THE PROCESS OF RECRUITMENT AND SELECTION IN A DEVELOPING COUNTRY: CASE STUDY OF A BANK IN BANGLADESH

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Abstract

The objectives of the study are to assess and evaluate its existing recruitment and selection methods and provide some suggestions that can help Basic Bank in future for utilizing human resources as a distinctive competency. Basic Bank is one of the significant public sector employers in Bangladesh, which needs a large number of qualified, high potential and committed staff to attain the organization’s goals effectively. The result of the study shows that Basic Bank discourages the employee referral based recruitment process and it relies more on external sources of recruitment. It is also found that this bank has an extensive selection process consisting of CV screening, employment tests, interviews and background checks. At the end of the study some suggestions are made to review the recruitment and selection policies of Basic Bank that will lead to higher employee retention and improved organizational performance.

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INTRODUCTION

An effective approach to recruitment and selection can help an organization to maximize the competitive advantages by choosing the best pool of candidates quickly and cost efficiently (Kleiman, 2005). But successful recruitment and selection can be costly and time-consuming. Still, recruitment and selection is crucial for a business, because unsuccessful recruitment and selection can be responsible for the failure of the business (Ahmed, Tabassum & Hossain, 2006).

Thus the goal of a recruitment and selection program is to attract highly qualified candidates and ensure person-job fit (Fisher, Schoenfeldt & Shaw, 2004; Kleiman, 2005; Mathis & Jackson, 2005). Attracting highly qualified and skilled employees is important, as Holt (1993) mentioned that a well-motivated and skilled workforce is crucial for an organization to compete effectively both in national and global markets. Khan (2008) emphasized the importance of the selection process by stating that mismatch between the candidate and job can cost an organization a great deal of money, time and energy. That’s why Becker and Gerhart (1996) found growing empirical evidence linking HRM activities and organizational performance, as human resources are the most valuable resource for the successful functioning of an organization (Khan, 2008).

With this background, the present case study attempts to explore the recruitment and selection process of Basic Bank, a national public sector bank in Bangladesh. First, the study provides a description of the current recruitment and selection process of Basic Bank. Second, it makes a critical analysis of the existing recruitment and selection process followed by some future recommendations.

One of the essential characteristics of using the case study approach is that it focuses on ‘one instance of the thing that is to be investigated’ (Denscombe, 1998). The advantage of the case study over other methods is that it attempts to be comprehensive, and involves the researcher in describing and analyzing the full notes and results. Apart from generalizations, other criticisms can be that the case study method is a less rigorous form of inquiry, based on the accumulation of information and there is a lack of discipline in what Smith (1991) described as the logically weakest method of knowing. According to Mitchell (1999), the basic problem in the use of case material is theoretical analysis. Case studies can do a whole variety of things. Indeed, Bonoma (1985) argues that case studies prove valuable in situations where existing knowledge is limited, often providing in-depth contextual information, which may result in a superior level of understanding. Furthermore, case studies prove advantageous when the focus of the study is not typicality but the unusual, unexpected, covert or illicit (Hartley, 1994). The objective of this study is achieved through one single case study which provides both depth and reliability (see, for example, Harris & Ogbonna, 1998; Marchington & Harrison, 1991). This case study is selected for a number of reasons, data accessibility, an establishment organization, size and contribution in the sector and so on. It is said that a single case study is not enough for research. However, a single case study can provide an in-depth
understanding of the research area (see, for example, Dholakia & Quader, 2005; Mellahi et al, 2002).

RECRUITMENT AND SELECTION

Recruitment is the process by which organizations locate and attract individuals to fill job vacancies (Fisher, Schoenfeldt & Shaw, 2004; Kleiman, 2005). According to Khan (2008), recruitment means informing the market that new people are going to be appointed, which can be done through publicity and advertisement. The primary purpose of recruiting is identifying and attracting potential employees (Noe, Hollenbeck, Gerhart & Wright, 2006).

