

Employee Selection in Banks of Bangladesh: A Mixed Method Analysis

Ashraf Al Mamun, Ph.D.

Associate Professor & Director (R.D.&C.), BIBM

Mohammad Tazul Islam, Ph.D.

Associate Professor, BIBM

Anila Ali

Lecturer, BIBM

Shakil Ezaz

*Deputy General Manager, Human Resources Department-1
Bangladesh Bank*

Md. Mosharraf Hossain

*Executive Vice President and Head of Human Resources Division
Dutch-Bangla Bank Limited*



RESEARCH MONOGRAPH 57

Employee Selection in Banks of Bangladesh: A Mixed Method Analysis

Ashraf Al Mamun, Ph.D.

*Associate Professor & Director (Research, Development
and Consultancy), BIBM*

Mohammad Tazul Islam, Ph.D.

Associate Professor, BIBM

Anila Ali

Lecturer, BIBM

Shakil Ezaz

*Deputy General Manager, Human Resources Department-1
Bangladesh Bank*

Md. Mosharraf Hossain

*Executive Vice President and Head of Human Resources Division
Dutch-Bangla Bank Limited*



BANGLADESH INSTITUTE OF BANK MANAGEMENT

Mirpur, Dhaka

Employee Selection in Banks of Bangladesh: A Mixed Method Analysis

Research Team	Ashraf Al Mamun, Ph.D. Mohammad Tazul Islam, Ph.D. Anila Ali Shakil Ezaz Md. Mosharraf Hossain
Editors	Prof. Barkat-e-Khuda, Ph.D. <i>Dr. Muzaffer Ahmad Chair Professor, BIBM</i> Ashraf Al Mamun, Ph.D. <i>Associate Professor and Director (Research, Development & Consultancy), BIBM</i>
Associate Editor	Md. Shahid Ullah, Ph.D. <i>Associate Professor, BIBM</i>
Support Team	Md. Al-Mamun Khan, Publications-cum-Public Relations Officer, BIBM Papon Tabassum, Research Officer, BIBM Sk. Md. Azizur Rahman, Research Assistant, BIBM Md. Awalad Hossain, Computer Operator, BIBM Md. Morshadur Rahman, Proof Reader, BIBM
Design & Illustration	Sk. Md. Azizur Rahman, Research Assistant, BIBM
Published in	January, 2022

Published by Bangladesh Institute of Bank Management (BIBM)

Plot No. 4, Main Road No. 1 (South), Section No. 2

Mirpur, Dhaka-1216, Bangladesh.

PABX : 88-02-48032091-4, 88-02-48032097-8

Fax : 88-02-48033495

E-mail : bibmresearch@bibm.org.bd

Web : www.bibm.org.bd

Copyright © BIBM 2022, All Rights Reserved

Printed by.....

The views in this publication are of authors only and do not necessarily reflect the views of the institutions involved in this publication.

As part of the ongoing dissemination of BIBM research outputs, the present research monograph contains the findings of the research project titled “Employee Selection in Banks of Bangladesh: A Mixed Method Analysis”. The study was conducted in 2020-21 and the paper was presented in a seminar held in August 2021. Employee selection plays an important role for choosing the right candidates among the pool of candidates, considering their soft and hard skill sets. The loopholes in the employee selection mechanism in the respective banks may lead to non-performance of the banks. The study has examined how a right employee selection affects employee performance as well as organization performance in the banking sector of Bangladesh.

It gives me immense pleasure to publish and distribute this research output to the practitioners of the banks and financial institutions, regulatory agencies, academics and the common readers. I hope this monograph will be a valuable resource for professionals, especially for the banking community for ensuring appropriate employee selection process in the banking industry in Bangladesh.

Md. Akhtaruzzaman, Ph.D.
Director General, BIBM

Acknowledgement

We would like to extend our gratitude to Dr. Md. Akhtaruzzaman, Honorable Director General of BIBM for his valuable guidance and suggestions to complete the study comprehensively.

The research team is grateful to Professor Barkat-e-Khuda, *Ph.D.*, Dr. Muzaffer Ahmad Chair Professor, BIBM for his consistent guidance, as well as for his review and editing of this paper.

We would like to thank the respondents of our questionnaires and the learned discussants, who provided their valuable inputs for the successful finalization of the report. We are also thankful to all our colleagues for their cooperation and support.

Ashraf Al Mamun, *Ph.D.*

Mohammad Tazul Islam, *Ph.D.*

Anila Ali

Shakil Ezaz

Md Mosharraf Hossain

RESEARCH MONOGRAPH 57

Employee Selection in Banks of
Bangladesh: A Mixed Method
Analysis

Contents

Foreword	iii
Acknowledgement	iv
List of Acronyms	ix
Executive Summary	x
Section 1 Introduction	1
1.1 Background	1
1.2 Objectives of the Study	3
1.3 Section Plan	3
Section-2 Research Methods	3
2.1 Focus Group Discussion (FGD)	4
2.2 Sampling and Data Collection	4
2.3 Data Analysis	4
2.4 Data Reliability, Sampling Adequacy, and Sphericity Test	5
Section-3 Literature Review and Hypothesis Development	5
3.1 Organizational Performance	5
3.2 Human Resource (HR) Performance	6
3.3 Employee Selection	8
Section-4 Descriptive Analysis	11
4.1 Secondary Data Analysis	11
4.2 Determinants of Employee and Organizational Performance	15
Section-5 Employee Selection Process	17
Section-6 Findings and Discussion: Focus Group Discussion (FGD)	21
Section-7 Findings and Discussions: Quantitative	23
7.1 Measurement of Instrument	23
7.2 Respondents' Characteristics	24
7.3 Measurement Model	25
7.4 Structural Equation Model (SEM) and Hypothesis Testing	25
Section-8 Recommendations and Conclusion	29
References	31
Annexures	36

