



## Strategic Employee Selection: An Approach for Effective Employees Performance

<sup>1</sup>Neeraj, <sup>2</sup>Shabnam Saxena

<sup>1</sup>Research Scholar

Haryana School of Business Guru Jambheshwar University of Sciences & Technology

Hisar-125001, Haryana, India

Email Id: neerajnehra94@gmail.com

<sup>2</sup>Haryana School of Business

Guru Jambheshwar University of Sciences & Technology Hisar-125001, Haryana, India

Email Id: shabnamsaxena@gmail.com

### Abstract

The purpose of the study is to examine the relationship between strategic employee selection and employees performance. Stratified random sampling technique has been used to collect data from 260 employees of 13 banks in the state of Haryana. Two selection processes – selection interview and employment test were regressed on employees performance. A self administered questionnaire was used as a tool for data collection. Questionnaire items were set on five point likert scale for measuring variables. IBM SPSS 26.0 software has been used for descriptive statistics and multiple regression analysis. The outcome of the study supports that strategic employee selection process has positive and significant relationship with employee performance. The outcome bridges the gap that exists in employee performance literature. The study suggests that organisations should attract best talent needed to enhance employee performance to achieve organizational excellence.

**Keywords-** Employee selection, employee performance, employee turnover, interview, and employment test.

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### Introduction-

For organizations to survive and succeed in the global economy, employers must practice and promote selection of employees in best way. The survival and success of an organization is directly related to the performance of employees working in that organization. Selection plays an important role in shaping effectiveness and performance of an organization. To achieve continuous success in competitive environment, organization should select candidates who already possess relevant skills, knowledge and aptitude, and flexible to learn or acquire new technologies (Darkosh, 2014). Selection procedure involves development of selection policies and evaluation of capable employees in terms of job specifications. Selection process includes making blanks, tests, interview techniques, evaluation and selection of candidates in terms of job satisfaction. Selection is an important function of human resource management, it is designed to achieve employer and employee's strategic goals (Rajyalaxmi, 2023). Purpose of selection is to fill vacant position in an organization by identifying most suitable and appropriate candidate. It is a task of prediction. Selection involves screening and sorting of candidates with high qualification, knowledge, skills and potential. Selection process differs from job to job, department to department, organization to organization. Organizations follow proper procedure to increase likelihood of selection of candidates who possess the required skills. Selection involves different techniques to choose capable and

qualified candidates (Otto et al., 2018). Selection techniques ensure the probability of choosing the right candidates and it is a fact that right candidates as per job specification will enhance organizational efficiency and productivity. Selection is a hiring process where employers choose best candidates amongst a large pool of candidates by gathering the different information about them as to compare their capabilities for required positions. For selection process interviews, reference check, supervisor approvals, online interview and physical examinations are commonly used. Comprehensive selection practices would eliminate the theory of garbage-in and garbage-out (Abbas et al., 2021).

Nowadays, banks are facing hazards like high employee turnover, liquidation, merger and acquisition in the absence of comprehensive and virtuous selection processes. Employee turnover rate specifically in private banks is around 25% (Economic Times Retrieved on Dec 29, 2024). To reduce employee turnover, employee selection plays important role to make sure to select best skilled and developed employees for banks. Banks must improve their policies to select more efficient employees (Ogunsola et. al., 2023). The current study used to highlight the effect of strategic employee selection on employees performance to refresh understanding on this topic for researchers. Hence, the following two hypotheses were formulated:

H<sub>1</sub>: Selection interview relates positively with employees performance.

H<sub>2</sub>: Employment test relates positively with employees performance.