On the other hand, selection is the process by which companies decide who will or will not be allowed into organizations (Noe et al, 2006). According to Khan (2008), the objective of selection is to pick the right candidate(s) who meet the requirements of the job and the organization best. Mathis and Jackson (2005) pointed out that it ensures the person-job and person-organization fit. That’s why Fisher, Schoenfeldt and Shaw (2004) mentioned that a good employee selection system can add to overall effectiveness of the organization.

RESEARCHES ON RECRUITMENT AND SELECTION

Breaugh and Starke (2000) found that the amount of research on recruitment topics has increased significantly in the last four decades. Hiltrop (1996) found that employee recruitment and selection have a statistically significant impact on employee outcomes. In his research, Huselid (1995) mentioned about different researchers who have signified the recruitment and selection practices as ‘high performance work practices’ which could improve employee motivation and retention. According to Singh and Finn (2003), an organization’s ability to attract and retain capable employees can be the most important determinant of organizational effectiveness because recruitment plays a significant role in enhancing organizational survival and success in competitive and turbulent business environments.

Very few researches are found on employee recruitment and selection in the context of Bangladesh. Many researchers have explored and analyzed the importance of HRM practices in terms of the public and private sector organizations (Roknuzzaman, 2007; Zafarullah & Khan, 2006; Ahmed, Tabassum & Hossain, 2006). Roknuzzaman (2007) surveyed on the employees of the public university libraries to identify the relationship between staff selection and recruitment and job satisfaction. Whereas, Zafarullah and Khan (2006) argued about the basis of recruitment and selection policies in the Bangladesh Civil Service. Newaz, Ali and Akhter (2007) suggested that the private sector banks of Bangladesh should create job positions such as managers for recruitment and retention to attract highly qualified candidates. Mahmood and Chowdhury (2009) analyzed the recruitment and selection practices of four multinational subsidiaries in Bangladesh and found that none of the organizations focused on local educational qualifications, and there is a political influence on the recruitment and selection process of business organizations.
in Bangladesh. Mahmood (2005) signifies how power and politics influence the recruitment process in the public sector organizations. Qureshi (1994) interviewed some managers and academics to identify the existing entry practices in South Asian organizations including Bangladesh.

**RESEARCH METHODOLOGY**

The nature of this research article is case study based. Basic Bank does have a separate Human Resource (HR) department, which conducts all the recruitment and selection activities. Interviewing the managers and executives of the HR department of Basic Bank has provided the primary sources of information. The interviews were conducted by using questionnaires that consist of views and opinions of those particular people, which might raise the question of bias. In some cases some of them were not able to provide concrete facts or figures. In this case some assumptions had to be made. Furthermore, company brochures, documents, and the company website were the secondary sources of data. Due to time constraints it was not possible to conduct extensive interviews and surveys which could make the research paper more informative. Case study is the ‘fact’ of any particular issue, the contents of which require an in-depth focus of the social sciences area to understand its phenomenon on the basis of it being an individual problem (Leedy, 1997). The following diagram shows the sequential steps of the present study.

**THE PRESENT RECRUITMENT AND SELECTION PROCESS OF BASIC BANK**

In today’s competitive business world it is very difficult to survive without highly qualified manpower. It is obvious that successful recruitment and selection will be expensive and time-consuming. But unsuccessful recruitment and selection can be a cause of the death of the business. As an employer, Basic Bank also has certain prac-
Strategic Approach to Recruiting

A strategic approach to recruiting becomes more important as labor markets shift and become more competitive (Mathis & Jackson, 2005). An initial and basic decision is whether recruiting will be done by HR staff or other organizational employees or not. BASIC Bank follows the organizational based approach for most of the recruiting activities. Selecting the source of recruitment, preparing and placing the advertisements, all these are the responsibilities of the employees of HR department. They handle all these activities except preparing and conducting the written test, which is outsourced usually by the Bangladesh Institute of Bank Management (BIBM). Outsourcing is a practice where the organization uses an outside organization for certain services. Outsourcing is a logical choice when the organization does not have expertise or it does not want to invest time and energy (Noe et al, 2006).