List of Tables

Table 2.1	Data Reliability, Sampling Adequacy and Sphericity Test	5
Table 3.1	Literature Survey of Factors of Employee Selection	9
Table 4.1	Employment Tests	11
Table 4.2	Determinants of Employee and Organizational Performance	16
Table 5.1	Traditional Selection Process Model in Bangladesh	18
Table 7.1	Measurement of Items	24
Table 7.2	Respondents' Characteristics	24
Table 7.3	Discriminant Validity of the Constructs	25
Table 7.4	Structural Hypothesis Testing	26

List of Figures

Figure 1.1	Factors Influencing the Employee Selection of Banks	2
Figure 2.1	The Triangulation Design	3
Figure 3.1	Theoretical Research Framework	11
Figure 4.1	Period of Conducting Employee Ethical Survey	12
Figure 4.2	Age Graph of Employee in Sample Banks in 2018 and 2019	12
Figure 4.3	Total Number of Employees in Banks	13
Figure 4.4	Total Number of Employees in Banks (Bank Category)	13
Figure 4.5	Male and Female Composition of Employees in Banks	13
Figure 4.6	Employee Selection Growth Rate Including Lateral Entry	13
Figure 4.7	Total Number of Branches	14
Figure 4.8	Number of Employees per Branch	14
Figure 4.9	Total Deposits per Employee	14
Figure 4.10	Total Deposits per Employee Based on Bank Category	14
Figure 4.11	Total Assets per Employee	15
Figure 4.12	Total Assets per Employee Based on Bank Category	15
Figure 4.13	Net Profit (NP) per Employee	15
Figure 4.14	Net Profit (NP) per Employee Based on Bank Category	15
Figure 5.1	Employee Selection Process Model (Fresh Entry)	19
Figure 5.2	Selection Process Model (Lateral Entry and Vertical Selection)	20
Figure 7.1	Structural Equation Modeling without Moderating Effect	27
Figure 7.2	Structural Equation Modeling (1 st and 2 nd Order Constructs)	28

List of Annexures

Annex A	Discussants of the FGD	36
Annex B	Questionnaire	36
Annex C	Green Recruitment Process Model	38
Annex D	List of Banks Covered in the Perception Survey	38
Annex E	Validity and Reliability of the Constructs	39

List of Acronyms

A	Ability
BB	Bangladesh Bank
BIBM	Bangladesh Institute of Bank Management
BoD	Board of Directors
BSC	Bankers Selection Committee
DG	Deputy Governor
DV	Discriminants Validity
ED	Emotional States
ED	Executive Director
FA	Factor Analysis
FCB	Foreign Commercial Bank
FGD	Focus Group Discussion
ICB	Investment Corporation of Bangladesh
JS	Job Satisfaction
K	Knowledge
L	Leadership
M	Motivation
MCQ	Multiple Choice Questions
MD	Managing Director
O	Opportunity
OC	Organization Culture
OP	Organizational Performance
PCB	Private Commercial Bank
R	Resources
S	Skill
SEM	Structure Equation Modeling
SOCB	State-Owned Commercial Bank

Executive Summary

Organizations need to emphasize on the human capital to survive in a turbulent market environment. Each organization differs in terms of performance due to its variations in HR characteristics (e.g., skills, knowledge and motivation). Employee selection in this case may play an important role for sustainable growth of an organization. Many of the key success factors such as customer relationship, customer network, communication, ethics and integrity, leadership, etc. (soft skills) are tied with the employees working in an organization like a bank.

Employee selection is an important aspect for choosing the right candidates among the pool of candidates, considering their soft and hard skill sets. The objective of any selection process is to define whether or not a candidate is appropriate for engagement in the organization. Earlier literature showed that the sustainable growth and survival of any organization largely depend on its effective acquisition and deployment of the right type of employees.

The overall *objective* of the study was to explain how the right selection of employees affects organizational performance. However, the specific *objective* of the study was to examine how a right employee selection affects employee performance as well as organization performance in the banking sector of Bangladesh.

A mixed method approach with a “Triangulation Design” was used in this research. A mixed method with a “Triangulation Design” combines a Qualitative (QUAL) and Quantitative (QUAN) research approach. In the qualitative part of the research, Focus Group Discussion (FGD) was conducted. A total of 27 discussants from the HRD of different banks, including BB, were present in the FGD. A semi-structured questionnaire with a five-point Likert scale was designed, based on the literature review and FGD. Thirty-six factors were identified for employee performance, organizational performance and employee selection. A Google Documents form was used to collect the survey responses. We sent the survey questionnaire primarily to the bankers who got enrolled for training or were sent by the competent authority for training at in the Bangladesh Institute of Bank Management (BIBM). The researchers conducted Zoom meetings with the respondents and remained connected online via Zoom while they filled out the questionnaire to answer questions when necessary. The cross-sectional data were collected, using snowball sampling techniques. A total of 781 questionnaire responses were received of which 29 responses were discarded due to incomplete information. Factor Analysis (FA) with factor loading at a cut-off point of 0.600 for item consideration, cutoff point value 0.900 for explaining the inter-correlation among the constructs, Cronbach Alpha for data reliability, KMO for sampling adequacy and Bartlett’s test for Sphericity were tested. Measurement model validity and reliability and discriminant validity were examined

before Structure Equation Modeling (SEM). Also, the study analyzed the hypothesized model, using SEM-PLS (SmartPLS-3.0) with 5000 bootstrapping for model accuracy.

The findings show that 82 percent employees believe that banks follow proper selection process before appointing an employee at any level and 78 percent heads of HR agreed that while selecting the employees they do not conduct any psychological test during the selection process. Further, 33 banks conducted employee ethical survey by policy verification after appointment of the candidates. At the time of the study, 195,141 employees were working in the banking industry of which around 86 percent were males and only 14 percent were females. The employee selection process was affected by Covid-19 pandemic. The findings show that the growth of newly appointed candidates has declined drastically. It was 5.53 percent in 2019 which decreased to 1.33 percent in 2020. In 2020, the number of employees per branch was around 18, and total deposit per employee was around BDT 0.063 billion (for the year 2019). Further, total assets per employee was around BDT 0.085 billion in 2019 and net profit per employee was BDT 0.036 billion in 2019.

