



SEEK WISDOM, ELEVATE YOUR INTELLECT AND SERVE HUMANITY!



THE EFFECT OF SELECTION AND RECRUITMENT ON ORGANIZATIONAL PERFORMANCE IN THE CASE OF BANK OF ABYSSINIA S.C

A Thesis Submitted for Partial Fulfillment of the Requirements for the
Master of Science in Accounting and Finance

By: Mekides Yenealem Gualie

Advisor: Kelifa Sermolo(Ph.D.)

ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS ANDECONOMICS

July 2024

Addis Ababa, Ethiopia

Declaration

I, the undersigned, declare that this thesis entitled “**The Efect of Selection and Recruitment on Organizational Performance: In the case of bank of Abyssinia S.C**” is my original work and that all sources have been accurately reported and acknowledged, and that this document has not been submitted for a degree in any other university.

Mekides Yenealem Gualie

M-G.....

22/08/2024

Name of Author

Signature

Date

Statement of Certificate

This is to certify that **Mekides Yenealem Gualie** has completed her thesis entitled "**The Effect of Selection and Recruitment on Organizational Performance: In the Case of Bank of Abyssinia S.C**", which is her original work and is submitted for examination with my approval as an advisor.

Kelifa Sermolo (Ph.D.)
Name of Advisor

.....
Signature

22/08/2024
Date

Approved by the Examiners

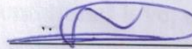
Name of External Examiner	Signature	Date
.....	10/02/2025
Degele Dargasa (Ph.D.)	10/02/2025
Name of Internal Examiner	Signature	Date
Kelifa Sermolo (Ph.D.)	10/02/2025
Name of Advisor	Signature	Date

Addis Ababa University
School of Graduate Studies

Addis Ababa University School of Graduate Studies This is to certify that the thesis entitled, "The Effects of Selection and Recruitment on Organizational Performance: In The Case of Bank of Abyssinia S.C" was carried out by Mekides Yenealem Gualie under the supervision of Kelifa Sermolo (Ph.D.) which is submitted in partial fulfillment of the requirements for the degree of Master of Science in Accounting & Finance and complies with the regulations of the University.

Approved by the Examiners

Lemessa Bayissa (Ph.D.)



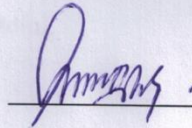
10/02/2025

Name of External Examiner

Signature

Date

Degefa Duressa (Ph.D.)



10/02/2025

Name of Internal Examiner

Signature

Date

Kelifa Sermolo (Ph.D.)



10/02/2025

Name of Advisor

Signature

Date

ACKNOWLEDGMENT

First and foremost, I offer my deepest gratitude to Almighty God for granting me the wisdom, strength, and opportunity to undertake and complete this research. My sincere appreciation goes to the employees and senior management of Bank of Abyssinia S.C. for their invaluable participation, time, and insightful responses to the survey questionnaires. Their cooperation and willingness to share their experiences were fundamental to the success of this study. I am profoundly indebted to my advisor, Dr. Kelifa Sermolo, for his exceptional guidance, unwavering support, and constructive feedback throughout this research journey. His expertise, patience, and encouragement were instrumental in shaping this work. Finally, I dedicate this research to my beloved family—their unconditional love, endless support, and steadfast belief in me have been my greatest motivation, not only in this academic pursuit but throughout my life. This accomplishment would not have been possible without the contributions of each of these individuals, and for that, I am eternally grateful.

Abstract

This study aims to evaluate the impact of employee selection and recruitment practices on organizational performance at the Bank of Abyssinia S.C. The primary objective was to examine how the bank's recruitment and selection strategies influence its operational efficiency, revenue growth, and profitability. An explanatory research design was employed to establish causal relationships between recruitment practices and organizational performance. Data was collected through structured questionnaires, complemented by secondary data from organizational documents and external sources. The analysis was conducted using descriptive statistics (mean and standard deviation) and inferential statistics (correlation and multiple regression analyses) through SPSS Version 29. The study's major findings revealed that effective recruitment and selection practices have a significant positive impact on organizational performance. In particular, high-quality candidates and strategically aligned recruitment processes were found to enhance profitability, operational efficiency, and revenue growth. Based on these findings, the study concludes that aligning recruitment practices with organizational goals is essential for improving performance outcomes. The research recommends that the Bank of Abyssinia should enhance feedback mechanisms, refine selection criteria, strengthen strategic alignment, invest in recruitment technologies, and focus on employer branding. Future research is suggested to explore the long-term effects of recruitment practices and investigate their relevance across different organizational settings.

Keywords: Recruitment and Selection, Organizational Performance, Strategic Alignment, Candidate Quality, Bank of Abyssinia S.C.

Table of Contents

ACKNOWLEDGMENT	iii
Abstract	iv
List of Tables.....	viii
List of Figures	ix
List of Acronyms.....	x
CHAPTER ONE	1
1. Background of The Study.....	1
1.2. Statement of the problem.....	2
1.3. Objectives of the study	5
1.3.1. General Objective.....	5
1.3.2. Specific Objectives.....	5
1.4. Research Hypothesis	5
1.5. Significance of the Study.....	6
1.6. Scope of the study	7
1.7. Limitations of the study	8
CHAPTER TWO: LITERATURE REVIEW.....	9
2. Theoretical Literature	9
2.1 Role of HRM in Organizations.....	9
2.2. Recruitment	10
2.3. Selection.....	12
2.2. Organizational Performance	13
2.5. The selection criteria, recruitment, and organizational performance	15
2.6. The selection quality, recruitment, and organizational performance	16
2.7. Empirical Literature Review	16
2.8. Research Gap.....	18
2.9. Conceptual Framework	19
Chapter Three.....	20
3. Research Methodology	20
3.1. Research Design.....	20
3.2. Research Approach.....	20
3.3. Target Population	21
3.4. Sample and Sampling Technique	21
3.5. Data Collection Methods.....	22
3.6. Source of Data Collection.....	22
3.7. Data Analysis Technique.....	22

3.8. Scale Reliability.....	22
3.9. Ethical Considerations	23
CHAPTER FOUR: DATA PRESENTATION, ANALYSIS, AND INTERPRETATION	24
4.1. Response Rate	24
4.2. Demographic Information	24
4.2.1. Gender of Respondents.....	24
4.2.2. Marital Status of Respondents	25
4.2.3. Age of Respondents.....	26
4.2.4. Work Experience of Respondents.....	26
4.4. Descriptive Data Analysis	27
4.4.1. Recruitment and Selection.....	27
4.4.2. Employees perception on Candidate Quality and Suitability.....	29
4.4.3. Employees Perception on Alignment of Selection and Recruitment Practices with Strategic Objectives.....	30
4.4.4. Employees Perception on Organizational Performance.....	32
4.5. Correlation Analysis	35
4.6. Diagnostic Tests of Assumptions of Classical Linear Regression Model (CLRM).....	37
4.6.1. Assumption of Linearity	37
4.6.2. Assumption of Multicollinaerity.....	38
4.6.3. Test for the Independence of the residuals.....	39
4.6.4 Assumption 4: Homoscedasticity - The variance of the errors is constant and finite over all values of x ($\text{Var}(U_t) = \sigma^2 < \infty$).....	40
4.6.5. Assumption of Normality - The errors are normally distributed ($U_t \sim N(0, \sigma^2)$)	41
4.6.6. Assumption of no significant Outliners	41
4.7 Model Summary	42
4.8 ANOVA Analysis.....	43
4.9. Summary of Multiple Regression Results and Hypothesis Testing	45
4.9.1 Summary and Discussion of Multiple Regression Results and Hypothesis Testing	46
CHAPTER FIVE.....	48
Summary Conclusion and Recommendations of the findings	48
5.1. Summary of the findings	48
5.2. Conclusions	49
5.3. Recommendation:.....	51
5.3.1. Recommendations for Further Studies	53
References	54
Appendixes.....	ii
Appendix I: Questionnaire.....	ii

Appendix II: Questionnaireii

List of Tables

Tables	Page
Table 3.1 Reliability Statistics	23
Table 4.4.1 Employees' Perception on Selection and Recruitment.....	27
Table 4.4.2 Employees' Perception on Candidate Quality and Suitability	29
Table 4.4.3 Employees' Perception on Alignment of Selection and Recruitment Practices with Strategic Objectives	31
Table 4.4.4 Employees' Perception on Organizational Performance.....	32
Table 4.6.1 Regression Coefficients	36
Table 4.6.3 Model Summary	39
Table 4.6.5 Test of Normality (Shapiro-Wilk & Kolmogorov-Smirnov).....	40
Table 4.7 Model Summary (Regression Analysis)	41
Table 4.8 ANOVA Analysis.....	42
Table 4.8.1 Regression Coefficients (Detailed).....	43
Table 4.9 Hypothesis Testing Results	45

List of Figures

Figures	Page
Figure 4.2.1 Conceptual Framework... ..	19
Figure 4.2.1 Gender Distribution of Respondents	24
Figure 4.2.2 Marital Status of Respondents	25
Figure 4.2.3 Age Distribution of Respondents	26
Figure 4.2.4 Work Experience of Respondents	26
Figure 4.5 Correlation Coefficient Matrix.....	36
Figure 4.6.4 Scatterplot for Homoscedasticity Check	41
Figure 4.6.6 Boxplot of Studentized Deleted Residuals (Outlier Check)	42

List of Acronyms

BoA- Bank of B Abyssinia

HR- Human Resource

HRM- Human Resource Management

OP- Organizational Performance

SME-Small and Medium Enterprise

DV- Dependent Variable

IV- Independent variable

VIF- Variance Inflation factor

SPSS- Statistical Package for Social Science

M - Mean

SD - Standard Deviation

CHAPTER ONE

1. Background of The Study

Effective recruiting procedures have been widely documented to result in the acquisition of high-caliber employees, as demonstrated in various studies (Gable, Hollon, & Dangelo, 1992; Heraty & Morley, 1998). Furthermore, the significance of competency cannot be overstated, given its capacity to enhance both individual employee and organizational performance (Carroll & McCrackin, 1998). Therefore, organizations are urged to implement optimal recruitment and selection practices to secure a competent workforce (Promís, 2008; Brown, 2007). This holds true not only for the success of work performance and perceived quality but also for establishing a genuine competitive advantage in the corporate landscape (Blackman, 2006; Sangeetha, 2010). In today's fiercely competitive job market, both job seekers and organizations are grappling with challenges. Job seekers are striving to secure suitable positions, while organizations are working hard to conduct effective recruitment and selection processes to place and retain highly qualified employees in appropriate roles. A well-executed recruitment and selection program ensures the right number of qualified individuals are brought on board, aligning with organizational strategic goals in a cost-effective manner. A cadre of skilled and competent employees not only contributes to gaining a competitive advantage but also plays a crucial role in organizational effectiveness. The implementation of recruitment and selection functions is particularly vital for banks, as it directly impacts customer satisfaction by enabling the provision of higher-quality services. This, in turn, ensures heightened organizational growth and profitability. Additionally, it fosters high employee satisfaction, productivity, and loyalty, as highlighted by Ofori and Aryeetey (2011), Gamage (2014), and Vencatachellum and Mathuvirin (2010).

Banks are navigating a highly competitive financial landscape characterized by a diverse array of financial products and services. Recognizing the impossibility of offering every product and being the best for all customer segments, banks are compelled to formulate a differentiated strategy to establish a new basis for competition. Distinctive competitive positions can be cultivated and sustained through various approaches, with a primary focus on product and service differentiation, Zineldin, M. (2011). This strategy aims to create a distinct and compelling image of the bank and its offerings in the minds of customers. To fortify their competitive positions, banks often establish barriers to competitive actions, employing various tactics. In Ethiopia, banks adhere to the recruitment policies outlined by the National Bank of

Ethiopia, yet variations exist in their recruitment and selection strategies. These differences encompass the utilization of recruitment sources, selection methods, and perceived effectiveness. Given the vital role of banks in contributing to the economy, there is a pronounced emphasis on wealth maximization through the delivery of exemplary customer services. The ability to provide superior customer service hinges on the presence of qualified employees within the bank. The bank's delivery system, comprising human resources, locations, and equipment, plays a crucial role, and advancements in technology and information systems empower banks to access target markets effectively, Zineldin, M. (2011).

Recruitment is the process of creating a pool of qualified individuals for potential employment within an organization. Conversely, selection involves choosing one or more individuals or items from a group, often a subset chosen from a larger pool. Progressive human resources practices play a crucial role in establishing a positive psychological contract, encompassing effective recruitment and selection, as emphasized by Muhammad (Anosh Naqvi Hamad Anam Batool, 2014). Robertson and Smith (2001) advocate for these practices and provide guidance in the testing and interview processes. Human resources, which enhance skills, contribute to improved proficiency, control, and organizational management. They determine business objectives and ensure their execution. BoA, a prominent private bank in Ethiopia, is acknowledged for its strategic recruitment and selection processes aimed at securing a sustainable competitive edge. The primary objective of this study is to assess the impact of recruitment and selection on BoA's organizational performance and explore the correlation between these practices and overall organizational efficiency. Organizational performance/efficiency is defined through various indicators including financial performance, operational efficiency, employee productivity, customer satisfaction, quality of service, innovation and adaptability, and market share.

1.2. Statement of the problem

Recruitment involves the identification, selection, and hiring of the most suitable candidate, whether from internal or external sources. The HR department is tasked with the responsibility of selecting the right individual, aligning with the organization's requirements (Abdullah & Othman, 2019). This function holds a pivotal role within the HR department, marking the initial phase in establishing a competitive edge and strategic advantage through the recruitment process for the organization. It encompasses the process of identifying and attracting qualified candidates to fill vacant positions (Anwar & Abdullah, 2021).

The recruitment process involves a systematic series of steps, beginning with candidate sourcing and extending to the coordination and conduct of interviews. This process demands significant resources and time investment. Job analysis refers to the methods and procedures employed to gain insights into various job roles. Recruitment sources are broadly categorized into internal and external options (Gardi et al., 2020). Selection, on the other hand, is the process of evaluating and interviewing candidates for specific roles, with the ultimate aim of choosing the most suitable individual for a given position. It entails the careful consideration of individuals who can effectively carry out the job requirements (Prabhu et al., 2020). In instances where there is a vacant position within an organization, the responsibility falls on Human Resource Management to find and select the most fitting candidate. The primary objective of the selection process is to match the right individual with the right job, as emphasized by Anwar and Shukur (2015). This process encompasses a series of steps aimed at identifying the most suitable employee for the vacant position.

This process commences post-recruitment and segregates candidates into two categories: those offered employment and those not. A well-structured selection process is crucial, ensuring the identification of the right candidates while rejecting unsuitable ones (Sultan et al., 2020). Selection procedures vary across organizations and even among departments within the same organization. For instance, some organizations conduct medical examinations after the final selection, while others may do so before the conclusive decision (Abdullah & Othman, 2015). Nevertheless, each organization tailors its selection process to meet its specific needs.

The selection process involves multiple steps, including the initial reception of applications, screening, interviews, testing, medical examinations, reference checks, and the final hiring decision. Organizational performance is gauged using indicators such as efficiency, effectiveness, relevance to stakeholders, and financial viability (Gardi, 2021). Human Resources has garnered strategic importance in organizations, and the impact of HR on organizational performance is assessed using four types of indicators. However, the strategic worth of HR is contextual and must be evaluated within each organization (Ismael et al., 2021).