Internal Sources of Recruitment

According to Khan (2008), existing employees of an organization provide the internal sources. At Basic Bank, promotion, transfer and job postings are sometimes used for recruiting people internally. Employee referral is another source of internal recruitment which is not used in Basic Bank now.

Promotion

The most important source of filling vacancies from within is through promotions. Promotion involves movement of employees from a lower level position to a higher level position accompanied by changes in authority, duties, responsibilities, status and remuneration (Khan, 2008). In this case, Basic Bank has some specific criteria for promoting an employee. If there is any vacancy and then all those employees having all the qualifications of the senior level post can apply for the job. Obviously each employee can get this opportunity for higher status, remuneration, job facilities with vital responsibilities through a formal interview.

Transfer

Basic Bank also practices this method of internal recruitment through transferring the employees from one department to another without changing status and remuneration. As Khan (2008) mentioned, transfer is a lateral movement within the same grade, from one job to another without any change in remuneration. Generally, after 3 to 5
years, an employee is transferred from one department to another. Basic Bank uses this transfer method for several reasons such as,
- to create motivation and to remove monotony from the job.
- to keep an employee interested in his or her main responsibilities.
- to secure its business operation by removing dishonest activity in a particular department.
- keep balance in a particular department by transferring experienced employees to another department, when a department is filled by a greater number of new employees.

**Job Posting**

Basic Bank also utilizes the benefits of internal recruitment by posting the job internally. Job posting is a system of providing notices of job openings and employees respond to by applying (Mathis & Jackson, 2005). When a new job position is created, HR department of Basic Bank informs the other departments and branches through phone and sometimes by giving a formal letter.

**External Sources of Recruitment**

Basic Bank mostly utilizes the external sources of recruitment such as advertisements in newspapers and websites. When an organization desires to communicate to the public that it has a vacancy, advertisement is one of the most popular methods used (Khan, 2008). The media of advertisement often depends on the type of the job. Basic Bank gives job advertisements only in reputable daily newspapers. In the case of internet advertisements, Basic Bank does not use any job board, even though job boards are getting popular increasingly among the employers.

**Newspaper Advertisement**

To draw the right candidates, Basic Bank HR unit publishes their advertisement for several positions in national daily newspapers, such as, Prothom Alo, Ittefaq, etc.

**Website Advertisement**

Basic Bank, like many employers has found its own website to be more effective and efficient for recruiting employees. The job seekers are encouraged to e-mail their resume or complete online applications on the website of Basic Bank that is, www.basicbanklimited.com.

**Recruitment and Selection Responsibility**

To complete the responsibility of hiring human resources, Basic Bank HR unit has established four recruitment and selection committees.

**Committee-1:** This committee consists of the Managing director, and board members who are directors of Basic Bank. This committee is established basically for recruiting or filling positions for Managing director (M.D) and Deputy Managing Directors.

**Committee-2:** This committee consists of the General Managers, Managing director, members from the ministry and Bangladesh Bank. This committee is established for recruiting or filling mid-level positions, such as General Manager (G.M), Deputy General Manager (D.G.M), Assistant General Manager (A.G.M), Manager
and Deputy Manager (D.M).

Committee-3: This committee consists of the General Manager, Managing director and particular members from the ministry and Bangladesh Bank for recruiting entry-level positions, such as, Assistant Manager, Officer, and Assistant officer.

Committee-4: This committee consists of the General Managers from all departments of Basic Bank for recruiting applicants who come through internal references. This committee is inactive now as applicants are not allowed to come through internal references now.