### **Review of literature-**

Selection is a decision of human resource planning regarding requirement of employees as well as criteria of what is required. According to Darkish (2014) selection is a procedure where managers and others use specific techniques to choose candidates from a large pool of applicants or candidates more likely to succeed in his work. Selection is an important part of jobs done by human resource managers. Human resources should be selected carefully because they give competitive edge in the marketplace. Right selection techniques can guarantee that candidates don't only has required skills but also have the right personality suitable for organizational culture. Once a candidate has been employed, an organization has to make sure that right incentives are arranged. According to Rajeshwari and Morigowda (2017) selection is a process where managers secure right information about applicants to check whether the candidates possess right qualification or not for the specific positions. Selection process starts with interview and end with contract of employment. Strategic human resource management includes employing specific and selective selection process to gain optimal profit and success for an organization. A right method to select right candidate for right position helps to reduce cost. For fulfilling selection process it is required to have the ability to identify different roles and jobs required in an organization to meet future goals of growth and production. According to Otoo (2018) the perspective of selection is to recognize best candidates to fill vacant positions in the organization. Here candidates are supposed to qualify the specific requirements regarding job specification. It is a process of trying to choose which candidates will be most deserving for particular job, considering individual differences regarding skills, knowledge and aptitude.

Shantari and Banu (2019) selection theory is mainly focused on the process of variables that are related with environment and psychological mechanism organizations, which is based on the result of human resource practices like working planning. Selection is considered as a central activity of human resource management that helps management for development, acquisition and reward. A right selection practice can help to increase overall organizational effectiveness. However, in recent years strategic human resource management has made organizations to adopt sophisticated selection techniques. Human resource involves line managers encapsulated in the strategic process of selection. In the view of Abbas et al. (2021) selection can be treated as a process where best candidates are selected from a large pool. Selection is a process-oriented task in which various techniques and methods are used to choose the most deserving person from the available candidates. Dhanalakshmi and Sunil (2024) shows that strategic selection improves employee performance. Primary objective of this study is to find common practices used by companies to select candidates and show how they select candidates and how selection process impact organization's operations.

Job interview is the most frequently used technique for employee selection. Either structured or unstructured interviews are used to collect the information about applicants. Unstructured interviews are flexible whereas structured interviews are pre planned. Unstructured interviews are free rein in nature. Structured interviews are easy to compare (Ogunsola et al, 2023).

Employment test is used to check an individual's mental psychological and analytical ability of the candidates. It is a systematic procedure used to compare behaviour of two or more applicants. Employment test is used where large numbers of candidates have applied for the post. It is a technique used to eliminate unsuitable and incompetent candidates. Some common type of employment testsuch as language test, quantitative aptitude, computer knowledge and reasoning ability are used to assess the individual ability (Charles & Florah, 2021).

Businesses are facing global competition thus organizations are being aware of the importance of their employees. Employees are source of competitive advantage for them. Organizations need to focus on the factors that boost employees performance such as motivation, training and development programs. Organizations need to attract efficient and best performing employees and it is also crucial to retain those employees within the organizations. Trained and well-developed employees are assets for the organizations (Dahkoul, 2018).

## **Research Methodology-**

### **Sampling design and sample size**

Stratified random sampling has been employed to collect primary data from various bank employees of Haryana state. Employees from thirteen banks were randomly selected as participants for this study. 260 questionnaires were distributed among bank employees. Twenty employees from each thirteen banks were selected on random basis.  $N = 50 + 8m$  ( $m$ = number of variables) formula is used to consider sample size for this study (Tabachnik & Fidell, 2013). According to this formula, sample size of 260 is considered adequately sufficient for the current study.

### **Instrument for data collection**

A self administered questionnaire is used as a tool for data collection. Questionnaire items were set on five point likert scale (1= Strongly Disagree to 5= Strongly Agree) for measuring variables. The questionnaire is divided into two sections:

Section A: This section includes four statements of demographic profile of the sample. It includes age, qualification, working experience and marital status of the employees.

Section B: This section includes total nineteen statements, out of which twelve statements are of selection process (selection interview and employment test have seven and five statements respectively) and seven statements of employees performance.

### **Data analysis**

Descriptive statistics and multiple regression analysis have been used to analyse the collected data.

### **Results**

Out of 260 questionnaires distributed, six questionnaires were not received. From 254 received questionnaires, eight questionnaires were not suitable due to incomplete responses. Therefore, 246 responses were valid and used for further analysis.

### **Descriptive statistics**

Table 1 shows the descriptive analysis of the study. Table 1 shows that larger proportion of male working in banking sector ( $M = 61.78\%$ ;  $F = 38.21\%$ ). Larger proportion of employees are post graduate (Graduate=  $35.36\%$ , postgraduate=  $63.41\%$ , other=  $1.21\%$ ).