To shape an organization for a job opportunity, the recruitment process encompasses analyzing job requirements, attracting suitable candidates, screening, and selecting based on strategic worth. HR must comprehend the organization's critical performance aspects, stay abreast of relevant HR expertise, and guide the organization towards enhanced performance (Gardi, 2021).

To articulate its impact on organizational performance, HR must measure its influence and actively participate at the strategic level. Performance, a multidimensional construct, is aimed at achieving results and strongly ties into an organization's strategic goals (Anwar & Abd Zebari, 2015). In recent years, the escalation in business failure rates, closures, and low productivity can often be attributed to subpar organizational performance. Nonetheless, the effective management of businesses heavily relies on the caliber of their human resources, as emphasized by Anthony et al. (2002). While numerous studies have established a significant correlation between human resource management (HRM) practices and organizational performance (Guest, 2002; Wright et al., 2003; Tessama & Soeters, 2006; Quresh et al., 2010; Chen and Huang, 2009; Lorg et al., 2013; Tangthorg et al., 2014), there remains a notable gap in understanding the specific impact of recruitment and selection practices on large financial institutions like Bank of America (BoA). Much of the existing literature emphasizes the general importance of HRM in various organizational contexts, but fewer studies delve into how these practices influence performance metrics in the banking sector, particularly in large-scale enterprises where the stakes and dynamics can differ significantly from smaller firms.

Moreover, while it is recognized that smaller enterprises often neglect HRM practices compared to larger organizations (Kok, 2003; Wong et al., 1997), there is a lack of focused research on how comprehensive recruitment and selection strategies can be optimized in large organizations to improve efficiency and performance. The existing studies often highlight the broad benefits of HR practices, such as recruitment and training (Qureshi and Ramay, 2006; Marquez, 2007), but they do not sufficiently explore how these practices can be tailored and refined specifically for enhancing organizational efficiency in a large, complex environment like BoA. This study aims to fill this gap by providing a detailed assessment of how recruitment and selection practices impact BoA's organizational performance. It will explore the direct correlation between these HR practices and overall organizational efficiency, offering insights into how strategic HRM can be leveraged to optimize performance in large financial institutions. By focusing on a major player in the banking sector, this research will contribute valuable knowledge on refining recruitment and selection strategies to elevate the efficiency and effectiveness of large-scale operations, providing a practical framework that can be adapted by similar organizations.

In the dynamic landscape of the banking sector, the strategic management of human resources, particularly through well-planned selection and recruitment processes, plays a crucial role in

shaping organizational performance. However, there is a current gap in understanding the specific impact of meticulous selection and recruitment strategies on the overall effectiveness of banks. While general HR management studies emphasize the importance of recruitment and selection, few specifically focus on the banking sector, where unique challenges such as regulatory constraints, high employee turnover, and customer service demands prevail. Despite the evolution of recruitment and selection practices, there is limited exploration of how these practices directly influence key performance indicators (KPIs) such as profitability, operational efficiency, and revenue growth in banking institutions.

This research seeks to address this gap by investigating how the implementation of well-devised selection and recruitment practices influences key performance indicators within banking institutions. By exploring the relationship between these HR processes and organizational outcomes, this study aims to provide actionable insights that can contribute to the enhancement of organizational performance in the banking sector, ultimately fostering sustainable growth and competitive advantage.

1.3. Objectives of the study

1.3.1. General Objective

The general objective of this study was to examine the effect of employee recruitment and selection practices on Organizational performance of BoA.

1.3.2. Specific Objectives

The Specific objectives of this paper therefore are;

- i. To assess the effectiveness of current selection and recruitment strategies employed by the organization.
- ii. To examine the alignment between selection and recruitment practices and the strategic objectives of the organization,
- iii. To assess the quality and suitability of candidates hired through well-planned selection processes.

1.4. Research Hypothesis

H1: There is a positive and significant relationship between effective selection and recruitment and organizational performance.

H2 There is a positive and significant relationship between Candidate Quality and Suitability

and organizational performance.

H3: There is a positive and significant relationship between alignment of selection and recruitment practices with strategic objectives and organizational performance.

1.5. Significance of the Study

The significance of this study is particularly pronounced within the context of the banking sector, with a focused examination on Bank of Abyssinia S.C. As one of the leading financial institution, the bank operates in a highly dynamic and competitive industry where the caliber of its workforce directly influences organizational success. The exploration of the impact of selection and recruitment practices within this specific setting holds notable importance for several reasons.

Firstly, the findings of this study can provide Bank of Abyssinia S.C with actionable insights tailored to its unique organizational environment. By comprehensively understanding how well-planned selection and recruitment contribute to organizational performance, the bank can refine its human resource strategies to attract and retain top talent, thereby enhancing its competitive edge in the banking sector.

Secondly, the significance extends to the broader banking industry, as insights gained from this study can serve as a benchmark for other financial institutions seeking to optimize their selection and recruitment processes. The banking sector, characterized by stringent regulatory frameworks and evolving customer expectations, stands to benefit from research that sheds light on effective human resource management practices.

Thirdly, in the context of academic contributions, this study adds a nuanced layer of understanding to the existing literature on human resource management within the banking sector. By specifically focusing on Bank of Abyssinia S.C, it provides a real-world application of theoretical concepts, enriching the scholarly discourse on the impact of selection and recruitment on organizational performance in banking.

Ultimately, the significance of this study lies not only in its potential to elevate the operational efficiency and competitiveness of Bank of Abyssinia S.C but also in its broader implications for advancing knowledge and informing best practices within the banking industry at large.

1.6. Scope of the study

The study specifically focused on Bank of Abyssinia S.C., confining its geographical scope to the bank's locations and branches. It concentrated on the organizational context and practices within this particular financial institution. The research considered a defined time frame, focusing solely on the most recent data, collected through questionnaires distributed to current employees. This approach ensured that the study's findings reflect the present state of the bank's recruitment and selection practices, as well as their immediate impact on organizational performance. By using only current data, the research aimed to provide insights that are directly applicable to the bank's ongoing operations and challenges. This temporal scope ensured the relevance and applicability of findings to the current organizational landscape. The research primarily concentrated on key departments and levels within Bank of Abyssinia S.C. that were directly affected by selection and recruitment processes. This included front-line banking staff, managerial positions, and other relevant departments crucial to the overall organizational performance. The study delved into specific selection and recruitment practices implemented by Bank of Abyssinia S.C., examining methods of candidate sourcing, evaluation criteria, interview processes, and onboarding procedures, among other aspects. Additionally, the research considered a set of organizational performance metrics to assess the impact of selection and recruitment practices. This involved evaluating financial indicators, employee productivity, customer satisfaction levels, and other relevant measures specific to the banking sector. The study also included insights from employees who had undergone the selection and recruitment processes at Bank of Abyssinia S.C. Their perspectives on the effectiveness of these processes and their subsequent impact on performance provided valuable qualitative data.

The research employed a descriptive and explanatory research design, aimed at providing both an in-depth understanding of the recruitment and selection processes and an analysis of their impact on organizational performance. A quantitative approach was used to gather data from employees through structured questionnaires, allowing for statistical analysis of correlations between recruitment practices and performance outcomes. Additionally, qualitative data was gathered through interviews with selected employees to explore their experiences and perceptions of the recruitment and selection processes. To analyze the data, the study employed descriptive statistics (mean, standard deviation) and inferential statistics (correlation and multiple regression analyses) using SPSS Version 29. This methodological approach allowed for both a

comprehensive overview of the data and a deeper examination of the relationships between recruitment practices and organizational performance.

1.7. Limitations of the study

The findings of the study may be specific to Bank of Abyssinia S.C and may not be easily generalizable to other banks or organizations in the banking sector due to variations in organizational structures, cultures, and practices. Access to certain internal data and information related to selection and recruitment practices at Bank of Abyssinia S.C may be restricted due to confidentiality concerns, potentially limiting the depth of the analysis. The study may face limitations in capturing long-term effects as the impact of selection and recruitment practices on organizational performance might evolve over time. The study's findings may be more reflective of a specific timeframe. External factors such as economic conditions, regulatory changes, or industry trends may influence organizational performance, and isolating the impact of selection and recruitment practices from these external factors may be challenging. Employee perspectives on the impact of selection and recruitment practices may be subjective and influenced by individual experiences, potentially introducing bias into the study. The study focuses solely on Bank of Abyssinia S.C, which may limit the ability to compare and contrast findings with other organizations. Insights derived may be specific to the practices and context of these particular bank limitations in terms of time, budget, and personnel may restrict the depth and breadth of the study, affecting the comprehensiveness of the analysis. The study may not capture recent changes or adaptations in selection and recruitment practices at Bank of Abyssinia S.C.

CHAPTER TWO: LITERATURE REVIEW

2. Theoretical Literature

2.1 Role of HRM in Organizations

HRM, as a key organizational function, is focused on the efficient and effective utilization of human resources. This involves the processes of recruitment, management, and providing guidance to employees to align their efforts with organizational objectives (Opatha, 2010). HRM assumes responsibility for attracting and selecting a suitable workforce, offering training for skill enhancement, evaluating performance, and recognizing achievements that contribute to organizational goals. The achievement of organizational objectives is closely tied to the productivity of employees, with HRM dedicated to ensuring the optimal use of human capital within the organization, as emphasized by Stone (2005). The implementation of effective HRM practices not only enhances overall organizational performance but also leads to more efficient human resource management (Farnham, 2010). Assessing human resource practices requires an accurate evaluation of various HR functions. It's essential to recognize that the significance and prioritization of these practices vary among firms based on their unique circumstances and available resources. Despite some reservations expressed by academics, mainly due to the lack of a universally agreed-upon concept of HRM and its practices, researchers generally concur that a set of mutually compatible HR practices can positively impact organizational performance (Farnham, 2010; Lengnick-Hall et al., 2009).

Commonly adopted practices by organizations often revolve around recruitment and selection, training and development, performance assessment, and compensation (Dessler, 2008; Fisher, Schoenfeldt, & Shaw, 2006). Effectively managing a company's human resources is crucial for its survival in today's business environment. The efficiency of a firm (Huselid, 1995; Terpstra & Rozell, 1993) and its ability to establish a sustainable competitive advantage (Pfeffer, 1994; Prahalad, 1983) may hinge on the successful implementation of HRM practices (Jackson et al., 2003; Adnan & Izzat, 2012). A company's human assets are inherently more challenging to replicate than equipment, plants, or products (Flanagan & Despanade, 1996). Consequently, a company's longevity in the industry may be contingent on the well-being of its employees.

Research indicates that inadequate employee management leads to high turnover rates and low productivity (Mathis & Jackson, 1991), emerging as a significant cause of business failure (McEvoy, 1984). The overarching goal of HRM is to cultivate and retain a competent and

contented workforce that contributes maximally to organizational success (Opatha, 2010). Therefore, the success of firms is heavily reliant on a motivated, highly skilled, and satisfied staff. An effective HRM system plays a pivotal role in attracting and hiring appropriately qualified individuals, ensuring the continuous development of their knowledge, skills, and attitudes, enabling them to perform their duties proficiently. Moreover, an effective HRM system contributes to retaining a contented workforce by keeping employees motivated (Lockwood, 2007).

A motivated workforce brings numerous advantages to a company. When employees are content, they consistently contribute their utmost to the organization, resulting in the production of high-quality products or services. Quality products or services, in turn, attract customers who are satisfied with their purchase. This satisfaction leads to the co-creation of value based on the competencies of both the company and its customers (Vargo & Lusch, 2008). Establishing a long-term and sustainable competitive advantage can be achieved through customer service that yields customer satisfaction (Gebauer et al., 2011). In the short run, duplicating such exemplary service is challenging and is likely to be surpassed by competitors.

The delivery of excellent service requires substantial investment, including months dedicated to training and sincere dedication. Research suggests that satisfied customers exhibit firm loyalty, resulting in reduced price elasticity, lower market costs, and decreased transaction costs, ultimately enhancing overall financial performance (Tarasi et al., 2013). However, firms rely heavily on their employees to enhance customer satisfaction. Addressing this issue, management literature identifies a direct linkage between employee attitudes and customer satisfaction (Evanschitzky et al., 2012; Jeon & Choi, 2012). Employees provide better interactions with customers when they are content with the firm. In light of these findings, it is evident that employees play a crucial role in their organizations and can significantly influence the fate of the organization. Therefore, organizations must ensure they have the right people with the right skills at the right time and in the right numbers. Meeting these requirements involves a substantial focus on the enhancement of the recruitment and selection functions within the business.

2.2. Recruitment

The recruitment process commences with a clear articulation of organizational objectives,

specifying the skills, capabilities, characteristics, and knowledge required by the organization (Kumari, 2012). This process involves navigating two labor market options: the internal labor market, external labor market, or a combination of both within the organization (Ployhart, 2006). Phillips and Gully (2015) characterize strategic recruitment as a set of practices that align with organizational characteristics, goals, firm strategy, and context, interconnected across various levels of analysis.

Recruitment, as described by Rasouli et al. (2013), is a method that seeks and acquires potential job applicants in sufficient quality and quantity to fill current vacancies and meet organizational needs and objectives. The recruitment policy is deemed a crucial element for businesses, serving as a reflection of the overall business strategy (Scholarios, 2003). Vlachos (2009) defines recruitment as the process of attracting and searching for a pool of individuals to select qualified candidates for available positions within an organization. According to Vlachos (2009), careful selection in hiring ensures that individuals with the right abilities, knowledge, qualifying characteristics, and skills are placed in appropriate positions, enabling them to adapt to the organizational culture and environment. Additionally, making the right hiring choices can minimize employee turnover. Schuster (1986) further supports the idea that recruitment, a fundamental HRM practice, contributes to increased job satisfaction. Recruitment is influenced by two main sets of factors: internal and external. External factors encompass the labor market, trade unions, and government regulations, while internal factors include the business's image and policies. Begum et al. (2014) note that internal recruitment involves current employees applying for available positions or transferring between departments. External recruitment methods, such as employment consultants, agencies, advertisements, online recruitment, and school recruitment, are diverse, with online recruitment being a prevalent and cost-effective method in contemporary business practices. Effective recruitment programs, as outlined by Guarino (2006), rely on several key factors that ensure their success. These include developing attractive benefits to entice potential candidates, responding quickly to workers' needs to maintain engagement, and providing accurate and clear information to applicants to set realistic expectations. Additionally, auditing the recruitment process regularly helps identify areas for improvement, while offering effective training ensures that new hires are adequately prepared to meet the organization's demands. Together, these elements create a robust and efficient recruitment strategy.

To enhance the recruitment process, organizations are advised to incorporate a realistic job preview. This involves providing clear information about both the positive and negative aspects

of the vacant position, aiding applicants in making informed decisions (Zaheer et al., 2010).

2.3. Selection

Mondy (2010) defines selection as the process of picking individuals from a group of applicants who are deemed most suitable for a specific position within an organization. According to Mathis and Jackson (2006), selection involves choosing the most appropriate candidates. Ofori and Aryeetey (2011) describe selection as the engagement of specific tools to choose the most suitable individuals from a pool of applicants for a given job. Gatewood, Field, and Barrick (2008) stress that human resource selection is the collection and evaluation of information about an individual to make an employment offer. Gamage (2014) highlights that a systematic selection process encompasses recruiting, gathering information about qualified applicants, evaluating their qualifications, and making employment decisions. Snell and Bohlander (2010) assert that selection is the process of picking candidates with relevant qualifications to fill existing or anticipated job openings, involving choosing individuals from a pool of potential candidates who meet the identified requirements of the organization. Once the recruitment process concludes successfully, the selection process commences. Selection is the process of choosing an individual from a pool of candidates who is expected to best meet the criteria for the vacant position (Omolo et al., 2012). Common methods employed in the selection process include background checks, references, and interviews. Many organizations also utilize tests after the successful completion of the recruitment process. The chosen selection method should be directly relevant to the job, offering effective utility to the selected candidate, and must adhere to legal standards. Effective human resource management involves the identification and placement of suitable employees in appropriate roles within the organization (Raeissi, 2012).