**Selection Process**

Some organizations may give importance to various tests, while others may emphasize interviews and reference checks. Similarly a single brief selection interview might be enough for applicants for lower level positions, while applicants for managerial jobs might be interviewed by a number of experts. Basic Bank gives emphasis to both tests and interviews and the HR unit of Basic Bank has different selection committees for applicants to fill both the lower level and higher level positions. The typical selection process of Basic Bank is outlined here.

![Figure 2: The Selection Process of Basic Bank. Adapted from, Khan (2008, pp.104).](image-url)
Reception of CV and Applications: An organization is known by the people it employs. In order to attract people with the required education, intelligence, skills and experience, Basic Bank creates a favorable impression on the applicants’ right from the stage at Reception. People at the Reception desk/counter are tactful and able to extend help in a friendly and courteous manner. The Employment prospectus is presented honestly and clearly, by the HR employees of the bank. The applicants can submit their applications by mail, by physically appearing at the Head office, or by filling the application form online.

CV Screening: This is a pre-screening technique by which Basic Bank eliminates the applications who do not fulfill the requirements of the job. After this screening the applicants are invited for tests.

Employment Tests: Generally the employment tests are aimed at predicting future success in a particular job (Khan, 2008). A variety of tests are used as selection tools. Basic Bank combines intelligence tests and aptitude tests in the form of written tests for selection. An Intelligence test is a measure of the individual’s capacity in terms of reasoning, manipulation, vocabulary, verbal comprehension, etc. This test is used to eliminate candidates who are insufficiently intelligent for successful job performance (Khan, 2008). On the other hand, aptitude tests measure the individual’s latent ability to learn a job if he/she is given adequate training. It is required in order to determine the candidate’s ability for effective job performance after the completion of the training period (Khan, 2008).

The content of written test questions vary based on the job positions and source of recruitment. Generally the written test consists of two parts; Multiple Choice Questions (MCQ) part and Descriptive/Comprehensive written part. For the entry-level job positions, the MCQ part combines questions on general knowledge, analytical problems or critical reasoning, grammatical rules and translations, and mathematical problems. The descriptive/comprehensive written part contains the following questions; a topic is given and an applicant has to show logic in favor or disfavor, a topic is given and an applicant has to describe it in 200 words, mathematical problems, an application or letter on a given subject, reading comprehension, translation of sentences from Bengali to English and English to Bengali. For the mid-level job positions, the test contains almost the same contents with addition of some questions regarding the banking sector, general banking functions, sometimes specialized banking functions based on the job description.

Interviews: Interviews are oral examinations of candidates for employment (Khan, 2008). Basic Bank arranges different types of interviews based on the job position. Generally structured interviews are conducted for both the entry and mid-level job positions. Structured interviews use a set of standardized questions asked of all job applicants (Mathis & Jackson, 2005). In the case of entry-level job positions the applicants are asked some general questions, questions on academic background, current national and global issues, problem-solving questions (categorized as behavioral and situational interviews), etc. For the mid-level job positions the applicants are asked some additional questions based on the job description. In the case of the top-level job
positions, the applicants are asked some more questions to identify their in-depth knowledge of industrial policy, fiscal policy, banking policy, strategic planning, etc. A sample of the interview questions is provided. All the interviews are conducted by the respective recruitment and selection committee.

<table>
<thead>
<tr>
<th>Interview questions for Entry-level job positions</th>
<th>Interview questions for Mid-level &amp; Top-level job positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>General questions:</td>
<td>In addition to the general questions:</td>
</tr>
<tr>
<td>- What are your strengths and weaknesses?</td>
<td>- Questions to identify the depth of knowledge about “Industrial Policy”, “Government Policy” and “Banking policy”.</td>
</tr>
<tr>
<td>- Explain the reason for coming to the banking sector.</td>
<td>- To compete with the market, what type of approach will you take?</td>
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<tr>
<td>- Why have you chosen Basic Bank?</td>
<td>- How do you measure success?</td>
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<tr>
<td>- Why did you leave your last job? (if applicant had any)</td>
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<tr>
<td>Questions on academic background</td>
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<tr>
<td>Questions about current national and global issues</td>
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<td>Problem solving questions</td>
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**Background and Reference Check:**

After interviews Basic Bank verifies the background and references of the selected candidates. If everything goes fine then the selected candidates are given placement in the bank. After placement the candidates are told to submit the medical/physical examination certificate to fulfill the formality of the selection process.