The participants of the Focus Group Discussion (FGD) identified several challenges for the employee selection in banks. These included presence of subjective judgement in the viva, leaking of question paper, huge number of candidates for a few posts, difficult to organize examination outside of Dhaka City, difficulty in maintaining transparency of the total process, mismatch between the test result and academic result, mix of under-qualified and overqualified candidates, etc. Further, COVID-19 posed another challenge to conduct employment test (exam) through face-to-face interaction.

Also, the study hypothesized that human resource performance affects organizational performance (H_1), employee selection affect employee performance in organization (H_2), employee selection moderates the relationship between employee performance and organizational performance (H_3). The study found that leadership ($\beta=0.136$), organizational culture ($\beta=0.179$), emotional/attitude states ($\beta=0.398$), job satisfaction ($\beta = 0.182$), employee motivation ($\beta=0.187$), employee skills ($\beta = 0.149$), employee knowledge ($\beta=0.221$) are positively significant and affect the employee performance in organization. Further, HR performance is statistically significant ($\beta=0.375$; $P<0.01$) and positively affect organizational performance. In addition, employee selection (ES) variable is statistically significant and positively affects the employee performance in banks ($\beta=0.230$; $P<0.01$), indicating the importance of right selection of the employees in banks. The candidates' academic result (higher grade/class), previous work experience, personal characteristics (such as sincerity, honesty, understanding, truthfulness, intelligence, modest behavior), and personal and family background lead to better employee performance in the workplace. Our third hypothesis is that employee selection (ES) moderates the relationship between HR performance and organizational performance (H_3). The study found that the

moderating role of ES is statistically significant ($\beta=0.061$; T-statistics=1.213), but has positive moderation between the HR performance and organizational performance.

Based on the study findings, in regard to employee selection in banks, the study recommends the following strategies:

- Banks can identify a checklist for soft skills as well as hard skills by which a candidate can be assessed. Moreover, some Key Selection Factors (KSF) have also been identified for the right selection of the employees. The test of the skill sets for the candidates can be conducted during the total selection process but it should be completed before the final placement letter.
- Candidates' ethics and integrity, historical analysis and parents' ethical and historical analysis can be conducted by the banks. A separate team (including local branch manager or local level employees) may be formed for such analysis. Moreover, separate psychological test can be conducted to measure candidates' ethics and integrity. A designated psychiatrist can be incorporated in the final interview of the candidate and specific marks can be allocated for psychological assessment. Bangladesh Bank (BB) can ask all banks to form a High-Power Ethical Team (HPET) in the banks to assess the candidates' ethical and historical aspects.
- Banks may have an assessment center to assess the candidates before the final interview with the top management. Assessment center must be under the supervision of HRD of the banks. The assessment center can observe a group of candidates for a day or two. Candidates' behavior, communication skills, sudden ethical test, etc. may be measured by standards in the assessment center. Bangladesh Bank (BB) can ask all banks to have an assessment center and assess the candidates' ethics and integrity and psychology before final selection.
- Subjective judgment in the total selection process should be reduced by introducing more analytical questions in the employment tests. Moreover, some key selection criteria in the viva-voce can be defined earlier where maximum and minimum scores can be allocated for each criterion. Further, to reduce leakage of question paper in the employment tests, banks can organize the process by their own. They can outsource the total selection process by an ethical-fit organization. If banks are required to appoint only a few numbers of candidates, they can ask reputed organizations/universities for sending meritorious but ethically and psychologically fit students for employment assessment. However, the banks should arrange necessary employment test by their own for this small group of candidates.

- There should have the combination of lower, mediocre and highly qualified candidates in terms of academic results. This is necessary to retain employees in the organization and to reduce employee turnover rate.
- COVID-19 poses a threat to conduct face-to-face employment tests for the candidates. The proposed employee selection model in this study can be used for employee selection. Moreover, if the entire populations of Bangladesh can be brought under Covid-19 vaccination then hopefully the pandemic situation will be under control. Banks then can conduct MCQ or written test in that new normal situation. Banks can also develop an innovative software which will help the Banks to conduct exam of the candidates virtually.
- Bangladesh Bank prohibits the banks to receive any kind of fees from the candidates on applying for a banking job through a circular. Bangladesh Bank can allow the banks to receive recruitment and selection process fees from the candidates by fixing the maximum amount. However, banks can adjust this cost from the CSR fund of the banks.
- To complete a recruitment process, it takes a lot of time. Sometimes the candidates lose their eligible age to apply elsewhere. So, banks can take an initiative or find a methodology to reduce the time it takes to complete the whole recruitment and selection process. Further, Covid-19 pandemic has also snatched around 2 years from the candidates. Banks can consider this issue and can relax the age limit. Bangladesh Bank (BB) can ask all banks to relax the age bar and limit to 32 years.

Employee Selection in Banks of Bangladesh: A Mixed Method Analysis

1. Introduction

1.1 Background

Organizational success depends on the performance of employees in that organization (Almatrooshi et al., 2016) and inadequate outcomes of employees are damaging to an organization's success (Judge et al., 2001; Siddiqui, 2014). Nda and Fard (2013) stated that to survive in a turbulent market environment, organizations have to emphasize on the human capital. Organization differs in performance due to its HR characteristics such as skills, knowledge and motivation which is intangible. Other than the performance of Human Resources (HR), there are other resources, including the IT resources, business network, customer database, Customer Relationship Management (CRM), land and building, paid-up and working capital. Business opportunity/environment moderated by the laws and regulations of a country, industry business infrastructure, market size and customer buying behavior also mediate the performance of an organization. The banking industry needs to give attention, as it is service industry and deals with the customers. Quality customer service is essential for organizational success in the universal marketplace (Rust & Oliver, 1994; Ismail et al., 2006; Kumar, 2014) as well as other factors such as loyalty of customer (Lewis, 1994; Kumar, 2014) and increased profitability (Gundersen et al., 1996). Many of these success factors (such as customer relationship, customer network, communication, etc.) are recognized as soft skills which are tied with the employees working in banks. Hence, the generic case of the relationship between employee performance and organizational performance might be moderated by the right selection of the employees.