Selection holds significant importance in human resource functions due to its strong correlation with business development through the chosen candidate. It serves as a means of acquiring information to make decisions about placing individuals in specific positions within an organization (Olusegun, 2013). Internal and external factors impact employee selection. Internal factors include the selection source used for employee recruitment, organization types, and size. External factors influencing the selection method encompass the labor market and legislative considerations (Kumari et al., 2010). As mentioned earlier, interviews are a commonly used method in the selection process.

The interview process can take the form of structured, semi-structured, or unstructured

interviews, offering human resource managers a comprehensive view of applicants. In many organizations, the selection process typically commences with candidates completing an application form. The second stage involves an initial screening interview, where only a few qualified candidates are selected. Interviews can be conducted in various formats, including structured, semi-structured, or unstructured. Moving on to the third stage of the selection process, candidates may undergo testing, encompassing skill tests, ability tests, psychomotor assessments, evaluations of emotional intelligence, personality assessments, and integrity tests. Subsequently, the candidate's recommendation letters and references are checked as part of the selection process. The final recruitment decision is made based on the outcomes of these selection stages. Moreover, there are additional sources that can be utilized in the selection process, such as evaluation centers and work samples. Work samples, as a selection method, require applicants to demonstrate and substantiate their effective performance. Evaluation centers gauge and assess the degree of capability needed to perform a specific task (Nyambegera et al., 2000).

2.2. Organizational Performance

Performance serves as an indicator of efficiency and effectiveness for business leaders, representing how a company delivers services and products. Previous studies (Btt, 2002; Chuang & Liao, 2010; MacDuffie, 2009; Gong et al., 2009; Chang et al., 2011; Tiwari, 2012; Aajer&Yusot, 2013; Trehan& Setia, 2014) have employed various variables to explore operational measures such as labor productivity (LP), product quality (PQ), organizational innovations (OI), and customer satisfaction (CS). Each of these measures delineates the relationship between a company's performance and that of its competitors. Labor productivity is utilized to gauge an organization's efficiency. Quality measures the level of quality and service provided, while organizational innovation measures the rate at which newly deployed services or products are introduced.

Leaders of organizations encounter diverse situations related to operational performance, and this study aims to address such issues. Rauf (2007) asserted that sophisticated recruitment and selection procedures exhibit a positive correlation with organizational performance. Okoh (2005) posited that recruitment procedures yielding a large pool of qualified applicants, combined with a reliable and valid selection regime, significantly influence the quality and skillset of new employees. Bohlander, Snell & Sherman (2001) underscored the importance of managers understanding the objectives, policies, and practices utilized for selection. Okoh (2005)

supported the idea that the use of proper selection criteria increases the probability of selecting the right person. Well-designed recruitment and selection procedures are positively associated with labor productivity, as noted by Asiedu-Appiah et al. (2013).

Huselid (1995) extensively examined the correlation between organizational performance and High-Performance Work Practices (HPWP) systems. Drawing from a national sample of nearly one thousand companies, the results indicate that these practices have a statistically and economically significant impact on intermediate operational outcomes (such as productivity and turnover) as well as long- and short-term measures of financial performance for businesses. Katz, Kochan, and Weber (1985) found that highly effective industrial relations systems, characterized by disciplinary actions and fewer grievances, lower absenteeism rates, and improved product quality and labor efficiency, contribute positively to performance. Additionally, Katz, Kochan, and Keefe (1987) demonstrated that various innovative work practices lead to productivity improvements. Labor-management teams, quality circles, and the quality of work-life (QWL) were shown to enhance productivity according to Katz, Kochan, and Gobeille (1983) and Schuster (1983). Bartel (1994) found a positive relationship between the implementation of training programs and productivity enhancement, while Holzer (1987) illustrated that widespread recruitment efforts contribute to increased productivity. Guzzo, Jette, and Katzell (1985) expressed that sociotechnical system design, goal setting, and training had substantial and positive impacts on productivity.

Existing literature on Strategic Human Resource Management (SHRM) has indicated that HR practices fostering employees' skills, motivation, and advancement opportunities are linked to higher employee commitment (Gong, Law, & Xin, 2009), lower turnover (Batt, 2002), increased productivity and quality (MacDuffie, 1995), improved service performance (Chuang & Liao, 2010), enhanced safety performance (Zacharatos, Barling, & Iverson, 2005), and better financial performance (Huselid, 1995).

Organizational innovation levels are most elevated in companies where employees exhibit high levels of commitment to their managers, trust in administration, and cooperation among themselves. Additionally, lower levels of turnover intentions have a clear impact on the development of new services or products. These findings suggest that organizations fostering high commitment to managers, strong cooperation, and a higher level of trust in management, along with lower turnover intentions among employees, are more likely to successfully introduce

new services or products. In a similar vein, companies aiming to enhance their service development or introduce new products should focus on improving trust in management, fostering cooperation among employees, and encouraging commitment to managers (Aragon- Correa et al., 2007).

Customer satisfaction, gauged by the satisfaction with a company's goods or services and measured through repeat customers, is crucial for the fate of a business. Failing to satisfy existing customers may lead them to seek alternatives. The satisfaction of external customers heavily relies on the contentment of internal customers, i.e., the employees of the business firm. Therefore, the job satisfaction of employees is a critical factor influencing external customer satisfaction and is closely tied to Human Resource Management (HRM) efforts aimed at enhancing internal customer satisfaction (Chang et al., 2011).

2.5. The selection criteria, recruitment, and organizational performance

Recruitment and selection models play integral roles in the overall resource allocation process of an organization, enabling the identification and evaluation of individuals essential for sustaining and leading the organization in the short and medium-term (Rozario, Venkatraman, & Abbas, 2019). The primary purpose of recruitment is to provide a fair opportunity for selecting the best candidate to join the organization, attracting a growing number of prospective employees motivated to apply for association membership. On the other hand, the selection process aims to identify the suitable candidate to fill various roles within the organization (Brown et al., 2019).

Available data indicate a positive and significant relationship between selection, recruitment, and organizational performance. Positive correlations have also been observed between recruitment practices and academic performance (Rozario et al., 2019). Additionally, studies such as Nigatu (2016) have demonstrated that an effective selection and recruitment process is closely linked to organizational productivity. Farndale et al. (2018) highlight the beneficial impact of selection practices on the organization. With the right framework, HR managers can identify capable individuals and align them accurately with organizational activities.

Utilizing optimal methods significantly enhances the probability of selecting the most suitable individual to fill a vacancy. Simultaneously, when the most qualified individuals are chosen for roles, the organization's profitability experiences an increase. Surprisingly, McColl and Michelotti (2019) identified a positive correlation between the breadth of recruitment, the endorsement of assessment tools, the application of formal selection methodologies, and the

company's financial gains. Implementing best practices in recruitment and selection processes is highly advised for organizational efficiency.

2.6. The selection quality, recruitment, and organizational performance

The effectiveness of various criteria in attracting and selecting employees has been a topic of research for over 60 years (Farndale et al., 2018). Effectiveness has primarily been assessed by examining staff turnover, retention, and performance, as well as organizational aspects like referrals for current employment, job advertisements, and the retraining process for previous employees (Rozario et al., 2019). Dany and Torchy's (2017) study underscored the significance of a high-quality process during the selection, hiring, and recruitment phases, recognizing the challenges of finding the right person for the job. Simultaneously, acknowledging the elusive nature of the quality of contracted recruits, Rozario et al. (2019) suggested that a lack of ability is not significant for a large population. They revealed that recruitment plays a pivotal role in attracting and retaining experienced and skilled workers. Similarly, Wattoo et al. (2020) advocated for the thoroughness of the procedure required during the recruitment and selection process for hiring.

2.7. Empirical Literature Review

This section presents empirical evidence supporting the impact of recruitment and selection practices on organizational performance. Numerous studies have demonstrated a positive correlation between effective Human Resource Management (HRM) practices and firm performance, with recruitment and selection emerging as key predictors of organizational success (Vaduganathan, 2020). Research on high-performing organizations highlights selective hiring as a significant factor contributing to enhanced performance (Kwapong, 2017).

Kwapong (2017) investigated the influence of recruitment and selection practices on small and medium-sized hotels in the Osu-Klottey sub-metropolitan area of Greater Accra. The study distributed 200 questionnaires and conducted interviews, revealing a statistically significant relationship ($\alpha = 0.05$) between these practices and hotel performance. This suggests that structured recruitment and selection processes positively affect organizational outcomes. Similarly, Anazi (2017) examined Saudi Arabian organizations using Structural Equation Modeling (SEM) on a sample of 270 respondents (92.9% response rate) and found that recruitment and selection significantly enhance performance.

In the Malaysian insurance sector, Shah (2016) analyzed 312 responses using multiple regression analysis in SPSS, confirming a positive link between recruitment and selection practices and organizational performance. Likewise, Lumley (2021) conducted a quantitative study in Indian hotels with 439 respondents, reinforcing the finding that effective recruitment and selection contribute to improved performance.

Further supporting this, Terpstra and Rozell developed a composite selection index and surveyed over 200 firms to assess the relationship between selection techniques and key performance indicators such as profit, sales growth, and overall firm success. Although the study relied on self-reported data, the results strongly indicated that structured selection methods enhance firm performance. Delaney and Huselid (1996) also found that selective staffing positively correlates with perceived organizational performance, particularly in for-profit sectors.

Mohammad (2015) explored recruitment, selection, and retention practices in family-owned small enterprises (FOSMEs), combining quantitative and qualitative methods. Findings revealed that while many FOSMEs lack formal HR departments, structured recruitment techniques (e.g., newspaper ads, e-recruitment) and selection methods (e.g., interviews, skills tests) significantly influence employee retention and organizational success.

In Kenya, Jonathan, Moses, and Willis (2012) studied SMEs in Kisumu Municipality, which constitute 96% of businesses and contribute 20% to GDP. The research found a strong positive correlation ($\alpha = 0.01$) between recruitment/selection practices and SME performance, accounting for 40.8% of performance variance. However, the study did not differentiate between internal and external recruitment.

Enguday (2017) focused on internal recruitment's effect on job satisfaction in a banking context, finding that 39.4% of employee satisfaction stemmed from internal hiring practices. However, the study did not directly link internal recruitment to organizational performance. Ekwoaba et al. (2015) analyzed recruitment and selection criteria in Lagos-based Fidelity Bank, confirming their significant impact on performance. Nevertheless, the study did not separately assess internal and external recruitment's effects.

Collectively, these studies underscore the critical role of recruitment and selection in enhancing organizational performance, though some gaps remain in distinguishing between internal and external hiring impacts.

2.8. Research Gap

Despite the extensive body of literature exploring the relationship between recruitment and selection practices and organizational performance (OP), several research gaps remain. One significant gap is the lack of detailed analysis distinguishing the impacts of internal recruitment versus external recruitment on OP. While some studies examine recruitment practices in general, they often do not separate internal and external methods, leaving unclear how each influences performance outcomes. Additionally, much of the existing research is cross-sectional, limiting insights into the long-term effects of recruitment and selection on organizational performance. Longitudinal studies could provide a more dynamic understanding by tracking changes over time and observing how recruitment strategies evolve and their sustained impact on performance.

Another gap lies in sector-specific studies. While some research has focused on particular industries, such as hospitality and insurance, these findings are not always transferable to other sectors. Future studies should explore the unique effects of recruitment and selection in industries like manufacturing, healthcare, and technology to provide a broader understanding of its impact across different organizational contexts. Furthermore, existing studies predominantly rely on financial metrics such as profits and sales growth to measure OP. However, non-financial metrics like employee satisfaction, customer satisfaction, and innovation are also critical for evaluating performance. Expanding the range of performance measures could offer a more comprehensive view of how recruitment and selection practices influence OP.

Another notable gap is the underexplored impact of recruitment practices on small and medium enterprises (SMEs). While some research has examined recruitment in SMEs, the specific challenges faced by these organizations, such as resource constraints and high turnover rates, warrant further investigation. Moreover, while studies suggest that certain employee selection techniques, such as interviews and tests, play a role in performance, there is limited research on how different selection methods specifically contribute to organizational success. Research could explore the relative efficacy of various selection tools, such as psychometric tests and structured interviews, across different contexts.

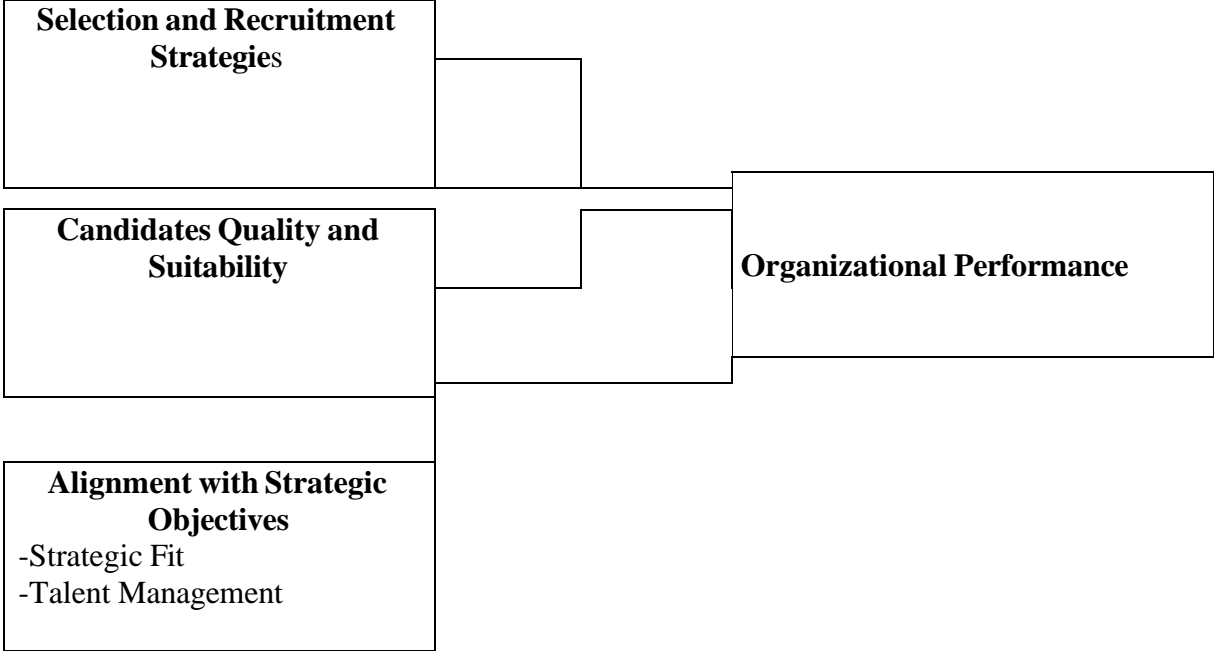
In addition, much of the existing research is region-specific, particularly in cultural and geographical contexts like Saudi Arabia, Malaysia, and Kenya. There is a need for cross-cultural studies to understand how cultural factors influence recruitment and selection practices and their

subsequent effects on performance in diverse settings. Lastly, with the increasing reliance on digital tools and AI in recruitment, there is a gap in understanding the role of technology in shaping recruitment and selection processes. Future studies could explore how digital platforms, AI-driven algorithms, and online assessments impact OP, particularly in industries with significant digital engagement. Addressing these research gaps would contribute to a more nuanced and holistic understanding of how recruitment and selection practices influence organizational performance across different contexts and over time.