**Table 1: Sample of interview questions**

<table>
<thead>
<tr>
<th>ASSISTANT OFFICER</th>
<th>ASSISTANT MANAGER</th>
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<tbody>
<tr>
<td>More than 9,000 applied</td>
<td>More than 6,500 applied</td>
</tr>
<tr>
<td>After CV screening 9,000 were invited for written test</td>
<td>After CV screening 6,500 were invited for written test</td>
</tr>
<tr>
<td>After written test 77 were called for interview</td>
<td>After written test 300 were called for interview</td>
</tr>
<tr>
<td>Finally 25 were selected and given placement</td>
<td>Finally 30 were selected and given placement</td>
</tr>
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**Figure 3: Selection Process of Basic Bank for Assistant Officer & Assistant Manager**
Results & Discussions

In 2009, Basic Bank had 40 vacancies for the Assistant Officer and 50 vacancies for Assistant Manager job positions. After recruitment more than 9,000 candidates applied for Assistant Officer, and more than 6,500 applied for Assistant Manager position. Finally, 25 applicants and 50 applicants were given placement as Assistant Officer and Assistant Manager respectively.

For the job position of Assistant Officer, more than 360 candidates competed for one job position, as the ratio between the job position and applicants was 1:360. In the case of the Assistant Manager this ratio was 1:130. Only 1% of the total applicants was discarded by CV screening, for both of the positions. By written test 99.15% and 95.4% of the applicants were eliminated, in the case of Assistant Officer and the Assistant Manager positions respectively. In the next step of selection, around 68% and 83% of the applicants were eliminated for the Assistant Officer and the Assistant Manager positions respectively, through structured interviews.

In case of recruitment, Basic Bank gives more emphasize on external recruitment. External recruitment is expensive and time consuming (Khan, 2008; Kleiman, 2005; Fisher, Schoenfeldt & Shaw, 2004). Moreover, external recruitment can be demotivating for the existing employees and it can cause serious employee morale problems (Khan, 2008; Mathis & Jackson, 2005). There is also the risk of hiring a candidate who does not fit with the job or the organization when compared to the apparent high potential displayed during the selection process (Mathis & Jackson, 2005; Fisher, Schoenfeldt & Shaw, 2004). Also Basic Bank is getting the benefits of internal recruitment. In case of internal recruitment qualified candidates can be reached at lower cost and minimal time (Khan, 2008; Kleiman, 2005). This works as a motivator for performance and better assessment of candidate abilities is also possible (Mathis & Jackson, 2005; Fisher, Schoenfeldt & Shaw, 2004).

Basic Bank discourages the employee referral source for recruitment. Some studies have found that new workers recruited through current employee referrals have longer tenure with organizations than those from other recruiting sources. Beside a large pool of qualified applicants can be generated at a lower cost (Mathis & Jackson, 2005; Kleiman, 2005).

Basic Bank does not use the job boards for recruitments. Job boards are the websites which provide places for the employers to post jobs or search for candidates. Now lots of large employers in Bangladesh are using job boards, such as, bdjobs.com, prothom-alojobs.net, etc. as these are very useful in terms of generating applicant response, and an organization can also check out the other employers’ requirements and offerings including compensation and benefits (Mathis & Jackson, 2005). Compared to newspaper advertisements this type of recruitment is much faster but it can be quite expensive more than other recruiting methods (Kleiman, 2005).