Selection is the vital part of the employment process; and if it is done improperly, there is a chance of wrong selection. Employee selection "is the process by which managers and others use specific instruments to choose from a pool of applicants a person or persons more likely to succeed in the job(s), given the management goals and legal requirements" (French & Rumbles, 2010, p. 141). Ideal selection process requires choosing proper candidate for the right position. Proper acquisition and its placement of right employees accelerate the sustainable growth of any organization (Jones & George, 2006; Ehnert, 2020).

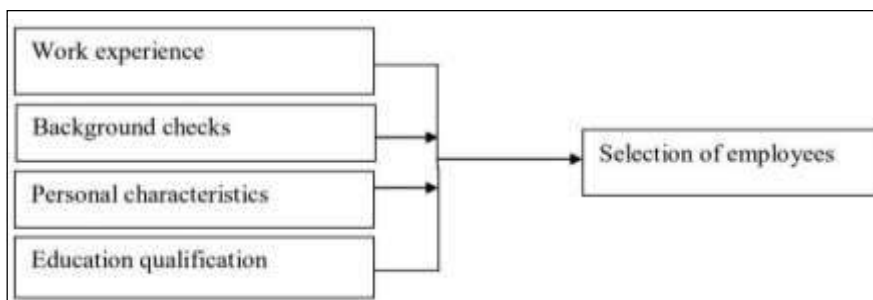
The process of selecting an employee starts from reviewing the initial job applications, and curriculum vitae of the prospective candidates. Afterwards, organizations tend to eliminate the unqualified candidates by applying different tests related to candidates' personality,

ability to perform the job, and intelligence tests. There is a relationship between better deployment and use of human resources practices and better business performance (Ulrich, 1997; Lee et al., 2020). There is a dearth of literature on employee selection and how employee selection affects employee performance as well as organization performance. Further, there is hardly a study to examine how the right employee selection moderates the relationship between the employee performance and organization performance, particularly in the banking sector of Bangladesh. This study proposes to address this research gap.

The banking sector has a key role in the economic development of a country. Researchers claim that “financial intermediation especially bank helped inch up productivity of the economy and bank is an essential instrument for innovation and development in any developing and underdeveloped country” (Schumpeter & Backhaus, 2003). Ahmed et al. (2019) found that in Bangladesh, economic growth and banking sector development are closely related, both in short run as well as in long term. As a service sector industry, banks’ role in the economy of a country like Bangladesh is enormous; and they are serving their customers through their employees. As such, organizational effectiveness depends on skilled and competent employees (Werther & Davis, 2000).

Banks should consider some factors while selecting its employees. Some of the critical factors that are considered in employee selection are shown in the following Figure-1.1 (Karanja et al., 2014):

Figure 1.1: Factors Influencing the Employee Selection of Banks



Source: Karanja et al., 2014

Previous *work experience* of the candidate is highly appreciated or adds value to him/her as the candidate is already accustomed with the functions and practices. But, the number of experienced candidates is negligible in comparison with the fresh candidates. Each year, new graduates are coming out in large numbers, but their employment opportunities remain quite limited. For fresh candidates, bank can ask for previous internship experience of the candidate in bank or not. The *background* of the candidates needs to be checked to verify the information given by the candidates in the application form. Banks can contact the references mentioned by the candidates in their curriculum vitae to authenticate the information regarding the candidates. *Personal characteristics* are another important factor

which should be considered before final selection of an employee. Personal characteristics include the sincerity, honesty, understanding, truthfulness, intelligence, dependability, behavior, etc. of a person. Though these are the difficult to judge, it is the responsibility of the selection committees to ask the candidate different situational questions to bring out their true picture to assess their personality. *Educational qualification* is a very important requirement or factor before applying for a job.

1.2 Objectives of the Study

The overall objective of the study was to explain how right selection of employees affect organizational performance. However, the specific objective of the study was to examine how a right employee selection affects employee performance as well as organization performance in the banking sector of Bangladesh.

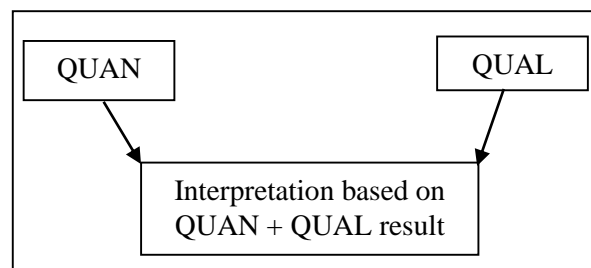
1.3 Section Plan

The study has eight chapters. After explaining background and objectives in Section-1, Section-2 covers research methods of the study. Literature review and hypothesis development have been incorporated in Section-3 followed by descriptive analysis in Section-4. Further, traditional employee selection process models as well as employee selection process model applied during pandemic (e.g. COVID-19) explains in Section-5. Section-6 includes summary findings of the Focus Group Discussion (FGD) followed by quantitative findings and discussion in Section-7. Finally, the study put forward some recommendations in Section-8.

2. Research Methods

A mixed method approach (Creswell & Clark, 2011) with a “Triangulation Design” (Morse, 1991) was used in this research. A mixed method with a “Triangulation Design” combines a Qualitative (QUAL) and Quantitative (QUAN) research approach (Islam et al., 2021) (Figure-2.1). In the qualitative part of the research, a Focus Group Discussion (FGD) was conducted.