2.9. Conceptual Framework

This conceptual framework outlines a systematic process, starting from the identification of organizational goals, through the recruitment and selection processes, and finally, to the evaluation of organizational and employee performance. The feedback loop emphasizes the importance of continuous improvement and adaptability to ensure the ongoing effectiveness of the recruitment and selection practices in contributing to organizational success.

Figure 2.1 Conceptual Framework



Source: Researcher

Chapter Three

3. Research Methodology

This chapter entails research design to be adopted, population to be included and how the population will be reduced into a small manageable number through sampling. According to Sharma (2015), “methodology refers to as system of principles and methods of organizing and constructing theoretical and practical activity.

3.1. Research Design

A research design helps the researcher to obtain relevant data to fulfill the objectives of the study (Churchill and Iacobucci, 2002). For the purpose of the study to achieve the objective, the researcher employs both descriptive and explanatory research design. The descriptive design is used to systematically outline and summarize the current recruitment and selection practices at Bank of Abyssinia S.C., providing a detailed overview of how the bank attracts, evaluates, and selects candidates. The explanatory design is then applied to investigate the cause-and-effect relationships between these recruitment practices and organizational performance. Specifically, the study aims to explain how various recruitment strategies influence key performance indicators, such as employee productivity, job satisfaction, and overall organizational success. By combining these two research designs, the research not only describes the current state of recruitment practices but also provides insights into their impact on the bank’s performance. Data will be collected through structured questionnaires and analyzed using descriptive and inferential statistics to test the relationships between recruitment practices and organizational outcomes.

3.2. Research Approach

This study employs a quantitative research approach to examine the impact of selection and recruitment practices on organizational performance at Bank of Abyssinia S.C. The primary data for the research will be collected through structured questionnaires distributed to current employees across various departments. These questionnaires will focus on employees' experiences and perceptions of the bank's recruitment and selection processes, as well as the perceived impact of these practices on organizational performance outcomes.

The data collected will be analyzed using descriptive statistics, such as mean and standard deviation, to summarize and describe the responses. Additionally, inferential statistics will be applied, including correlation and multiple regression analyses, to test the relationships between

key recruitment practices (such as candidate sourcing, evaluation criteria, and onboarding procedures) and organizational performance indicators (such as profitability, productivity, and employee satisfaction).

By using a quantitative approach, the research aims to provide measurable evidence of how recruitment and selection practices influence key performance metrics at the bank, ensuring the findings are objective, reliable, and applicable to the current organizational context.

3.3. Target Population

The targeted population of the study consisted of employees working in Grade II, III, and corporate branches, as well as district staff, in the city districts of Bank of Abyssinia. The total targeted population for the study was 1,112 employees, including those in Grade II, III, and corporate branches, along with district staff. The study aimed to examine the impact of effective employee selection and recruitment practices on organizational performance at Bank of Abyssinia. Bank of Abyssinia had over 926 branches and 11,800 employees throughout the country. From this, the study focused on 1,112 employees working in the Addis Ababa city districts, specifically within 43 branches, including Grade II, III, and corporate city branches, and three district staffs.

3.4. Sample and Sampling Technique

The researcher employed stratified sampling techniques, specifically proportionate stratified random sampling, to ensure a representative sample of the population. This approach allowed for the selection of a sample that accurately reflected the entire population under study. The 43 branches of Bank of Abyssinia had a total of 1,112 employees, which constituted the target population for the research. Using stratified sampling, a sample of 294 respondents was chosen from these branches and three district staff. Each of the 43 branches and three districts was treated as strata, with samples selected proportionally to the total number of staff in each stratum. The researcher used the following sample size determination formula.

$$n = \frac{N}{1 + N(e^2)}$$

Where, n=sample size

N=population size

e=the level of precision, Sampling error

(Source: Yamne (1967))

So, $n = 1112 / (1 + 1112(0.05)^2) = 1112 / (1 + 1112(0.0025))$

Thus, the total sample size is 295

Therefore, the sample of respondents would be determined by using stratified random sampling method.

3.5. Data Collection Methods

Various data collection methods were considered, each suited to the research objectives and design. To enhance the quality and reliability of the research results, data was collected from multiple sources. Specifically, the researcher employed a primary data collection method, utilizing questionnaires to gather data. These questionnaires, featuring closed-ended questions, were designed to obtain direct and specific information from the respondents.

3.6. Source of Data Collection

The researcher employed both primary and secondary sources of data. Primary data was collected through the distribution of questionnaires, which provided direct insights from respondents. Secondary data was gathered from a range of sources, including published books, online resources, organizational documents, and manuals. This combination of data sources allowed for a comprehensive analysis, with quantitative data expressed numerically to facilitate a thorough examination of the study's objectives and context.

3.7. Data Analysis Technique

Data collected through the questionnaires was scrutinized for consistency and completeness before analysis. This analysis was conducted using descriptive statistics with SPSS Version 29, as well as inferential statistics including correlation analysis and multiple regression analysis. Descriptive statistics were summarized using measures such as mean, standard deviation, percentages, and frequencies. Inferential statistics, including correlation and regression, were employed to draw conclusions. Multiple regression analysis was utilized to determine the influence of well-planned recruitment and selection practices on organizational performance at the Bank of Abyssinia.

3.8. Scale Reliability

Reliability refers to the consistency of results from an instrument when it is administered repeatedly to the same individual under similar conditions (George & Mallery, 2019). Cronbach's alpha is a commonly used statistic for assessing internal consistency, with values

ranging from 0 to 1 (George & Mallery, 2019). Although negative alpha values are technically possible, they suggest that some items may be measuring constructs contrary to others. A higher alpha value, approaching 1.00, signifies better internal consistency among the items on the instrument being evaluated (George & Mallery, 2019).

Table 3.1 Reliability Statistics

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.928	.935	60

Source: Own Survey Result

Reliability: The Cronbach's Alpha of 0.928 demonstrates excellent reliability, meaning that respondents interpreted the items consistently, and the measurement tool is dependable for further statistical analysis.

3.9. Ethical Considerations

Ethical considerations were carefully addressed throughout the research process to safeguard participants' rights and ensure the integrity of the study. Informed consent was obtained from all participants, providing them with comprehensive information about the study's objectives, procedures, potential risks, and benefits, ensuring their voluntary participation. Confidentiality was rigorously maintained by anonymizing participants' data and implementing strict access controls to protect their identities. Participants were made aware of their right to withdraw from the study at any time without facing any negative consequences. Efforts were made to minimize any potential physical, psychological, or emotional harm, and data were securely stored with limited access to authorized personnel only. The researcher was distributing the questionnaire to the employees upon the consent and approval from the Bank of Abyssinia. Integrity was upheld by avoiding any form of data manipulation or misrepresentation, and results were reported with accuracy and transparency. Cultural and personal sensitivities were respected, ensuring that the research did not discriminate against or exploit any participant.

CHAPTER FOUR: DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

This chapter includes the data presentation, analysis, interpretation, and discussion part of the research.

4.1. Response Rate

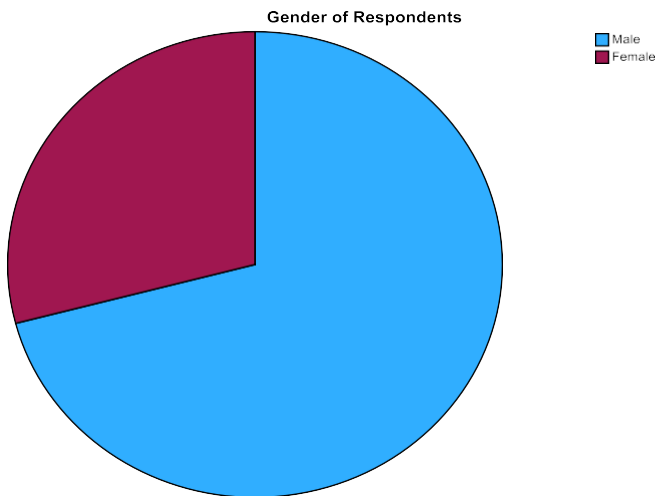
In the study, a total of 295 questionnaires were distributed to the target respondents of 295 employees. Of these, 289 completed questionnaires were returned, yielding a high response rate of approximately 98.0%. This impressive response rate indicates a strong level of engagement and cooperation from the respondents, suggesting that the data collected is both reliable and representative of the population under study. The high response rate enhances the credibility of the research findings and provides a solid foundation for analyzing the impact of employee selection and recruitment practices on organizational performance.

4.2. Demographic Information

The demographic profile of the survey respondents provides valuable insights into their personal and professional backgrounds.

4.2.1. Gender of Respondents

Figure 4.2.1 gender of the respondents



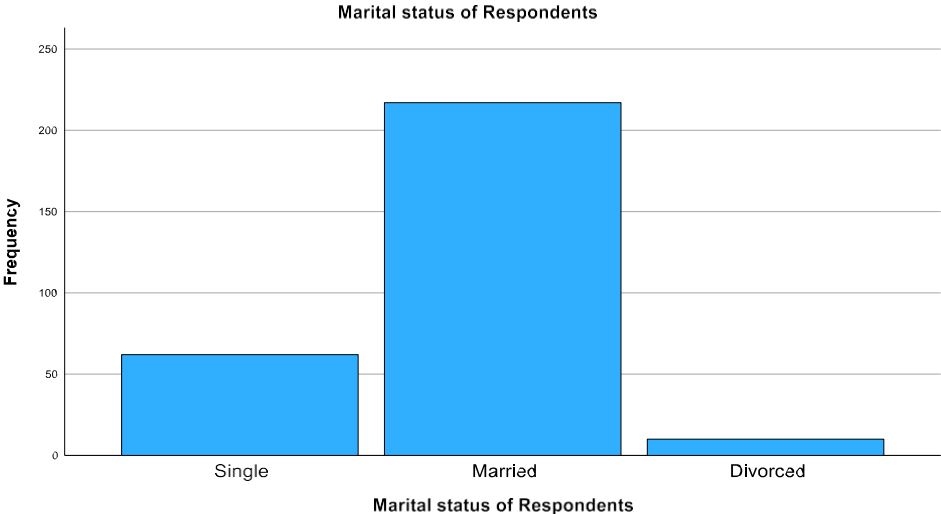
Source: own Survey SPSS 29 output result (2024)

The gender distribution of the respondents reveals a predominantly male workforce, with 70.9% of respondents identifying as male and 29.1% as female. This suggests a significant gender disparity within the organization, with males being the majority. The relatively lower percentage of female respondents highlights an area where the organization may need to focus on improving gender balance and inclusivity. This gender imbalance could potentially impact the diversity of perspectives within the organization and may be a consideration for future recruitment and retention strategies to ensure a more equitable representation of both genders.

4.2.2. Marital Status of Respondents

Among the respondents, a significant majority are married (75.1%), with a smaller percentage being single (21.5%) and divorced (3.5%). This high proportion of married individuals might reflect a stable and established workforce.

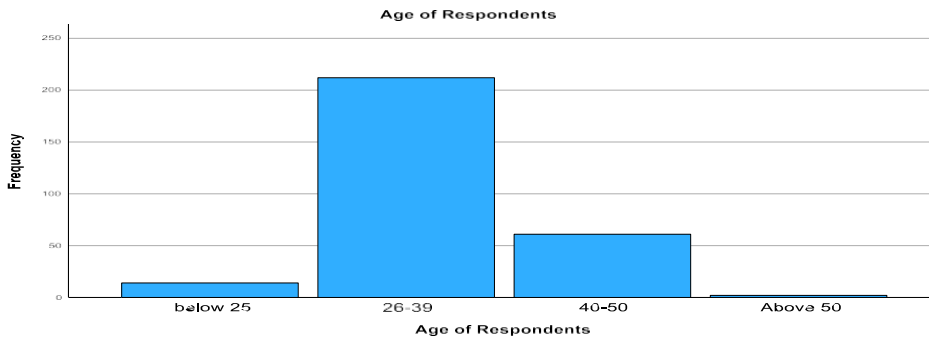
Figure 4.2.2. Marital Status of the respondents



Source: own Survey SPSS 29 output result (2024)

4.2.3. Age of Respondents

Figure 4.2.3. Age of the respondents

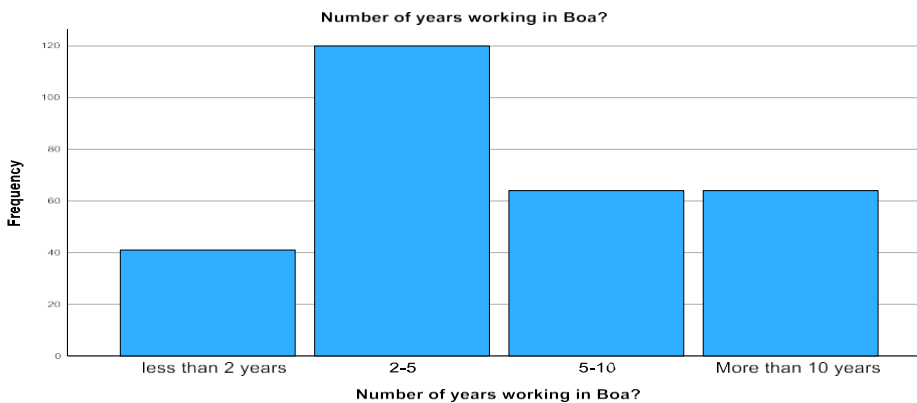


Source own Survey SPSS version 29 output 2024

In terms of age distribution, the respondents are predominantly between 26 and 39 years old (73.4%), indicating that the majority of the workforce is relatively young and likely to be in the early to mid-stages of their careers. A smaller segment of respondents is between 40 and 50 years old (21.1%), and only a very small percentage are above 50 years old (0.7%). This suggests that the organization employs a younger demographic, which could impact their perspectives and experiences.

4.2.4. Work Experience of Respondents

Figure 4.2.2. Work Experience of the respondents



Source: own Survey SPSS output result

Regarding tenure at BoA, the majority of respondents have been with the organization for 2 to 5 years (41.5%), with a notable portion having less than 2 years of experience (14.2%). Additionally, 22.1% of respondents have been employed for both 5 to 10 years and more than 10 years, indicating a mix of relatively new and long-serving employees. This distribution highlights a diverse range of experience levels among the respondents, providing a broad perspective on their experiences with the organization.

Overall, the demographic data indicates a predominantly male, married, young to middle-aged workforce with varied levels of tenure, which may influence their views and experiences related to the study's focus on employee selection and recruitment practices.

