination of activities that, when the engaged employee will stay with the organization for a protracted time (Hendricks 2006). As given by Josee et al. (2014), recruitment is the method of engaging and finding the people an organization needs. It can also be defined as any exercise or activity carried out by the organizations with the purpose of identifying and attracting potential employees (Amin et al. 2014). Employee retention entails a mixture of activities that ends up in employees to stay with the organization for an extended period (Hendricks 2006). Employee retention is the ability to maintain and retain the most desirable employees for a longer period of time in the organization (Gupta 2014).

As mentioned by Alleyne et al. (2012), employee retention begins with better recruitment. Successful employee retention should be positively linked to the processes and practices of recruitment and therefore the strategies with which the candidates are recruited for the task. Boxall and Haesli (2005) have said that employee retention should be linked to effective recruitment practices. As such, this study is meant to investigate the consequences of recruitment & selection practices on employee retention in select service sector organizations in Hyderabad

The problem of the Study and Literature Review:

The services sector isn't only the dominant sector in India's GDP but has also attracted significant foreign investment, has contributed significantly to export, and has provided large-scale employment. India's services sector covers a large sort of activities like trade, hotels and restaurants, transport, storage, communication, financing, insurance, land, business services, community, social and private services, and services related to construction, etc. Against this background, it's important to notice well-being of service sector organizations implies well-being of the economy. But these service sector organizations face a major problem of turnover rate. Keeping this issue in mind this study attempts to spot the effect of recruitment and selection practices on employee retention. A successful recruitment effort generates sufficient applicants in such a order that the employer is selective within the process of identifying the utmost suitable applicant. The stringency of criteria used for choosing job applicants depend on an

oversized degree, on the success of the recruitment effort. A company will be more selective when a comparatively large supply of qualified applicants is accessible. Retention, in turn, is partially associated with the process.

According to Boxall and Purcell (2003), HR policies and practices are more likely to contribute to the sustainable competitive advantage and also the staff retention in organizations. Deloitte (2005) has stated that failing to deal adequately with the recruitment of a company and also the retention issues are a key problem today. Mbugua et al. (2015) has mentioned that employee recruitment has influenced employee retention. Further Boxall and Haesli (2005) have explained that employee retention should be linked with an efficient recruitment process. Dermody (2002) reveals that recruitment practices, the management of the most effective employees, and retaining quality workers are the keys to success within the competitive restaurant business. Employee retention is also successful when it's linked positively to the processes and practices of recruitment (Alleyne et al. 2012).

Recruitment strategies are significantly linked to employee retention issues (Heraty & Morley 1998). The results of the study (Josee et al. 2014) reveal that employee recruitment strategies influence employee retention. Some of the elements of recruitment strategy have a negative relationship with employee retention in the organizations (Hall et al. 2008).

The organizational recruitment policy is to supply long-term employment opportunities for its employees (Motsoeneng 2011). Long-term employment is principally for the promotion of employees by using steady recruitment (Beer et al. 1984). Doeringer and Piore (1971) have noticed that employees accept employment with certain expectations like certain stability for the future and long term. Expectations could also be violated through a change in recruitment policies, and it's going to negatively affect the organizational workforce (Grimshaw et al. 2001).

Hypotheses of the Study:

Based on previous studies, the first hypothesis developed for this study is as follows:

H₁: There is a significant effect of recruitment practices on employee retention.

H₂: There is a significant effect of selection practices on employee retention.

Study Design

The primary objective of this study is to establish the link between recruitment & selection practices (independent variables) and employee retention (dependent variable). The time of the study is cross-sectional. The data for the study is collected within a specific time period and therefore the unit of the study is individual employees within the industry. A complete sample of 127 employees are collected who are employed in the service sector of Hyderabad, Telangana.

Measures

Primary data was collected via a structured questionnaire with a five-point Likert scale with point anchors starting from “strongly disagree, disagree, no opinion, agree and strongly agree”. This study considered Motsoeneng's (2011) questionnaire to evaluate the recruitment practices, selection practices, and employee retention (Wang 2012).