Figure 2.1: The Triangulation Design



Source: Islam et al. 2021

The Partial Least Square Structural Equation Modeling (PLS-SEM) developed by Ringle et al. (2005) was used to analyze the data.

2.1 Focus Group Discussion (FGD)

An intensive FGD with the Heads of HR and regulators was conducted to identify the factors influencing selection of an employee in a bank. A total of 27 discussants were present in the FGD (Participant List: Annex-A).

2.2 Sampling and Data Collection

A semi-structured questionnaire (Questionnaire: Annex-B) with a five-point Likert scale was designed, based on the FGD and literature review. Thirty-six factors were identified for employee performance, organizational performance and employee selection. A Google Documents form was used to collect the survey responses. We sent the survey questionnaire primarily to the practicing bankers who were enrolled for training or were sent by the competent authority for training in Bangladesh Institute of Bank Management (BIBM). The researchers conducted Zoom meeting with the respondents and remained connected online via Zoom while they filled out the questionnaire to answer questions when necessary. We also uploaded links to social media such as BIBM and personal Facebook. The cross-sectional data were collected, using snowball sampling techniques (Das et al., 2020). The participants were requested to provide demographic information. We ensured the respondents that anonymity would be ensured. A back-translation procedure was followed to provide meaning to the original version of the respondents in a Bangladesh setting (Barislin, 1970).

2.3 Data Analysis

Data for dependent and independent variables from the same persons may generate common method variance, which needs to be free in the data set (Hair et al., 2013; Ali et al., 2016). The study used the following steps. First, each measurement scale was separated with different explanations. Second, the researchers were personally involved in data collection and assured the respondents of maintaining anonymity and confidentiality. This was followed by Factor Analysis (FA) with factor loading at a cut-off point of 0.600 for item consideration was used. Further, to free from method bias, the study used the cutoff point value 0.900 for explaining the inter-correlation among the constructs. In addition, measurement model validity and reliability and discriminant validity were examined before Structure Equation Modeling (SEM). The study analyzed the hypothesized model, using SEM-PLS (SmartPLS-3.0) with 5000 bootstrapping for model accuracy.

Further, an empirical analysis was conducted to test how a good employee selection impacts organizational efficiency in the organization. Islam (2020) and Newstrom & Davis (1996) explained employee performance is the product of Ability (A) and Motivation (M), where ability is the product of skill and knowledge and motivation is the product of attitude and situation. The thematic baseline framework for the organization's performance can be

explained as the product of HR performance, resources and opportunities (Newstrom & Davis, 1996). It can be explained as follows:

$$\begin{aligned}
 \text{Performance of An Organization} &= \text{Performance of HR} \times \text{Resources} \times \text{Opportunities} \\
 &= [\text{Ability (A)} \times \text{Motivation (M)}] \times \text{Resources} \times \text{Opportunities} \\
 &= [(\text{Skill} \times \text{Knowledge}) \times (\text{Attitude} \times \text{Situation})] \times \text{Resources} \times \text{Opportunities}
 \end{aligned}$$

2.4 Data Reliability, Sampling Adequacy and Sphericity Test

Although a minimum of 10 responses are customarily required for each factor (Ali et al., 2016), Westland (2010) suggested to use statistical algorithm for minimum sample size and its significance level. Further, before Factor Analysis it is necessary to test the data reliability and sampling adequacy. The study has used Cronbach's Alpha for data reliability (Christmanna & Aelst, 2006), KMO for sampling adequacy (Kaiser, 1970) and Bartlett's test for sphericity (i.e., appropriateness for factor analysis) (Bartlett, 1954; Ali et al., 2016). We found that the internal consistency of the data is good ($\alpha = 0.833$); and KMO and Bartlett's test found that the sampling adequate (KMO and Bartlett = 0.793) (greater than the cut-off point 0.50).

Table 2.1 Data Reliability, Sampling Adequacy and Sphericity Test

Data Reliability Test		Sampling Adequacy and Sphericity Test	
Cronbach's Alpha (α)= 0.833 Number of Items Analyzed = 36	KMO and Bartlett's Test		
	Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.793
	Bartlett's Test of Sphericity	Approx. Chi-Square	2.447E3
		df	630
		Sig.	0.000

Further, through the process of factor analysis (using SEM-PLS), we considered 0.600 as the cut-off point for response intensity, although Ali et al. (2016) suggested 0.400 as the cut-off point. We found that the factor loading score for three items was less than 0.600 and deleted these items. Hence, the study considered 33 items for data analysis.

3. Literature Review and Hypothesis Development

3.1 Organizational Performance

Human resources affect organizational performance financially and non-financially. If other resources remained unchanged between two organizations, the differences in employees' skills, knowledge and motivation significantly influences these organizations performance. Hence, one of the determinants of organizational performance is the performance of employees in an organization. Earlier studies showed that there is a link

between employee performance and organization's performance (Almatrooshi et al., 2016). Cho and Dansereau (2010) defined 'organizational performance' of an organization comparing it to the organization's business target. The organizational performance is measured as the ratio of actual performance to the desired performance (Tomal & Jones, 2015). The success of an organization depends on how well the organization utilizes its abilities and opportunities and adopts appropriate strategies to achieve organizational objectives (Randeree & Al Youha, 2009) which includes some performance variables e.g. effectiveness and efficiency of business model and its outcome (Ryan et al., 2009). Mastrangelo et al. (2014) explained that organizational efficiency is determined by the efficiency of the employees.