4.4. Descriptive Data Analysis

4.4.1. Recruitment and Selection

Table 4.4.1 Employees perception on Selection and recruitment

Statement	Mean	Standard Deviation
The job advertisements in BoA clearly describe the roles and responsibilities.	3.89	0.68
The channels used for job postings in BoA effectively reach qualified candidates.	4.09	0.62
The recruitment process in BoA attracts a diverse pool of candidates.	4.06	0.62
The bank's employer brand is appealing to job seekers.	4	0.67
The recruitment process of the bank is cost-effective.	4.01	0.63
The selection criteria in BoA are clear and relevant to the job.	3.84	0.72
The selection process of BoA is fair and unbiased.	3.89	0.68
The selection process of the bank includes appropriate assessments and tests.	3.87	0.69
In BoA, the feedback provided to candidates is timely and constructive.	3.8	0.7
The selection process of the bank ensures that the best candidates are chosen.	3.88	0.68
I am satisfied with the overall recruitment and selection process in BoA.	4	0.67

The recruitment and selection process of the bank meets the organization's staffing needs.	3.86	0.71
--	------	------

Source: own Survey SPSS output result (2024)

The survey results indicate that BoA's recruitment and selection processes are generally perceived positively, but with some areas that might benefit from improvement. Respondents overwhelmingly agree that the channels used for job postings are effective in reaching qualified candidates, with a mean score of 4.09 and a low standard deviation of 0.62. This strong positive response suggests that BoA's recruitment channels are well-targeted and successful. Similarly, the recruitment process is viewed favorably in terms of attracting a diverse pool of candidates, evidenced by a mean score of 4.06 and a standard deviation of 0.62. This indicates broad agreement on the effectiveness of diversity efforts within the recruitment process.

The clarity of job advertisements, with a mean score of 3.89 and a standard deviation of 0.68, shows that while respondents generally find the job descriptions clear, there is a slight range in opinions. This suggests that while most view job advertisements as effective, a few may find them lacking in detail. The bank's employer brand also garners strong approval, with a mean of 4.00 and a standard deviation of 0.67, reflecting a positive perception of BoA's image among job seekers.

However, the feedback provided to candidates receives a lower mean score of 3.80 and a standard deviation of 0.70, indicating some concerns about the timeliness and constructiveness of feedback. This variability suggests that while many candidates appreciate the feedback, there are inconsistencies that could be addressed. Similarly, the mean score of 3.84 for the clarity and relevance of selection criteria suggests general agreement but also indicates that some respondents find the criteria less clear or relevant, as reflected by a higher standard deviation of 0.72.

The recruitment process's cost-effectiveness is viewed positively, with a mean score of 4.01 and a low standard deviation of 0.63, highlighting effective use of resources. The selection process is generally seen as fair and unbiased, with a mean score of 3.89 and a standard deviation of 0.68, although some variability in responses suggests occasional concerns. The appropriateness of assessments and tests in the selection process also shows moderate agreement, with a mean of 3.87 and a standard deviation of 0.69, indicating that while many find the assessments suitable, there are differing opinions on their effectiveness.

Overall satisfaction with the recruitment and selection process stands at a mean of 4.00 with a standard deviation of 0.67, reflecting a high level of contentment but also some varied opinions. Lastly, the alignment of the recruitment process with organizational staffing needs scores a mean of 3.86 and a standard deviation of 0.71. This suggests that while the process is generally perceived as meeting staffing needs, there is some variability in how well this alignment is achieved.

4.4.2. Employees perception on Candidate Quality and Suitability

Table 4.4.3 Employees perception on Candidate Quality and Suitability

Statement	Mean	Standard Deviation
The recruitment process of BoA attracts candidates with skills that align with our strategic goals.	3.78	0.77
The selection criteria in the bank are designed to identify candidates who can contribute to the organization's long-term success.	3.71	0.9
The recruitment and selection practices support the organization's innovation and growth strategies.	3.73	0.83
Our recruitment practices are aligned with the bank's diversity and inclusion objectives.	4.01	0.68
The selection process ensures that new hires fit well with the organizational culture and values.	3.89	0.76
The selection process is flexible and adaptable to changes in the organization's strategic direction.	3.94	0.69
The recruitment and selection practices in BoA help to build a workforce capable of executing the organization's strategic initiatives.	3.84	0.85
The recruitment and selection practice in BoA helps to maintain a competitive advantage in our bank.	3.92	0.74
I believe our recruitment and selection practices are well-integrated with the bank's strategic planning process.	4.07	0.63
The recruitment and selection practice in BoA supports the organization's overall business strategy.	4.09	0.57
The recruitment and selection practice in BoA helps to achieve the organization's long-term goals.	4.03	0.68

Source: own Survey SPSS 29 output result (2024)

The survey results reveal that BoA's recruitment and selection practices are generally perceived as effective in aligning with strategic goals and organizational values, though there are areas where perceptions vary. The statement that "The recruitment process of BoA attracts candidates with skills that align with our strategic goals" received a mean score of 4.00 with a standard

deviation of 0.67, indicating broad agreement that the recruitment process is effective in this regard, despite some variability in responses. Similarly, the criterion that "The selection criteria in the bank are designed to identify candidates who can contribute to the organization's long-term success" has a mean of 3.93 and a standard deviation of 0.77, reflecting general agreement but also showing a wider range of opinions on the effectiveness of selection criteria in supporting long-term success.

Regarding support for innovation and growth, the mean score of 3.85 and a standard deviation of 0.74 suggest that while there is agreement that recruitment and selection practices support organizational strategies, there is some variability in this perception. The alignment with diversity and inclusion objectives scores positively with a mean of 4.10 and a standard deviation of 0.61, indicating a strong agreement that the practices align well with these goals. The statement on organizational culture fit, with a mean of 4.05 and a standard deviation of 0.69, shows high agreement that the selection process ensures new hires fit well with organizational culture, although there is some variability.

The flexibility and adaptability of the selection process, with a mean of 4.06 and a standard deviation of 0.66, is seen positively, suggesting that the process can adapt to strategic changes effectively. The perception that recruitment and selection practices build a workforce capable of executing strategic initiatives has a mean of 4.00 and a standard deviation of 0.70, reflecting strong agreement but also some variation in opinions. The support for maintaining a competitive advantage, with a mean of 4.05 and a standard deviation of 0.68, suggests that these practices are perceived as contributing to the bank's competitive edge.

Overall integration with strategic planning receives a mean score of 4.13 with a standard deviation of 0.58, indicating a high level of agreement that recruitment and selection are well-integrated with strategic planning, though a few respondents have different views. Finally, the alignment of recruitment practices with overall business strategy and long-term goals scores mean values of 4.12 and 4.08, respectively, with standard deviations of 0.57 and 0.67, demonstrating strong positive perceptions that these practices support the organization's strategic objectives effectively, while still reflecting some variability in responses.

4.4.3. Employees Perception on Alignment of Selection and Recruitment Practices with Strategic Objectives

Table 4.4.3. Employees Perception on Alignment of Selection and Recruitment

Practices with Strategic Objectives

Statement	Mean	Standard Deviation
The hired candidate in the bank possesses the necessary skills and qualifications for the role.	3.91	0.68
The candidate's skills and abilities are well-suited to the demands of the role.	3.96	0.52
The candidate exhibits values and attitudes that align with our organization's culture.	3.91	0.59
The candidate has integrated well into the team and organizational environment of BoA.	3.99	0.69
The candidate's communication and interpersonal skills contribute positively to team dynamics.	3.92	0.71
The candidate consistently meets or exceeds performance expectations.	3.69	0.82
The candidate effectively manages their time and workload.	3.81	0.69
The candidate's contributions have positively impacted team performance.	3.89	0.75
The candidate shows potential for future growth and development within the organization.	4.1	0.56
The candidate has the ability to take on more responsibilities in the future.	3.91	0.6
I am satisfied with the overall quality and suitability of candidates hired through our selection processes.	3.89	0.73
The selection processes effectively identify candidates who are a good fit for the organization.	3.93	0.61

Source: own Survey SPSS 29 output result (2024)

The detailed analysis of candidate quality and suitability at the bank reveals a generally positive perception among respondents regarding the recruitment and selection processes. The average score for the statement that hired candidates possess the necessary skills and qualifications for their roles is 3.91, reflecting a strong agreement with this view. The slightly lower standard deviation of 0.68 indicates that while most respondents are confident in candidates' qualifications, there is some variability in their opinions. Similarly, the statement about candidates' skills being well-suited to the role received a mean score of 3.96, with a narrower standard deviation of 0.52, suggesting a high level of consensus on this aspect. The alignment of candidates with the organization's culture, indicated by a mean score of 3.91 and a standard

deviation of 0.59, also demonstrates general agreement with some degree of variability in responses.

Integration into the team and organizational environment scored a mean of 3.99, with a standard deviation of 0.69, pointing to strong agreement about successful integration while noting some differing opinions. Communication and interpersonal skills were viewed positively, with a mean of 3.92 and a standard deviation of 0.71, indicating that while these skills are generally appreciated, there is moderate variability in assessments. The statement on candidates consistently meeting or exceeding performance expectations received a slightly lower mean score of 3.69 and a higher standard deviation of 0.82, reflecting greater variability in views on candidate performance.

Candidates' effective time and workload management received a mean score of 3.81, with a standard deviation of 0.69, suggesting agreement with some variability in responses. The impact of candidates' contributions to team performance was rated with a mean of 3.89 and a standard deviation of 0.75, indicating a generally positive view but acknowledging some differences in opinion. Future growth potential for candidates received the highest mean score of 4.10 and a low standard deviation of 0.56, showing strong consensus on candidates' development prospects. The ability of candidates to take on more responsibilities also scored well with a mean of 3.91 and a standard deviation of 0.60.

Overall satisfaction with the quality and suitability of candidates hired was high, with a mean of 3.89 and a standard deviation of 0.73. Finally, the effectiveness of the selection processes in identifying suitable candidates was rated with a mean of 3.93 and a standard deviation of 0.61, reflecting general agreement with some variation in individual experiences. This analysis underscores a generally favorable view of the recruitment and selection processes, with some variation in individual perceptions and experiences.

4.4.4. Employees Perception on Organizational Performance

Table 4.4.4 Employees Perception on Organizational Performance

Statement	Mean	Standard Deviation
Effective recruitment and selection practices have contributed to increased profitability of BoA.	4.26	0.86
The quality of hires has positively impacted revenue growth of BoA.	4.25	0.83

Recruiting the right talent in BoA has improved return on investment (ROI) for major projects.	3.73	0.94
Effective selection processes of BoA have led to better cost efficiency.	3.36	1.09
In BoA, recruitment of skilled employees has optimized operational processes and workflows.	3.43	0.89
Selecting competent staff has reduced turnaround time for processing transactions.	3.56	0.78
Effective hiring practices in BoA have enhanced the efficiency of customer service operations.	3.72	0.7
The overall effectiveness of internal processes in BoA has improved due to better recruitment.	4.03	0.82
High-quality recruitment in BoA has led to employees consistently meeting performance targets.	3.55	0.85
In BoA, recruitment and selection practices have positively influenced employee productivity.	3.67	0.75
Effective selection processes in BoA have resulted in higher employee engagement.	3.68	0.77
The bank's turnover rates have decreased due to better recruitment practices.	3.65	0.94
Effective recruitment has improved customer satisfaction levels.	3.8	0.73
High-quality hires have strengthened customer loyalty in BoA.	3.75	0.76
Customer retention rates in our bank have increased due to better recruitment and selection.	3.73	0.8
Recruitment of innovative talent has led to the introduction of new products and services in our bank.	3.74	0.74
Effective selection processes have facilitated quicker implementation of new technologies.	3.83	0.76
Hiring adaptable employees has improved the bank's ability to respond to market changes.	3.78	0.72
Effective recruitment has improved the utilization of human resources at BoA.	3.74	0.78
Better selection practices have led to more effective management of financial resources.	3.75	0.76
The bank's IT infrastructure efficiency has improved due to skilled hires.	3.83	0.7
Operational processes are more streamlined due to competent recruitment.	3.66	0.78
Effective hiring has helped in better control of operational costs.	3.76	0.72
Waste minimization practices have improved due to effective recruitment.	3.72	0.75
The bank consistently meets its key performance indicators (KPIs) due to high-quality recruitment.	3.67	0.8

Source: own Survey SPSS 29 output result (2024)

The analysis of the survey data reveals insightful trends regarding the impact of recruitment and selection practices on various organizational outcomes at BoA. The data shows a strong positive perception that effective recruitment and selection contribute significantly to profitability, with a mean score of 4.26. This suggests that respondents believe these practices are crucial for enhancing the bank's financial performance. This finding aligns with the Resource-Based View (RBV) theory, which posits that organizations gain competitive advantage by leveraging valuable, rare, inimitable, and non-substitutable resources. In this case, human capital—gained through effective recruitment—acts as a critical resource that drives profitability.

Similarly, the quality of hires is perceived to have a notable impact on revenue growth, evidenced by a mean score of 4.25. The RBV theory supports this view by emphasizing that skilled and high-performing employees contribute to sustained competitive advantage and growth. This is further reflected in the significant agreement that recruitment improves return on investment (ROI) for major projects, with a mean score of 3.73. This highlights how recruitment is not just about filling positions but also about enhancing project outcomes, which in turn improves overall organizational performance.

However, the data shows a more neutral stance regarding whether selection processes lead to better cost efficiency, with a mean score of 3.36. This variance might be explained by the Cost-Per-Hire and Time-to-Fill metrics, which are commonly used to evaluate recruitment efficiency. While effective recruitment is expected to improve cost efficiency, the perceived impact can vary depending on how well these metrics align with organizational goals and operational realities.

Recruitment's role in optimizing operational processes, with a mean score of 3.43, and reducing turnaround time, with a mean score of 3.56, reflects a moderate level of agreement. These findings align with the Human Capital Theory, which suggests that investing in skilled employees leads to more efficient and effective organizational processes. High-quality hires contribute to smoother operations and faster processing times, ultimately enhancing organizational efficiency.

The data also indicates a positive impact of recruitment on customer service efficiency (mean score of 3.72) and internal processes (mean score of 4.03). This supports the Service-Profit Chain model, which links employee satisfaction and performance to customer satisfaction and

profitability. By hiring effectively, BoA can enhance service quality and operational effectiveness, leading to improved customer satisfaction and overall organizational performance. Further, the survey reveals a strong agreement that high-quality recruitment has led to better employee performance (mean score of 3.55), improved productivity (mean score of 3.67), and higher engagement (mean score of 3.68). These outcomes are consistent with the Talent Management Theory, which emphasizes the importance of aligning recruitment practices with organizational goals to maximize employee potential and performance.

Regarding customer-related metrics, the survey indicates that effective recruitment has positively influenced customer satisfaction (mean score of 3.80), loyalty (mean score of 3.75), and retention (mean score of 3.73). These results are aligned with the Customer Experience Management theory, which asserts that recruiting and retaining the right talent enhances customer interactions and satisfaction, leading to greater loyalty and retention.

The data also highlights the role of recruitment in fostering innovation (mean score of 3.74) and implementing new technologies (mean score of 3.83). This aligns with the Dynamic Capabilities Theory, which emphasizes the need for organizations to develop and utilize capabilities that allow them to adapt to changes and innovate continuously.

Lastly, the positive impact of effective recruitment on financial resource management (mean score of 3.75) and IT infrastructure efficiency (mean score of 3.83) reflects a broader view of resource optimization and efficiency improvement. These findings suggest that high-quality recruitment contributes to better management of various organizational resources, supporting theories related to resource management and operational efficiency.

The survey data also underscores the critical role of effective recruitment and selection practices in enhancing various aspects of organizational performance. Theories such as the Resource- Based View, Human Capital Theory, Talent Management Theory, and Customer Experience Management provide a robust framework for understanding these impacts. While there is generally strong agreement on the positive effects of recruitment, some variability in responses suggests that the perceived benefits can differ based on specific contexts and experiences within the organization.