**Table 1: Cross-Tabulation of Descriptive statistics**

	Gender					
	Male	%	Female	%	Total	%
Age (in yrs)						
Below 30	40	16.26	26	10.56	66	26.82
30-40	84	34.14	49	19.91	133	54.06
40-50	27	10.97	17	6.91	44	17.88
Above 50	1	.40	2	.81	3	1.21
Qualifications						
Graduate	54	21.95	33	13.41	87	35.36
Postgraduate	98	39.83	58	23.57	156	63.41
Other	0	0	3	1.21	3	1.21
Working experience (in yrs)						
Below5	46	18.69	33	13.41	79	32.11
6-10	58	23.57	28	11.38	86	34.95
11-15	18	7.31	15	6.09	33	13.41
Above 15	30	12.19	18	7.31	48	19.51
Marital status						
Single	25	10.16	16	6.50	41	16.66
Married	127	51.62	78	31.70	205	83.33

Source: Primary Data

The descriptive statistics of questionnaire shows that the items were normally distributed ( $M = 77.38$ ;  $SD = 11.182$ ) and there no missing items are present in the data. Value of skewness and kurtosis analysis were fell within acceptable range ( $z = \pm 1.86$ ). Cronbach Alpha value is .930, which is above the threshold value. It is used to measure the internal consistency of variables (Table 2).

**Table 2: Mean, Standard deviation, Reliability**

Constructs	Items	Mean	SD	Cronbach Alpha
Selection interview	7	77.38	11.182	.930
Employment test	5			
Employee performance	7			

Source: Primary Data

### Regression analysis

**Table 3: Regression Analysis of Selection Interview and Employees Performance**

INDEPENDENT VARIABLES	MODEL 4 (DEPENDENT VARIABLES:- EMPLOYEES PERFORMANCE)
CONSTANT	2.812
Selection Interview	.327
R	.497
R <sup>2</sup>	.247
ADJUSTED R <sup>2</sup>	.244
F STATISTICS	79.900
T STATISTICS	18.571
N	246

Source: Primary Data

Table 3 depicts the relationship between selection interview and employees performance. The results highlight that selection interview has a positive and significant relationship with employees performance ( $\beta=.327$   $p<.001$ ). ANOVA and t statistics were found significant at 1% percent of significance level. Thirty two percent of the total variance was explained in employees performance by selection interview. The F value is 79.900 at 1% of significance level. Hence selection interview has positive relationship with employees performance. So, the hypothesis ( $H_1$ ), *selection interview relates positively with employees performance is accepted*.

**Table 4: Regression Analysis of Employment Test and Employees Performance**

INDEPENDENT VARIABLES	MODEL 2 (DEPENDENT VARIABLES:- EMPLOYEES PERFORMANCE)
CONSTANT	2.677
Employment Test	.366
R	.487
R <sup>2</sup>	.237
ADJUSTED R <sup>2</sup>	.234
F STATISTICS	75.664
T STATISTICS	15.677
N	246

Source: Primary Data

Table 4 depicts the relationship between employment test and employees performance. The result highlight that strategic employment test has a positive and significant relationship with employees performance ( $\beta=.366$ ,  $p<.001$ ). The ANOVA and t statistics were found significant at 1% per cent of significance level. Twenty three percent of the total variance was explained in employees performance by employment test. The F value is 75.664 at 1% of significance level. So, hypothesis ( $H_2$ ), *employment test relates positively with employees performance is accepted*.

### Conclusion

It is concluded that strategic employee selection has a positive and significant effect on employee performance. Studying how strategic employee selection effect employee performance may have lots of

suggestions for both researcher and organizations in human resource management. The finding concludes that both selection interview and employment test plays important role to enhance employee performance thus they play crucial role for organizational management. Employment test is relatively important to assess employee performance during task related job. Both selection interview and employment test are useful to select a skilled and developed employee for an organization and job fitted employees play essential role to boost employee performance as well as organizational performance.

### Recommendation for future research

Future studies may consider different forms of strategic selection to make strong outcome of this paper. For better understanding it may be beneficial to take large sample.

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