H₁: Human resource performance affects organizational performance

Although the performance of human resources is the cornerstone for the performance of an organization, the other important factors are sufficient liquidity (paid-up capital and working capital), tech-know-how, cutting-edge processing and supply chain, land and building, strong customer dataset, Customer Relationship Management (CRM), service network. If other things function well, the performance of HR affects the performance of organization. Earlier studies (e.g. Newstrom & Davis, 1996; Robbins & Judge, 2019; Islam, 2020) showed that business opportunity and resources (other than HR) also affect the performance of an organization. Further, business opportunity or business environment is determined by the prevailing laws, regulations, business infrastructure, customer perception, and market size.

3.2 Human Resource (HR) Performance

There are determinants of HR performance in an organization. Some determinants of HR performance can not be controlled such as employee's age, seniority, etc. (Cho and Dansereau, 2010) while some factors can not be controlled but can be induced to increase these are leadership competencies, organizational culture, employee attitude/emotional states toward the benefits of the organization, job satisfaction, employee motivation, employees' skill and knowledge.

Almatrooshi et al. (2016) explained that the greater part of organizational performance is determined by the skill level of their leaders, as well as their employees. Boyatzis and Boyatzis (2009) explained that leader's ability is a key factor for HR performance because a good leader focuses on the innovations and engages the followers to implement. To success in HR performance, a leader must utilize the core and distinctive competencies of employees. A leader also possesses some competencies to engage the followers to implement and achieve organization's target. Babcock-Roberson and Strickland (2010)

found that there is a positive relationship between leadership¹ model and HR performance which determines organizational performance. Mastrangelo et al. (2014) added that employee performance is defined as a function of leadership and employee performance determines efficiency of an organization. Leadership is a factor of employee motivation to work. The conducive working environment is a paramount for employee motivation (Almatrooshi et al., 2016) and competent leaders can do it (Babcock-Roberson & Strickland, 2010). Employees' positive attitude and good behaviour are influenced by the leader-employees relationship. Further, a leader's ethics, self-confidence, knowledge, values and commitment influence its followers' performance which influence the organizational productivity (Soebbing et al., 2015; Pradhan & Pradhan, 2015). The competencies of a leader include motivation, intuition, communication and networking, decision making and negotiation (Tomal & Jones, 2015).

Organization culture is defined "as a system of shared meaning held by an organization's members that distinguishes the organization from others" (Robbins & Judge, 2019). The common elements of an organization culture include values, norms, customs, tradition and belief to operate the organization (Chu et al., 2019). Culture basically creates climate of working environment of an organization. Almatrooshi et al. (2016) clarified that effective orientation of an employee to his/her work matters for job performance in an organization which is a culture of an organization. Ugheoke (2019) explained that 79.8 percent organizations do not have strong culture practice although the management of that organization know that to ensure the highest performance from the employees' good organizational culture is a must. Good organizational culture defines by the norms of behaviour (Maamari & Saheb, 2018), collective attitudes and behavior (Aksoy et al., 2014). It also includes practice of power and politics in the organization for overall human resource management (Robbin & Judge, 2019). Hence, the core components of organizational culture include office management, degree of integrity and ethics practice, organization values, customs, tradition in management and power and politics.

Employee job satisfaction is one of the determinants of employee performance in an organization. It establishes better health (in terms of financial and non-financial) of an organization and it particularly depends on the HR (Fitzgerald et al., 1994; Crossman & Abou-Zaki, 2003). Job satisfaction is defined as the positive emotional feeling that derives from the working environment and employee benefits that he/she receives from the organization (Robbin, 2019; Locke, 1976; Spector, 1997). The quality of service render by the employees are affected by the job satisfaction of the employees. Now, the root question is what does satisfy the employees in the workplace. Earlier studies (e.g. Herzberg, 1968; DeCenzo & Robbins, 1998; Robbins & Judge, 2019) evidenced that the factors of job

¹ Leadership is an art and process of influencing and motivating the employees to achieve the goals of an organization (McNair et al., 2011).

satisfaction includes company policy & administration, supervision, relationship with the supervisor, subordinate and peers, working condition, salary and pay structure, status and job security.

On the contrary, the motivation factors differ from the job satisfaction factors. Where the factors of employee job satisfaction end the factors of motivation starts (Islam, 2020). Motivation factors includes job achievement, job recognition, work itself, job responsibility, advancement and career growth (Herzberg, 1968; DeCenzo & Robbins, 1998; Robbins & Judge, 2019; Islam, 2020). These factors are termed as motivators factors. If there is a lack of job satisfaction, there will be no question of job motivation. Once the factors of job satisfaction fulfilled, the motivation factors will induce the employee to put more effort for organizational productivity.

Furthermore, all of the factors of job satisfaction and job motivation are related to the employee's emotional states or employee attitude (Herzberg, 1968; DeCenzo & Robbins, 1998). The emotional states or attitude or feeling towards the benefits and compensation package, working environment and others are related to the employee performance (Almatrooshi et al., 2016). Islam (2020) stated that an employee may have lower pay package in the organization but due to the other job satisfaction and motivation factors, employee might have positive emotional states. This study considers employees emotional states/attitudes towards the job satisfaction and motivation factors as determinants of employee performance in organization.

DeCenzo and Robbin (1998) explained that an employee's ability to perform in an organization is the product of that employee's skill and knowledge set. Nda & Fard (2013) stated that human as capital differ from organization to organization due to their skill and knowledge set and organization should strive to increase these abilities to survive in this turbulent market. Employee knowledge and skill are turning to the basic capital for an organization to trigger development. Islam and Islam (2011) added that skills and knowledge set can be developed through experiences and formal & informal education respectively. Hence, to attain success in the corporate dynamic world, organizations have to be dependent on the skilled and experience employees (Nda & Fard, 2013). Skills includes related (within the banking industry), unrelated (outside the banking industry) job experiences. On the other hand, knowledge which is more diversified includes higher banking and business-related degree (Such as MBA), non-banking and non-business background (such as MSS or MSc), and higher academic credentials.