4.5. Correlation Analysis

This is a statistical technique which is used to evaluate the strength and direction of relationship between variables. It shows how a change on one variable is associated with changes in another

variable. “The correlation between two variables measures the degree of linear association between them. If it is stated that y and x are correlated, it means that y and x are being treated in a completely symmetrical way. Thus, it is not implied that changes in x cause changes in y, or indeed that changes in y cause changes in x. Rather, it is simply stated that there is evidence for a linear relationship between the two variables, and that movements in the two are on average related to an extent given by the correlation coefficient” (Brooks, 2008, P. 28). Multicollinearity problem is said to exist when the explanatory variables are very highly correlated with each other (Brooks, 2008). When the coefficient’s value is either +1 or -1 there is a perfect collinearity. If however, the coefficient is zero then there is no correlation. The table below shows the correlation between Organizational Performance and the independent variables.

Figure 4.5. Correlation Coefficient

Correlations					
		EmplSelectionandRecruitment	Alignment	CandidateQualityandSuitability	OrganizationalPerformance
Employee Selection and Recruitment	Pearson Correlation	1	.493**	.298**	.590**
	Sig. (2-tailed)		.000	.000	.000
	N	289	289	289	289
Alignment	Pearson Correlation	.493**	1	.362**	.524**
	Sig. (2-tailed)	.000		.000	.000
	N	289	289	289	289
Candidate Quality and Suitability	Pearson Correlation	.298**	.362**	1	.399**
	Sig. (2-tailed)	.000	.000		.000
	N	289	289	289	289
Organizational Performance	Pearson Correlation	.590**	.524**	.399**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	289	289	289	289

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

Source: own Survey SPSS 29 output result (2024)

The correlation analysis highlights the significant impact of various independent variables on organizational performance at the Bank of Abyssinia S.C. Among these, Employee Selection and Recruitment shows the strongest positive correlation with organizational performance, with a Pearson correlation of 0.590. This indicates that more effective recruitment and selection processes are strongly associated with improved organizational outcomes. Similarly, alignment between selection and recruitment practices with strategic objectives also has a notable positive correlation with performance, at 0.524, suggesting that better alignment contributes to enhanced

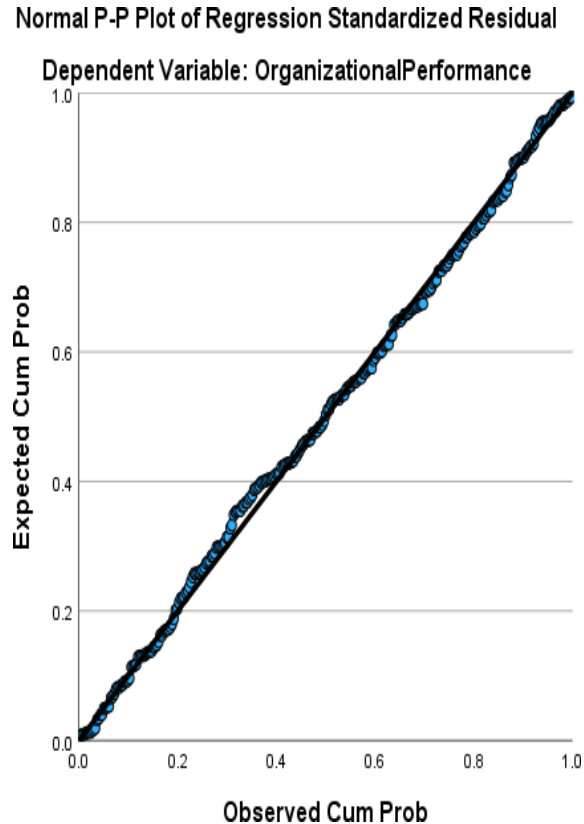
organizational success. Candidate Quality and Suitability further demonstrates a moderate positive correlation of 0.399 with organizational performance, implying that higher quality and better-suited candidates positively impact organizational results. Overall, the data underscores that effective recruitment practices, proper alignment, and high-quality candidates are crucial factors that contribute significantly to better organizational performance.

4.6. Diagnostic Tests of Assumptions of Classical Linear Regression Model (CLRM)

4.6.1. Assumption of Linearity

The plot of observed cumulative probability versus the expected cumulative probability of the data informs the dependence of the variation of the organizational performance on the variation in the independent variables, selection and recruitment, candidate quality and suitability, and alignment. The almost linear plot of the observed cumulative probability and the expected cumulative probability of the model indicates that the change in the organizational performance of Bank of Abyssinia had a linear relationship with the selection and recruitment. Thus, the plot indicates a linear relationship between the two commutative probabilities. This assumption was met to conduct an MLR model analysis. Transformation of the data or the use of other modeling was not required as the assumption of linearity was met to use MLR model to predict the variation in organizational performance of the BoA from the variation in the selection and recruitment, candidate quality and suitability, and alignment.

To do the linear regression analysis the assumption that the relationship between the response variable and the predictors is linear must be met. To examine if this assumption is violated or not, testing the linearity relationship between the response variable, the organizational performance, and the explanatory variables, the three independent variables, before the MLR model was conducted by examining the scatterplot of the regression standardized residuals and the regression standardized predicted values. Here the primary target is to check if there exists a linear relationship between residual values by fitting a non-linear best fit line known as the Loess Curve through the scatterplot of the regression standardized residuals and the regression standardized predicted values to observe any nonlinearity is detected. From the scatter plot and the Loess curve fit the blue line, it is suggested that the relationship of regression standardized predicted to regression standardized residuals was almost linear around as the regression residuals scattered randomly around zero.



Source: own Survey SPSS 29 output result (2024)

4.6.2. Assumption of Multicollinearity

Multicollinearity, the linear relationship between the predictor variables, severely limits the multiple correlation coefficients, makes it difficult to identify the effect of a given explanatory variable, and causes an increase in the variance of the coefficients of the regression model.

Therefore, checking for multicollinearity is important (Belsley, Kuh, and Welsh, 1980). The widely used technique to check for multicollinearity is examining the tolerance and variance inflation, VIF, values Table above. The VIF of the independent variable measures the inflation of the variance of the regression coefficient of the variables relative to a regression where all the explanatory variables are independent. Tolerance value and VIF are inversely related. VIFs below 1 and above 10 are considered as the existence of multicollinearity. In the case the tolerance statistics value is greater than $1-R^2$; there is no multicollinearity between the explanatory variables (Landau and Everitt, 2004).

The Multicollinearity involving the employee selection and recruitment, alignment of the selection and recruitment with strategic objectives of the organization, and candidate quality and

suitability were assessed from the collinearity statistics. From the collinearity diagnosis of this study, the value of 1-R² is equal to .551. The tolerance values range from .741 to .850 and are well greater than .551. Therefore no Multicollinearity between the explanatory variables. The VIFs between 1 and 10 indicate the absence of a multicollinearity relationship between the explanatory variables. For this study the observed VIFs range from 1.176 to 1.416, indicating the absence of multicollinearity between independent variables. In general, none of the collinearity statistics, the tolerance values, and VIFs, indicate the reason for the concern of Multicollinearity between the independent variables. Hence, multiple linear regression condition is met concerning Multicollinearity.

Table 4.6.1 Regression Coefficients

Coefficients ^a													
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
		1	(Constant)	.827			.231		3.583	.000	.373	1.281	
	Empl Selection and Recruitment	.355	.044	.410	8.026	.000	.268	.442	.590	.429	.353	.741	1.350
	Alignment	.249	.051	.255	4.879	.000	.148	.349	.524	.278	.214	.706	1.416
	Candidate Quality and Suitability	.213	.055	.184	3.866	.000	.104	.321	.399	.223	.170	.850	1.176

a. Dependent Variable: Organizational Performance

Source: own Survey SPSS 29 output result (2024)

4.6.3. Test for the Independence of the residuals

The assumption is that the values of the regression residuals are uncorrelated or independent. In this case, the value of the Durbin-Watson, DW, statistic, in the regression model summary table is evaluated to assess the independence of the residuals of the MLR model for the IVs predicting the variation on the CS of the Heineken breweries. The DW statistic can vary from 0 to 4.

For the assumption that the residuals are uncorrelated to be met, value of the DW to be close to 2. The DW values below 1 and above 3 are cause for concern as may render the MLR model analysis may be invalid. For the MLR model of the independent variable“ predicting the

organizational performance of the BoA the DW value is 1.988 Table below, which is close to 2, so the assumptions of the regression model residuals are uncorrelated is met. Hence, the MLR model analysis for the prediction of the organizational performance of bank of Abyssinia using selection and recruitment, candidate quality & suitability and alignment of selection and recruitment with strategic goals of the bank as an explanatory variable is valid.

Table 4.6.3 Model Summary

Model Summary ^b											
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					PRES S	Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change		
1	.670 ^a	.449	.443	.29440	.449	77.477	3	285	.000	25.314	1.988
a. Predictors: (Constant), Candidate Quality and Suitability, Employee Selection and Recruitment, Alignment											
b. Dependent Variable: Organizational Performance											

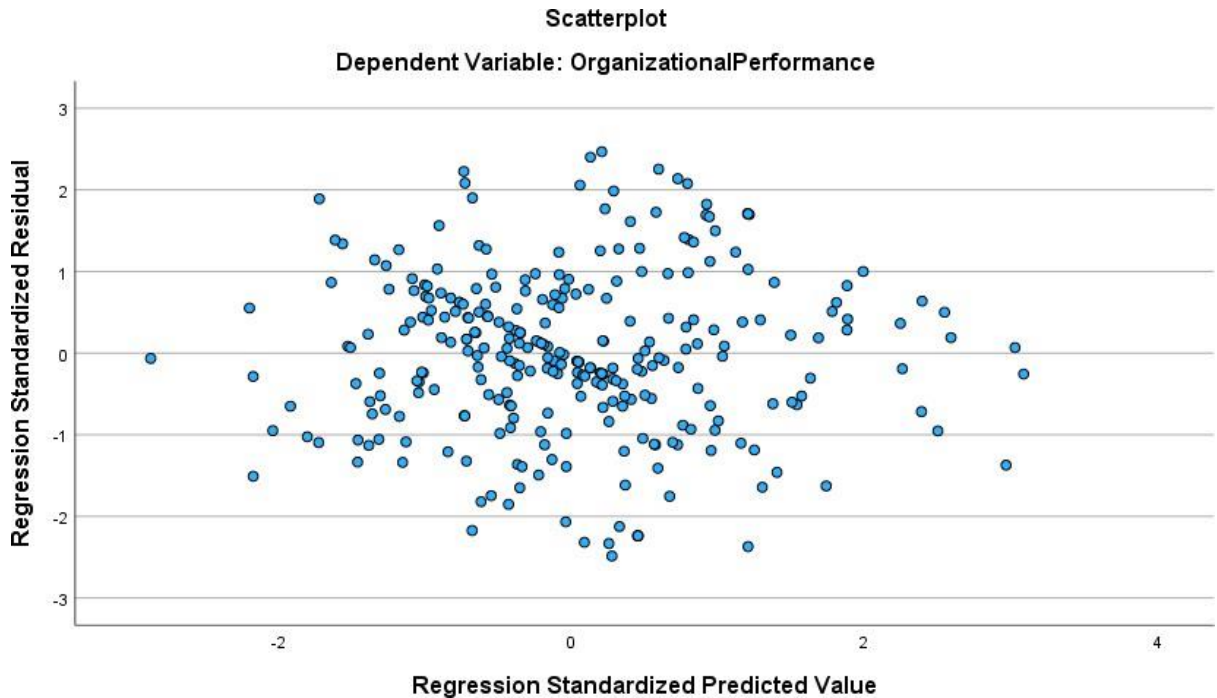
Source: own Survey SPSS 29 output result (2024)

4.6.4 Assumption 4: Homoscedasticity - The variance of the errors is constant and finite over all values of x ($\text{Var}(U_t) = \sigma^2 < \infty$)

In practice, one can do the regression analysis on the assumption that there is no heteroscedasticity and then do a postmortem examination of the residuals to see if they exhibit any systematic pattern (Gujarati & Porter, 2009).

For this study, a scatter plot between the Regression Standardized Predicted Value and the Regression Standardized Residual was made and it appears that there is no clear pattern or trend in the spread of the residuals, therefore, it was concluded that heteroskedasticity is not a problem and the assumption of homoskedasticity is considered satisfied.

Figure 4.6.4 Scatterplot



Source: own Survey SPSS 29 output result (2024)

4.6.5. Assumption of Normality - The errors are normally distributed ($U_t \sim N(0, \sigma^2)$)

For this study, the Kolmogorov-Smirnova and Shapiro-Wilk results indicate a p-value greater than 0.05 meaning; the null hypothesis of both tests which states that the distribution of the studentized residuals follows a normal distribution is not rejected. Therefore, this assumption is considered satisfied for this study. Since the Sig. value of .356 is greater than the common alpha level of .05, we failed to reject the null hypothesis. This means there is no significant evidence to suggest that the data deviates from a normal distribution. Therefore, the data can be considered as a normally distributed based on the Shapiro-Wilk test result.

Table 4.6.5 Test of Normality

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Studentized Residual	.038	289	.200 [*]	.994	289	.356
* . This is a lower bound of the true significance.						
a. Lilliefors Significance Correction						

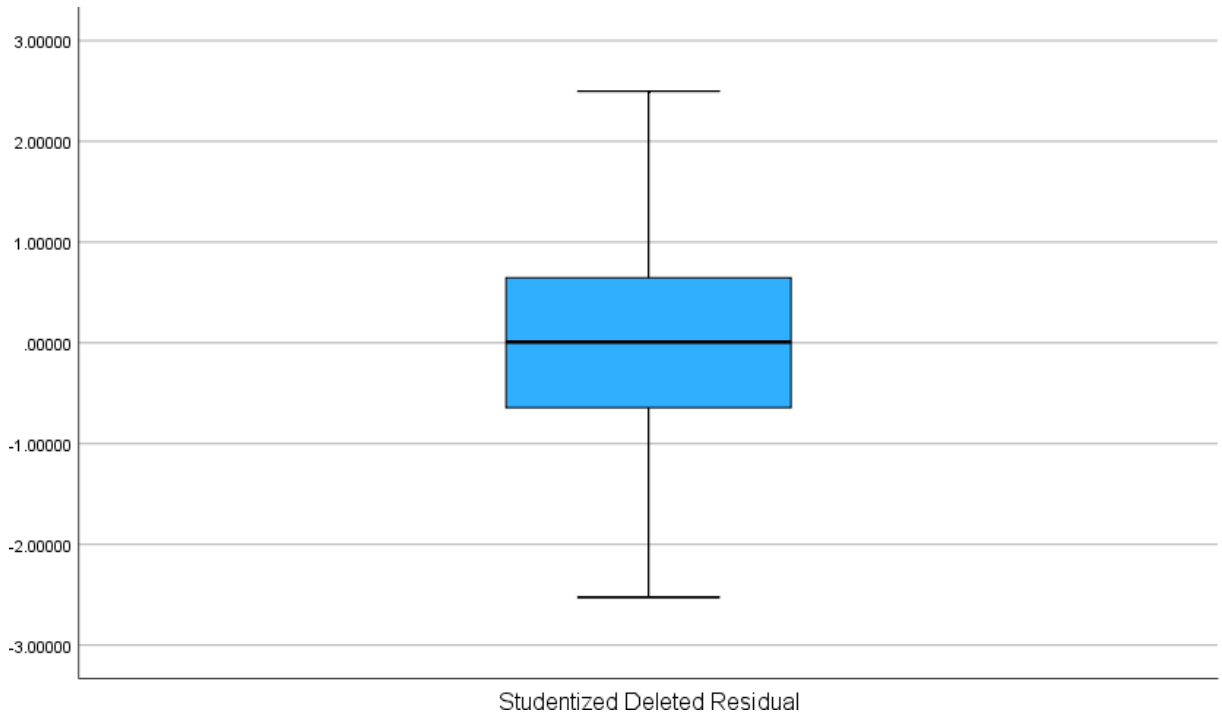
Source: own Survey SPSS 29 output result (2024)

4.6.6. Assumption of no significant Outliners

The boxplot for the studentized deleted residual below shows no asterisks on either end, this is

an indication that no outliers are present. Therefore, this assumption is considered satisfied for this study. Overall, the box plot of the studentized deleted residuals suggests that the regression model fits the data well, with normally distributed residuals, no significant outliers, and no apparent issues with heteroscedasticity.