There are lots of other external recruitment sources rather than newspaper and internet advertisements, which Basic Bank does not consider for attracting candidates. Thus Basic Bank is not fully utilizing the benefits of external recruitment. Campus re-
The Process of Recruitment and Selection in a Developing Country: Case Study of a Bank in Bangladesh

Recruiting, job fairs, employment agencies are such external recruitment sources which can be very effective in terms of Bangladesh. Campus recruiting is a recruiting method in which an organization’s recruiters visit various universities to recruit fresh graduates (Kleiman, 2005). Sometimes the universities can collaborate with the employers to employ the students as interns and part-time employees. Though it can be time consuming and costly, the organizations can generate a large number of young and energetic candidates through campus recruiting (Mathis & Jackson, 2005; Kleiman, 2005). Beside campus recruiting many of the employers now participate in job fairs. Through job fairs the organizations can fill the vacancies quickly (Mathis & Jackson, 2005).

Another formal method of recruiting is to use an employment agency that finds and prescreens applicants, referring those who seem qualified to the organization for further assessment and final selection (Fisher, Schoenfeldt & Shaw, 2004). This type of recruitment is very effective when the organization does not want to put time and effort into recruitment activities.

The newspaper recruitment advertisement of Basic Bank lacks certain information, such as, the key job responsibilities, duties, or tasks, location of the job, starting pay and other benefits, etc. According to Mathis and Jackson (2005), an effective advertisement should contain information regarding the job responsibilities, location of the job, starting pay range, etc.

Basic Bank conducts interviews for selecting the most suitable candidate for both the job and organization. Interviewing is an effective tool for selection as it is done to both obtain additional information and to clarify information gathered throughout the selection process (Mathis & Jackson, 2005). Basic Bank generally conducts structured interviews which is the most effective one as several researches have identified that structured interviews have the highest reliability and validity (Fisher, Schoenfeldt & Shaw, 2004).

There are different types of tests available for using as tools for employee selection, such as, ability test, personality test, honesty/integrity test, etc. Basic Bank applies the ability test only. Through personality tests individual characteristics can be identified that are related to job success across organizations and occupations. Honesty/integrity tests can help an organization to screen out potentially dishonest candidates and decrease the incidence of employee theft (Mathis & Jackson, 2005). So Basic Bank is not getting the advantages of utilizing these tests in the case of employee selection.

CONCLUSION

On the basis of the findings of the study investigation, the following conclusions can be drawn. As Basic Bank is giving more emphasize on external sources of recruitment, it is getting the freedom of choosing from a wide range of diverse candidates (Mathis & Jackson, 2005). Political forces and personal biases can be eliminated by such recruitment policies (Fisher, Schoenfeldt & Shaw, 2004). But as internal recruitment is less costly and time consuming compared to external recruitment, Basic Bank should try to balance between internal and external recruitment based on the type of the job,
availability of time and financial conditions. To increase the employee retention, Basic Bank can use employee referral for recruitment purpose. Promotion and transfer will ensure the career development focus of Basic Bank and at the same time it will help to improve the employee morale (Mathis & Jackson, 2005). Using more external sources, such as, job boards, campus recruiting, job fairs, and employment agencies will provide Basic Bank with a wider range of options for selection. Though internet recruiting may generate some qualified applicants and can be expensive (Mathis & Jackson, 2005; Kleiman, 2005), this method is becoming increasing popular as it can save a significant amount of time. As Basic Bank largely emphasizes on advertisements for employee recruitment, the content of advertisements should be designed carefully so that they can attract the right candidates for the right job. Beside Basic Bank can use creative recruiting techniques for attracting highly qualified candidates like other employers. Adapting more selection tests, such as, personality, honesty/integrity tests beside the ability test will help Basic Bank to select the candidates who are not only fit for the job but also fit for the organization.

Finally, reviewing the current recruitment and selection polices will lead to a competent future for Basic Bank as the objective of recruitment and selection is to pick up the right candidates who meet the requirements of the job and the organization best. Any mismatch in this regard can cost an organization a great deal of money, time and energy, which will ultimately affect the employee retention and organizational performance.

REFERENCES