3.3 Employee Selection

It is worth mentioning that selection of right candidate at the right position at the right time is a complex set of processes and time consuming. Although there is no uniform selection process model around the globe (Islam, 2014; 2020), the selection process starts with the

initial review of the job application and curriculum vitae. Corporates emphasize the right selection of employees as the employee's skill and knowledge set affect organizational productivity. The determinants of employee selection vary from organization to organization including employee work experience, background checks, personal characteristics, education qualification (Karanja et al., 2014). The method of employee selection also varies from organization to organization that includes employment test, interview (Islam, 2014), skill test and reference check (Miah & Mohiuddin, 2014), intelligent, personality and abilities test (Dessler & Varkkey, 2011; Ekuma, 2012), aptitude test (Highhouse, 2008), educational qualification, experience and length of service check (Eva, 2018) and integrity, conscientiousness test and biographical data measures (Schmid & Hunter, 1998). Although the organization uses different methods to select the right candidates from the alternatives, the main objective of each organization is to select the best candidate.

Sarinah et al. (2016) found that right employee selection is a key factor of employee performance in organization. They analysed that employee recruitment and selection affect employee placement hence affect employee performance. Borman et al. (2003) stated that the qualified employee selection in an organization depends on the pool of qualified fresh graduates and experienced employees available in a job market. Hence, it is evident in the earlier literature (e.g. Islam, 2014; 2020; Karanja et al., 2014; Sarinah et al., 2016; Borman et al., 2003) that right employee selection affects the employee performance as well as the organizational productivity. No study so far examined how right employee selection moderates the relationship between the performance of human resources and the performance organization. The following hypothesis taken to examine its relationship. The literature survey of the factors of employee selection is placed in Table-3.1.

H₂: Employee selection affects the performance of employees in organization

H₃: Employee selection moderates the relationship between employee performance and organization performance.

Table 3.1: Literature Survey of Factors of Employee Selection

Studies	Factors of Employee Selection
Karanja et al., 2014	Work Experience, Background Checks, Personal Characteristics, Education Qualification
Islam, 2014	Employment Test, Comprehensive Interview, Medical Test, Background Investigation
Miah & Mohiuddin, 2014	Skills Tests and Employment Interviews, Experience, References
DeCenzo & Robbins, 1998	Initial Screening, Employment Test, Comprehensive Interview, Background Investigation, Physical Examination

Studies	Factors of Employee Selection
Mondy, 2011	Employment Test, Unique Forms of Testing, Online Tests, Interview
Dessler & Varkkey, 2011	Intelligence Tests, Physical Abilities, Personality & Interest, Achievement, Situational Testing and Video Based Situational Testing, Realistic Job Preview, Background Investigation, Physical Examination
Highhouse, 2008	Unstructured Interview, Aptitude Test, Personality Test, GMA (General Mental Ability) Test
Ekuma, 2012	Skillful and Structured Interview, Ability Test, Including Numerical and Verbal Reasoning, Unstructured Interviews, References, Job Experience, Graphology
Eva, 2018	Educational Qualification, Experience in HR Practice, Length of Service in the Current Organization
Schmidt & Hunter, 1998	GMA Tests, Integrity Tests, Conscientiousness Tests, Employment Interviews (Structured and Unstructured), Peer Ratings, Reference Checks, Job Experience (years), Biographical Data Measures, Years of Education

To elaborate the importance of employee selection in banks, few relevant cases are summarized below:

Case 1:

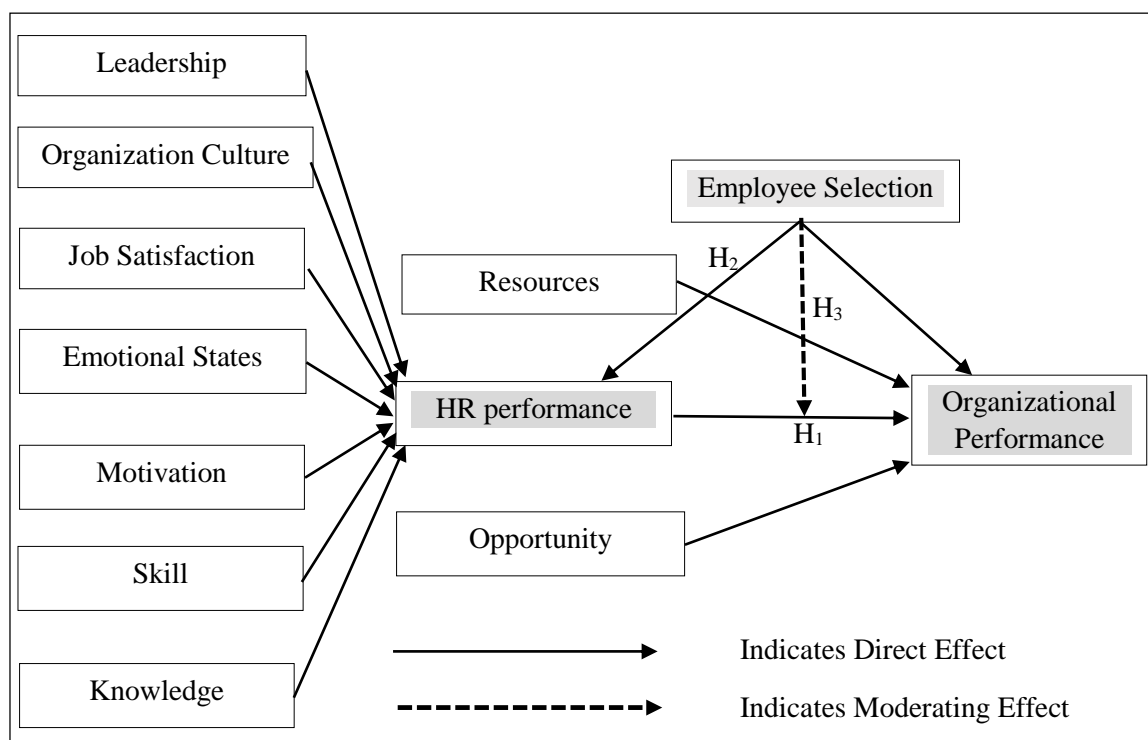
Mr “X” joined in a Private Commercial Bank of Bangladesh after going through the different stages of recruitment and selection process. He has been working in the Bank since 2010. After joining he showed good performance to impress the top officials, but his true intention was different. After working for many years in the Bank he stole Tk. 7.8 crore from accounts of around 38 clients when he was a loan officer of a branch between 2018 and March 2019. This hampered the reputation and goodwill of a well-recognized bank. As a result, he lost his job.