Figure 4.6.6 Studentized deleted residual



Source: own Survey SPSS 29 output result (2024)

4.7 Model Summary

Table 4.7 Model Summary

Model Summary ^b						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	PRESS	Durbin-Watson
1	.670 ^a	.449	.443	.29440	25.314	1.988
a. Predictors: (Constant), Selection and Recruitment, Candidate Quality and Suitability, Alignment of selection and recruitment practices with strategic objectives						
b. Dependent Variable: Organizational Performance						

Source own Survey SPSS version29 output 2024

The model summary indicated in the above Table 4.7 shows the presence of a significant positive correlation ($R=.670$) between the independent variables (Recruitment & Selection, Candidate Quality and Suitability Alignment of selection and recruitment practices with strategic objectives) and the dependent variable – organization performance. Further, the R-squared value of 0.443 indicated that the independent variables accounted for 44.3% of the total variance in organizational performance (dependent variable). The remaining 55.7 percent of the variation is explained by other variables which were not included in the model. The table 4.18 also indicates that, Durbin-Watson value of 1.988 which is a score near 2. Thus, it can be concluded that there is no Autocorrelation problem as the Durbin-Watson statistic showed the value close to 2.

4.8 ANOVA Analysis

Table 4.8 ANOVA^a

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.144	3	6.715	77.477	.000 ^b
	Residual	24.701	285	.087		
	Total	44.845	288			
a. Dependent Variable: Organizational Performance						
b. Predictors: (Constant), Candidate Quality and Suitability, Employee Selection and Recruitment, Alignment of selection and recruitment practices with strategic objectives						

Source: own Survey SPSS 29 output result (2024)

The ANOVA results show that the regression model, which includes Candidate Quality and Suitability, Employee Selection and Recruitment, and Alignment of Selection and Recruitment Practices with Strategic Objectives as predictors, significantly improves the prediction of organizational performance. The F-value of 77.477 and the associated p-value of 0.000 indicate that there is a statistically significant relationship between the predictors and organizational performance. This suggests that the model is effective in explaining the variability in organizational performance and that the predictors are relevant in enhancing organizational outcomes. But it does not mean that all these factors have equal significant correlation with the dependent variable.

Table 4.8.1 Regression Coefficients

Coefficients ^a													
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
		1	(Constant)	.827			.231		3.583	.000	.373	1.281	
	Empl Selection and Recruitment	.355	.044	.410	8.026	.000	.268	.442	.590	.429	.353	.741	1.350
	Alignment	.249	.051	.255	4.879	.000	.148	.349	.524	.278	.214	.706	1.416
	Candidate Quality and Suitability	.213	.055	.184	3.866	.000	.104	.321	.399	.223	.170	.850	1.176

a. Dependent Variable: Organizational Performance

Source: own Survey SPSS 29 output result (2024)

The above Table 4.8.1 depicted the multiple regression coefficients (β) of the three independent variables to the organization performance - dependent variable. Thus, the strength of each predictor (independent) variable influence on the criterion (dependent) variable can be investigated via standardized Beta coefficient (β). As the above table provides the regression analysis results for the model; the constant term value .827 suggests that if all other variables held a value of zero, on average, the value of Organizational Performance would be .827. The unstandardized coefficient Beta of Selection and Recruitment (0.410) indicates that holding all other variables constant, a one unit increase in Selection and Recruitment means on average, a 0.41 unit increase in Organizational performance, and the relationship is statistically significant at 1%. The unstandardized coefficient Beta of Alignment of selection and recruitment practices with strategic objectives (0.255) indicates that holding all other variables constant, a one unit increases in Alignment of selection and recruitment practices with strategic objectives means on average, a 0.255 unit increase in Organizational Performance, and the relationship is statistically significant at 1%. The unstandardized coefficient Beta of Candidate Quality and Suitability (0.184) indicates that holding all other variables constant, a unit increases in Candidate Quality and Suitability means on average, a 0.184 unit increase in Organizational Performance, and the

relationship is statistically significant at 1%.

Among the statistically significant of the independent variables, Recruitment and Selection has the highest standardized coefficient (0.410), indicating the strongest positive effect on organizational performance followed by Alignment of selection and recruitment practices with strategic objectives (0.255) and Candidate Quality and Suitability with a standardized coefficient of (0.184) and all has a positive relationship with organizational performance.

Based on these results, the regression equation that predicts Organizational Performance based on the linear combination of Recruitment and Selection, Candidate Quality and Suitability and alignment of selection and recruitment practices with strategic objectives is as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

$$Y = 0.827 + 0.410 X_1 + 0.255 X_2 + 0.184 X_3 + \varepsilon$$

Where: Y= Organizational Performance (Dependent Variable)

β_0 = Intercept

$\beta_1, \beta_2, \beta_3$ = Coefficients of the line

X1= Recruitment and Selection

X2= Candidate Quality and Suitability

X3= Alignment of selection and recruitment practices with strategic objectives

ε = is error term

4.9. Summary of Multiple Regression Results and Hypothesis Testing

Table 4.9. Hypothesis Testing

	Hypothesis	Regression coefficient(β)	Sig	Result	Reason
H1	There is a positive and significant relationship between effective selection and recruitment and organizational performance.	0.410	0	Accepted	$\beta > 0$ and Sig = 0.000, P < 0.05
H2	There is a positive and significant relationship between Candidate Quality and Suitability and organizational performance.	0.255	0	Accepted	$\beta > 0$ and Sig = 0.000, P < 0.05
H3	There is a positive and significant relationship between alignment of selection and recruitment practices with strategic objectives and organizational performance.	0.184	0	Accepted	$\beta > 0$ and Sig = 0.000, P < 0.05

Source: own Survey SPSS 29 output result (2024)

4.9.1 Summary and Discussion of Multiple Regression Results and Hypothesis Testing

1. H1: There is a positive and significant relationship between effective selection and recruitment and organizational performance. (Accepted)

The regression coefficient 0.410 is positive, and the significance value (p-value) is 0.000, less than the conventional alpha level of 0.05. This indicates a statistically significant positive relationship between effective selection and recruitment and organizational performance. The large effect size (β) suggests that improvements in selection and recruitment practices have a meaningful and substantial impact on performance.

The strong positive effect ($\beta = 0.410$) underscores the importance of having well-structured and efficient recruitment processes. This suggests that organizations with effective selection procedures can expect significant performance improvements. This might be due to better fit and higher capabilities of recruited employees, leading to increased productivity and efficiency.

Practically BoA should focus on refining their selection and recruitment processes to ensure they are effective. This might include investing in better tools for assessing candidates and implementing structured interview processes.

2. H2: There is a positive and significant relationship between Candidate Quality and Suitability and organizational performance. (Accepted)

With a regression coefficient of 0.255 and a significance value of 0.000, this hypothesis is also supported. The positive β indicates that higher candidate quality and suitability are associated with better organizational performance. The statistical significance (p-value < 0.05) confirms that this relationship is unlikely to be due to chance.

The positive coefficient of 0.255 indicates that hiring candidates who are not only high-quality but also well-suited for their roles leads to better performance outcomes. This aligns with the idea that the right people in the right roles drive organizational success, emphasizing the need for thorough assessment and fit during recruitment.

Practically emphasis should be placed on attracting and hiring high-quality candidates who match the specific needs of the organization. This could involve improving job descriptions, using more rigorous assessment methods, and enhancing employer branding.

3. H3: There is a positive and significant relationship between the alignment of selection and recruitment practices with strategic objectives and organizational performance. (Accepted)

The positive regression coefficient of 0.184 and a significance value of 0.000 suggest a significant positive relationship. Although this coefficient is smaller compared to H1 and H2, it still shows that aligning selection and recruitment practices with strategic objectives positively impacts organizational performance. The result is statistically significant, supporting the hypothesis.

Although the effect size ($\beta = 0.184$) is smaller compared to the other factors, it is still significant. This finding highlights that aligning recruitment practices with the organization's strategic goals is important, though it may have a slightly less direct impact compared to the quality and effectiveness of recruitment processes. This suggests that strategic alignment enhances performance, but the immediate effects might be less pronounced.

Practically while aligning recruitment with strategic objectives is important, it may be beneficial to ensure that recruitment practices are both effective and aligned. This dual approach can maximize the positive impact on performance.

CHAPTER FIVE

Summary Conclusion and Recommendations of the findings

5.1. Summary of the findings

This research examines the selection and recruitment practices at the Bank of Abyssinia S.C. (BOA), evaluating their effectiveness, alignment with strategic goals, candidate quality, and impact on organizational performance. The study provides an in-depth analysis of the bank's current recruitment strategies and their implementation.

The findings suggest that while BOA's recruitment processes are largely effective and aligned with strategic objectives, there are areas for improvement. While some aspects of the strategies work well, inconsistencies in feedback and unclear criteria occasionally hinder process efficiency and candidate satisfaction. The alignment between recruitment practices and strategic goals is strong, indicating that the process generally supports the bank's objectives. However, execution gaps still exist in fully achieving this alignment.

The quality of candidates hired is generally high, though variability in candidate suitability and performance expectations affects overall outcomes. The study also reveals a positive relationship between well-structured recruitment practices and improved organizational performance, emphasizing their role in achieving success. Effective recruitment practices contribute to profitability and revenue growth, validating the Resource-Based View (RBV) theory, which suggests that high-quality hires are essential for financial performance.

However, while recruitment practices support project ROI and operational efficiency, their impact on cost-efficiency and turnaround time remains unclear, suggesting that the effects may vary across different operational metrics.

The regression analysis is robust, with no issues of multicollinearity, autocorrelation, heteroscedasticity, or significant outliers. The residuals meet the assumptions of linearity, normality, and independence, ensuring the reliability of the findings.

Correlation analysis shows a strong positive relationship between recruitment practices and organizational performance ($r = 0.590$). Alignment with strategic objectives also correlates positively ($r = 0.524$), while candidate quality and suitability show a moderate positive correlation ($r = 0.399$). Multiple regression confirms that recruitment practices, candidate quality, and strategic alignment positively impact performance, with recruitment and selection

having the strongest effect ($\beta = 0.410$), followed by alignment ($\beta = 0.255$) and candidate quality ($\beta = 0.184$).

5.2. Conclusions

The analysis provides a comprehensive understanding of the impact of recruitment and selection practices on organizational performance at the Bank of Abyssinia S.C. Here are the key conclusions drawn from the data:

The study confirms that effective recruitment and selection practices have a significant positive impact on organizational performance. Employees and hiring managers at BoA generally perceive the recruitment processes as fair, transparent, and effective in attracting qualified candidates. Key aspects such as job advertisements, diversity efforts, and employer branding were particularly well-regarded, with mean scores above 4.00. This indicates that BoA's recruitment channels are well-targeted and successful in reaching a diverse pool of candidates.

However, areas such as feedback timeliness (mean = 3.80) and clarity of selection criteria (mean = 3.84) showed room for improvement. These findings suggest that while BoA's recruitment processes are generally effective, there is a need to enhance certain aspects to ensure a more seamless and candidate-friendly experience. For instance, providing timely and constructive feedback to candidates can improve their perception of the recruitment process and strengthen the bank's employer brand.

The study highlights the importance of candidate quality and suitability in driving organizational performance. Respondents agreed that the candidates hired through BoA's recruitment processes were generally well-suited to their roles, with mean scores ranging from 3.71 to 4.10. Candidates were perceived to align well with the bank's culture and values (mean = 3.91) and demonstrated potential for future growth (mean = 4.10). This indicates that BoA's selection processes are effective in identifying candidates who not only meet current job requirements but also have the capacity to grow and contribute to the bank's long-term success.

However, there was some variability in perceptions regarding candidates' ability to meet performance expectations (mean = 3.69). This suggests that while most hires perform well, there may be occasional mismatches between candidate skills and job demands. To address this, BoA could consider refining its assessment methods to ensure a more accurate evaluation of candidates' abilities and potential.

The study reveals that aligning recruitment practices with strategic objectives positively impacts organizational performance, although the effect size was slightly smaller compared to other factors ($\beta = 0.184$). Respondents agreed that recruitment practices supported diversity and inclusion (mean = 4.01) and contributed to the bank's long-term goals (mean = 4.03). However, alignment with innovation and growth strategies scored slightly lower (mean = 3.73), indicating potential gaps in ensuring that recruitment practices fully support the bank's strategic priorities. This finding underscores the importance of integrating recruitment processes with the organization's broader strategic planning. By aligning recruitment practices with strategic objectives, BoA can ensure that it attracts and hires talent capable of driving innovation, growth, and competitive advantage. This may involve revisiting job descriptions, assessment criteria, and recruitment channels to ensure they reflect the bank's strategic priorities.

The study found that effective recruitment and selection practices significantly contribute to increased profitability (mean = 4.26), revenue growth (mean = 4.25), and customer satisfaction (mean = 3.80). These findings align with the Resource-Based View (RBV) theory, which posits that human capital is a critical resource for achieving competitive advantage. By attracting and retaining high-quality talent, BoA can enhance its operational efficiency, customer service, and financial performance.

Additionally, the study highlighted the role of recruitment in improving employee productivity (mean = 3.67), engagement (mean = 3.68), and retention (mean = 3.65). These outcomes are consistent with the Talent Management Theory, which emphasizes the importance of aligning recruitment practices with organizational goals to maximize employee potential and performance. The multiple regression analysis result confirms that effective selection and recruitment, candidate quality and suitability, and alignment with strategic objectives positively impact organizational performance. The strongest effect is from recruitment and Selection ($\beta = 0.410$), followed by alignment ($\beta = 0.255$) and candidate quality and suitability ($\beta = 0.184$).

Selection and recruitment in BoA has positive influence on customer service efficiency and internal processes, Supporting theories such as the service profit chain. High quality employees contributes to better service and operational outcomes.

The result indicates that high-quality recruitment in BoA enhances employee performance, productivity, and engagement. Additionally, it fosters innovation, reflecting the importance of

aligning recruitment with organizational goals and leveraging human capital effectively.