Reliability

The internal reliability of the research instruments was assessed through Cronbach's alpha coefficient (refer to Table -1). The result of Cronbach's alpha test is reasonable enough to ensure the internal reliability of this study.

Table 1: Result of Cronbach's Alpha Coefficient

Instrument	Cronbach's Alpha Coefficient
Recruitment Practices	0.818
Selection practices	0.762
Employee Retention	0.793

Techniques of Data Analysis

The primary data collected from the sample were analyzed using the computer-based statistical data analysis package, SPSS (Version 28.0) for reliability and relationship testing. It included univariate, and bivariate analyses.

Results

Results of this study were obtained both from the quantitative and the qualitative analysis. According to the quantitative analysis, the univariate analysis was used to investigate the responses for the independent and dependent variables. The results are given in Table 2.

Table 2: Univariate Analysis

	Mean	SD	Skewness	Kurtosis	Mini.	Maxi.
Recruitment Practices	3.5407	0.4074	1.379	3.218	2.82	4.88
Selection Practices	3.4488	0.703	0.307	0.459	1.62	5.00
Employee Retention	3.4697	0.287	1.171	1.796	3.00	4.44

According to Table 2, the mean value of the recruitment practices (3.5407) suggests that recruitment practices of the selected large-scale apparel firms are "satisfied". The mean value of the selection practices (3.4488) indicates that the selection practices of the selected service sector organizations are at the "Satisfactory level". The mean value of the employee retention (3.4697) indicates that employee retention in selected service sector organizations is at the "Satisfactory level".

The bivariate analysis, Pearson’s correlation between recruitment practices and selection practices with employee retention in service sector firms are illustrated in Table 3 below.

Table 3(a) and 3(b): Pearson’s Correlation between Independent and Dependent Variables

Table: 3 (a) Correlation between Recruitment Practices and Employee Retention

	Recruitment Practices	Employee Retention
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Recruitment Practices	Pearson's Correlation Sig. (2-Tailed) N	1 127	0.638** 0.000 127
Employee Retention	Pearson's Correlation Sig. (2-Tailed) N	0.638** 0.000 127	1 127

Table: 3 (b) Correlation between Selection Practices and Employee Retention

		Recruitment Practices	Employee Retention
Recruitment Practices	Pearson's Correlation Sig. (2-Tailed) N	1 127	0.589** 0.000 127
Employee Retention	Pearson's Correlation Sig. (2-Tailed) N	0.589** 0.000 127	1 127

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

According to Table 3(a), the Pearson correlation coefficient is 0.638, therefore, there is a positive relationship between recruitment practices and employee retention. In addition to Table 3, (b) the Pearson's correlation coefficient is 0.589, therefore, there is a positive relationship between the selection practices and employee retention.

Table 4: Summary of Hypothesis Testing

No	Hypothesis	Values	Remarks
H1	There is a significant effect of recruitment practices on employee retention	Correlation Coefficient =0.638 Sig.= 0.000	Accepted
H2	There is a significant effect of selection practices on employee retention.	Correlation Coefficient =0.638 Sig.=0.000	Accepted

Discussion and Conclusion

According to the results of univariate analysis and Pearson’s correlation analysis, it was found that recruitment practices and selection practices are positively correlated with employee retention.

The findings of the correlation analysis empirically confirm the arguments given by Alleyne et al. (2012), Boxall and Haesli, (2005), Mbugua et al. (2015), Dermody (2002), Greene and Tello (1996) who have argued that for the employee retention to be successful, it has to be positively linked to the recruitment practices.

Hence, statistical evidence (refer to Table 3(a) and 3(b) supports to acceptance of the two hypotheses formulated for the study.

This study has both practical and theoretical significance, in the provision of information that will help in the understanding of recruitment practices that affect the retention of employees. According to this study, recruitment practices are taken as the major way to improve employee retention in service sector organizations. To improve employee retention, the recruitment and selection practices (Opatha 2012; Motsoeneng 2011; Robbins & Decenzo 2001) have to be followed in a standard manner.

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