5.3. Recommendation:

To enhance organizational performance based on the study's findings, the following recommendations are proposed:

1. Enhance Feedback Mechanisms

- ✓ **Structured Feedback System:** Implementing a standardized feedback process could ensure that all candidates, including those not selected, receive clear, constructive, and timely feedback. This would enhance candidate satisfaction, transparency, and the bank's credibility as an employer.
- ✓ **Automated Feedback Mechanisms:** Integrating AI-driven tools for automatic generation of personalized feedback could help streamline the feedback process, facilitating timely communication while reducing administrative burdens.
- ✓ **Training for Hiring Managers:** Offering training to hiring managers and recruiters in providing constructive and motivational feedback could improve the candidate experience. Studies suggest that professional feedback helps to create a more positive recruitment experience (Kwapong, 2017).

These strategies may enhance the candidate experience, improve the employer brand, and increase the likelihood of attracting high-quality candidates in future recruitment cycles.

2. Refine Selection Criteria

- ✓ **Job Analysis and Competency Mapping:** Regular job analyses could help create clear and precise competency frameworks for each role. Aligning these frameworks with evolving strategic goals and market trends would ensure job descriptions remain relevant and accurate.
- ✓ **Behavioral and Skills-Based Assessments:** Incorporating structured, skills-based assessments—such as case studies and role-playing exercises—could provide more accurate evaluations of candidates' job-relevant skills and behaviors, improving the quality of selection decisions.
- ✓ **Bias Mitigation:** Implementing blind recruitment techniques (e.g., anonymized resumes) and diverse hiring panels could reduce unconscious bias, ensuring a fairer and more objective selection process (Ekwoaba et al., 2015).

These measures could lead to more accurate and relevant hiring decisions, improving the alignment between candidates' capabilities and job demands, ultimately enhancing employee performance and organizational success.

3. Strengthen Strategic Alignment

- ✓ **Talent Forecasting and Strategic Workforce Planning:** Engaging in talent forecasting, in collaboration with department heads, could help predict future skill requirements, particularly in emerging areas like digital banking, artificial intelligence, and other innovative banking technologies. This proactive approach would help identify candidates with the skills necessary to drive BoA's long-term strategic goals.
- ✓ **Integration with Corporate Strategy:** Aligning recruitment practices with BoA's broader corporate strategy would ensure that hiring decisions meet both current and future organizational needs, supporting growth, digital transformation, and innovation.
- ✓ **KPIs for Strategic Hiring:** Establishing key performance indicators (KPIs)—such as time-to-fill critical roles and retention of strategic hires—could help evaluate the effectiveness of recruitment efforts in supporting the bank's long-term strategic goals.

Strengthening this alignment could result in a workforce better equipped to contribute to the bank's long-term growth, innovation, and competitive position in the market.

4. Invest in Recruitment Technologies

- ✓ **AI-Powered Screening and Selection Tools:** Integrating AI-powered tools, such as Pymetrics, HireVue, and ZAPinfo, could automate candidate screening and support data-driven selection decisions. These tools could help filter candidates more efficiently, ensuring that only the most qualified individuals proceed through the recruitment process.
- ✓ **Video Interviewing Platforms:** Implementing video interviewing platforms (e.g., Zoom or SparkHire) could help reduce logistical barriers, improve recruitment speed, and provide a more flexible and candidate-friendly experience.
- ✓ **HR Analytics:** Adopting HR analytics tools (e.g., LinkedIn Talent Insights, Hireology) would enable BoA to evaluate the effectiveness of recruitment channels, optimize hiring budgets, and track trends in candidate sourcing, improving overall recruitment efficiency.

By embracing advanced recruitment technologies, BoA could reduce operational costs, speed up hiring processes, and improve hiring accuracy, enhancing its ability to attract top talent in a

competitive market.

5. Focus on Employer Branding

- ✓ **Defining and Promoting the Employee Value Proposition (EVP):** Clearly defining BoA's Employee Value Proposition (EVP), emphasizing career development, work-life balance, and corporate culture, could help the bank stand out. Promoting this EVP on digital platforms like LinkedIn, Glassdoor, and job portals could position BoA as an employer of choice.
- ✓ **Employee Advocacy:** Encouraging current employees to advocate for BoA by sharing positive workplace experiences on social media and online platforms could boost the bank's reputation and attract candidates who resonate with its values and culture.
- ✓ **Targeted Campus Recruitment:** Initiating targeted campus recruitment programs, such as internships and graduate development programs in collaboration with top universities, could help build a strong talent pipeline and promote BoA's employer brand early on.

5.3.1. Recommendations for Further Studies

To build on the findings of this analysis and deepen our understanding of recruitment and selection practices and their impact on organizational performance, several areas warrant further research. Longitudinal studies are needed to track the long-term effects of these practices on employee performance and organizational outcomes, helping to reveal how these impacts evolve over time. Comparative studies across different industries and regions could offer valuable insights into best practices and industry-specific challenges, while in-depth qualitative research involving interviews and focus groups with employees and hiring managers could uncover nuanced perspectives on recruitment processes.

Additionally, investigating the impact of specific recruitment metrics, such as cost-per-hire and time-to-fill, as well as exploring predictive analytics for forecasting the effects of various recruitment strategies, could refine our understanding of recruitment effectiveness. The role of emerging recruitment technologies, including AI and machine learning, should also be examined to determine how these tools influence candidate quality, efficiency, and overall organizational performance.

References

- Abdalla Hamza, P., Jabbar Othman, B., Gardi, B., Sorguli, S., Mahmood Aziz, H., Ali Ahmed, S., Sabir, B. Y., Ismael, N. B., Ali, B. J., & Anwar, G. (2021). Recruitment and selection: The relationship between recruitment and selection with organizational performance. Retrieved from <https://papers.ssrn.com>
- Alsabbah, M. Y., & Ibrahim, H. I. (2013). Recruitment and selection process and employee competence outcome: An important area for future research. *Human Resource Management Research*, 3(3), 82-90.
- Anderson, N., Born, M., & Cunningham-Snell, N. (2002). Recruitment and selection: Applicant perspectives and outcomes. *Journal Name*.
- Anyango, E., Walter, O. B., & Muya, J. (2018). Effects of recruitment and selection criteria on organizational performance at Kisii University, Kenya. *International Journal of Social Sciences and Information Technology*, 4(10), 271-282.
- Bakhashwain, S. A., & Javed, U. (2021). The impact of recruitment and selection practices on employee performance. *PalArch's Journal of Archaeology of Egypt/Egyptology*, 18(14), 251-260.
- Bako, Y. A., & Aladelusi, K. B. (2017). Recruitment and selection procedures and their relative effectiveness on employees' performance in the hospitality industry in Ogun State. *International Journal of the Guild of Contemporary Academic Researchers (IJGOCAR)*, 2(2), 55-62.
- Chen, C. J., & Huang, J. W. (2009). Strategic human resource practices and innovation performance — The mediating role of knowledge management capacity. *Journal of Business Research*, 62(1), 104-114.
- Ekwoaba, J. O., Ikeije, U. U., & Ufoma, N. (2015). The impact of recruitment and selection criteria on organizational performance. Retrieved from <http://ir.unilag.edu.ng>
- Fitri, R. L., Handaru, A. W., & Yohana, C. (2021). The effect of recruitment, selection, and placement on employee performance. *The International Journal of Social Sciences World (TIJOSSW)*, 3(2), 90-97.
- Gamage, A. S. (2014). Recruitment and selection practices in manufacturing SMEs in Japan: An analysis of the link with business performance. *Ruhuna Journal of Management and Finance*, 1(1), 37-52.
- Gill, D. S. (2007). Employee selection and work engagement: Do recruitment and selection practices influence work engagement? Kansas State University.
- Guest, D. E. (2002). Human resource management, corporate performance and employee well-being: Building the worker into HRM. *Journal of Industrial Relations*, 44(3), 335-358.

- Kok, J. (2003). Human resource management within small and medium-sized enterprises. *International Small Business Journal*, 21(1), 32-52.
- Kumari, N., & Malhotra, R. (2013). A study of the recruitment and selection process: SMC Global. *ZENITH International Journal of Multidisciplinary Research*, 3(2), 244-254.
- Leisink, P., & Steijn, B. (2008). Recruitment, attraction, and selection. In *Motivation in Public Management: The Call of Public Service* (pp. 118-135).
- Lorg, D., et al. (2013). The influence of HRM practices on employee performance: A case study of Debre Brehan University. *Journal of Human Resource Management*, 5(3), 45-55.
- Marquez, P. (2007). The Role of HR in the Recruitment Process. *Journal of Human Resources in Hospitality & Tourism*, 6(3), 19-31.
- Nabi, G., Wei, S., Husheng, X., Shabbir, M., Altaf, M., & Zhao, S. (2014). Effective recruitment and selection procedures: An analytical study based on public sector universities of Pakistan. *Public Policy and Administration Research*, 4(10), 12-20.
- Newell, S. (2005). Recruitment and selection. In *Managing Human Resources: Personnel Management in Transition* (pp. 115-147).
- Qureshi, M. T., & Ramay, M. I. (2006). Impact of Human Resource Management Practices on Organizational Performance in Pakistan. *Journal of Business & Policy Research*, 1(1), 128-138.
- Saddam, A. K., & Abu Mansor, N. N. (2015). The role of recruitment and selection practices in the organizational performance of Iraqi oil and gas sector: A brief literature review. *Review of European Studies*, 7(11), 348.
- Tessema, M. T., & Soeters, J. L. (2006). Challenges and prospects of HRM in developing countries: Testing the HRM-performance link in the Eritrean civil service. *International Journal of Human Resource Management*, 17(1), 86-105.
- Tangthong, S., Trimetsoontorn, J., & Rojniruntikul, N. (2014). HRM practices and employee retention in Thailand—A literature review. *International Journal of Trade, Economics and Finance*, 5(2), 162-166.
- Wright, P. M., Gardner, T. M., & Moynihan, L. M. (2003). The impact of HR practices on the performance of business units. *Human Resource Management Journal*, 13(3), 21-36.



College of Business and Economics Department of Accounting and Finance

I am a Postgraduate student at Addis Ababa University College of Business & Economics undertaking Accounting Finance masters degree. My research topic is "Impact of selection and recruitment on organizational performance at Boa. In order to carry out the research you are therefore kindly requested to assist in providing statistics on selection and recruitment on organizational performance. The information you provide will be treated in strict confidence and is purely for academic purposes. Your name will not appear in the final research paper as confidentiality is highly regarded. Your assistance and cooperation will be highly appreciated.

Yours sincerely,
Mekides Yenealem

Appendixes

Appendix I: Questionnaire

Section A: General Information

1. Gender: Male Female
2. Age: A. below 25 B. 26-39 C. 40-50 E. >50
3. Marital status A. Single B. Married C, Divorced D. Widowed E. Other _____
4. Number of years working in Boa?
 A. Less than 2year C. 5 up to 10 years
 B. 2 up to 5 years D. >10years

Appendix II: Questionnaire

Section B: Employee Selection and Recruitment

This section is about employee selection and recruitment that your organization adopts to get the best talent. For each of the statements, please use the scale given below to indicate your level of agreement on a scale of 1-5 where 5-Strongly agree, 4-Agree, 3- Neutral, 2-Disagree and 1-Strongly Disagree

	Items	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
Recruitment and Selection Effectiveness						
1	The job advertisements in BoA clearly describe the roles and responsibilities.					
2	The channels used for job postings in BoA effectively reach qualified candidates.					
3	The recruitment process in BoA attracts a diverse pool of candidates.					
4	The bank's employer brand is appealing to job seekers.					
5	The recruitment process of the bank is cost-effective.					
6	The selection criteria in BoA are clear and relevant to the job.					
7	The selection process of BoA is fair					

	and unbiased.					
8	The selection process of the bank includes appropriate assessments and tests.					
9	In BoA the feedback provided to candidates is timely and constructive.					
10	The selection process of the bank ensures that the best candidates are chosen.					
11	I am satisfied with the overall recruitment and selection process in BoA.					
12	The recruitment and selection process of the bank meets the organization's staffing needs					

Alignment of selection and recruitment practices with strategic objectives

1	The recruitment process of BoA attracts candidates with skills that align with our strategic goals.					
2	The selection criteria in the bank are designed to identify candidates who can contribute to the organization's long-term success.					
3	The recruitment and selection practices support the organization's innovation and growth strategies.					
4	Our recruitment practices are aligned with the bank's diversity and inclusion objectives.					
5	The selection process ensures that new hires fit well with the organizational culture and values.					
6	The selection process is flexible and adaptable to changes in the organization's strategic direction.					
7	The recruitment and selection practices in BoA help to build a workforce capable of executing the organization's strategic initiatives.					
8	The recruitment and selection practice in BoA helps to maintain a					

	competitive advantage in our bank					
9	I believe our recruitment and selection practices are well-integrated with the bank's strategic planning process.					
10	The recruitment and selection practice in BoA supports the organization's overall business strategy.					
11	The recruitment and selection practice in BoA helps to achieve the organization's long-term goals.					
Candidate Quality and Suitability						
1	The hired candidate in the bank possesses the necessary skills and qualifications for the role.					
2	The candidate's skills and abilities are well-suited to the demands of the role.					
3	The candidate exhibits values and attitudes that align with our organization's culture.					
4	The candidate has integrated well into the team and organizational environment of BoA.					
5	The candidate's communication and interpersonal skills contribute positively to team dynamics.					
6	The candidate consistently meets or exceeds performance expectations.					
7	The candidate effectively manages their time and workload.					
8	The candidate's contributions have positively impacted team performance.					
9	The candidate shows potential for future growth and development within the organization.					
10	The candidate has the ability to take					

	on more responsibilities in the future.					
11	I am satisfied with the overall quality and suitability of candidates hired through our selection processes.					
12	The selection processes effectively identify candidates who are a good fit for the organization.					

Section C: Organizational Performance

This questionnaire will help to assess the impact of effective recruitment and selection practices on various dimensions of organizational performance at BoA.. For each of the statements, please use the scale given below to indicate your level of agreement on a scale of 1-5 where 5-Strongly agree, 4-Agree, 3- Neutral, 2-Disagree and 1-Strongly Disagree

	Items	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
1	Effective recruitment and selection practices have contributed to increased profitability					
2	The quality of hires has positively impacted revenue growth.					
3	Recruiting the right talent has improved return on investment (ROI) for major projects.					
4	Effective selection processes have led to better cost efficiency.					
5	Recruitment of skilled employees has optimized operational processes and workflows					
6	Selecting competent staff has reduced turnaround time for processing transactions.					

7	Effective hiring practices have enhanced the efficiency of customer service operations.					
8	The overall effectiveness of internal processes has improved due to better recruitment.					
9	High-quality recruitment has led to employee's consistently meeting performance targets.					
10	Recruitment and selection practices have positively influenced employee productivity.					
11	Effective selection processes have resulted in higher employee engagement.					
12	The bank's turnover rates have decreased due to better recruitment practices.					
13	Effective recruitment has improved customer satisfaction levels.					
14	High-quality hires have strengthened customer loyalty.					
15	Customer retention rates have increased due to better recruitment and selection.					
16	Recruitment of innovative talent has led to the introduction of new products and services.					
17	Effective selection processes have facilitated quicker implementation of new technologies.					
18	Hiring adaptable employees has improved the bank's ability to respond to market changes.					
19	Effective recruitment has improved the utilization of human resources.					

20	Better selection practices have led to more effective management of financial resources.					
21	The bank's IT infrastructure efficiency has improved due to killed hires.					
22	Operational processes are more streamlined due to competent recruitment.					
23	Effective hiring has helped in better control of operational costs.					
24	Waste minimization practices have improved due to effective recruitment.					
25	The bank consistently meets its key performance indicators (KPIs) due to high-quality recruitment.					