Case 2:

After securing good marks in his academic result Mr. “Z” wanted to serve the banking industry. So, he took good preparation for jobs in different banks. He had to go through rigorous recruitment process such as MCQ, written exam and viva, and got selected in a Bank. He was very much dedicated and hard working from the very first day of his job. Customers also liked him for his helpful and amicable behaviour. His boss and colleagues were also happy with his performance. Even he was known to the top management for his performance. The Bank wanted to acknowledge his good performance and did so by announcing him the “Banker of the Year” and he also received some monetary benefits.

The theoretical research framework has been depicted in Figure-3.1.

Figure 3.1: Theoretical Research Framework



Source: Authors' Compilation.

4. Descriptive Analysis

4.1 Secondary Data Analysis

Conducting psychological test during a selection process is an important means for assessing the psychological strength of a candidate in determining the best candidate for the respective position. Islam et al. (2020) conducted a survey in the banking industry of Bangladesh and found that 22 percent banks had conducted psychological test in 2019. Moreover, candidate's background check may be vital to know the ethical mindset of employees. Table-4.1 shows the employment test for employees in banks.

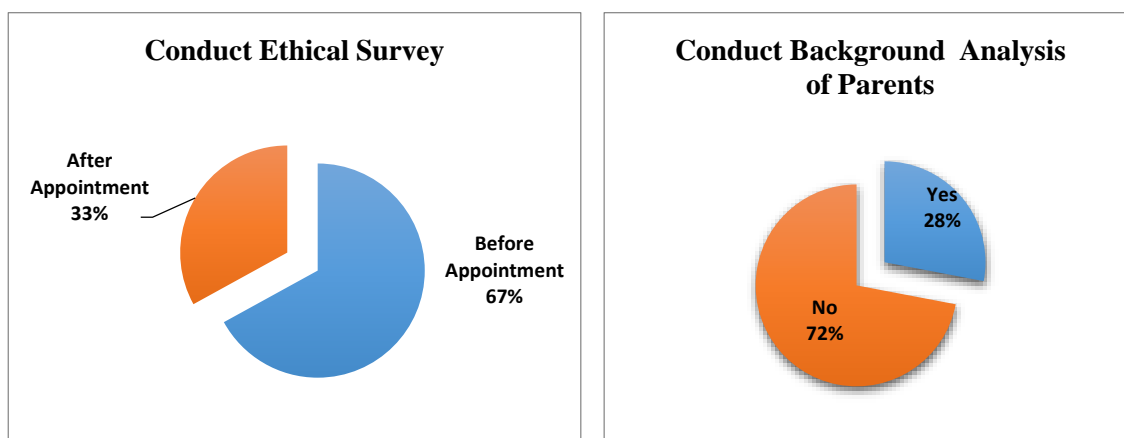
Table-4.1: Employment Tests

Particulars	Yes (%)	No (%)
Gives advertisement before any fresh appointment	90	10
Follows proper selection process before appointing an employee at any level	82	18
Conducting psychological test during selection process	22	78
Using HR software for forecasting HR requirement	11	89

Source: Islam et al., 2019; 2020

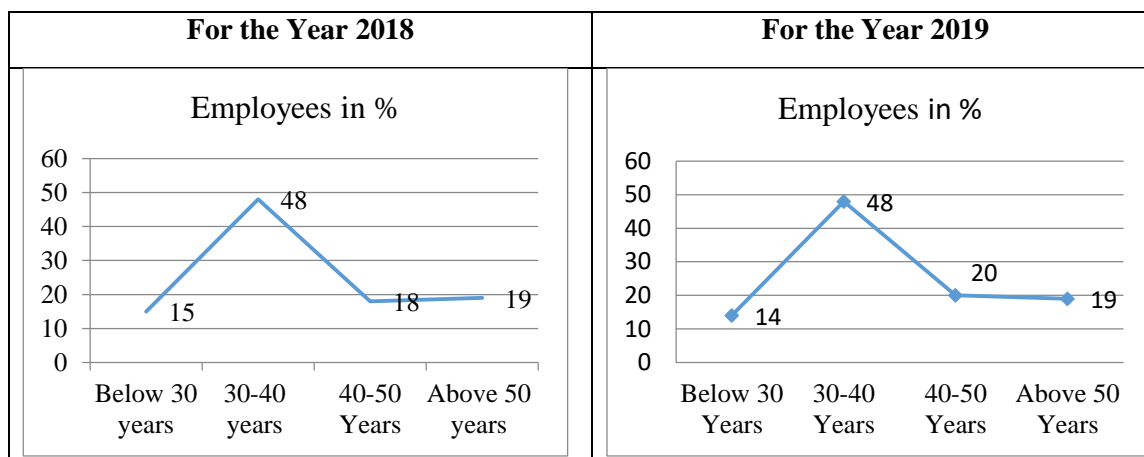
However, a police verification is required to verify candidate’s educational certificates as part of ‘ethical survey’ of the employees. Islam et al. (2020) stated that 67 percent banks conducted ethical survey before appointment, while 33 percent banks conducted it after appointment. Only 28 percent banks conducted background analysis of employees’ parents for understanding employees’ ethical background of their families (Figure-4.1).

Figure 4.1: Period of Conducting Employee Ethical Survey



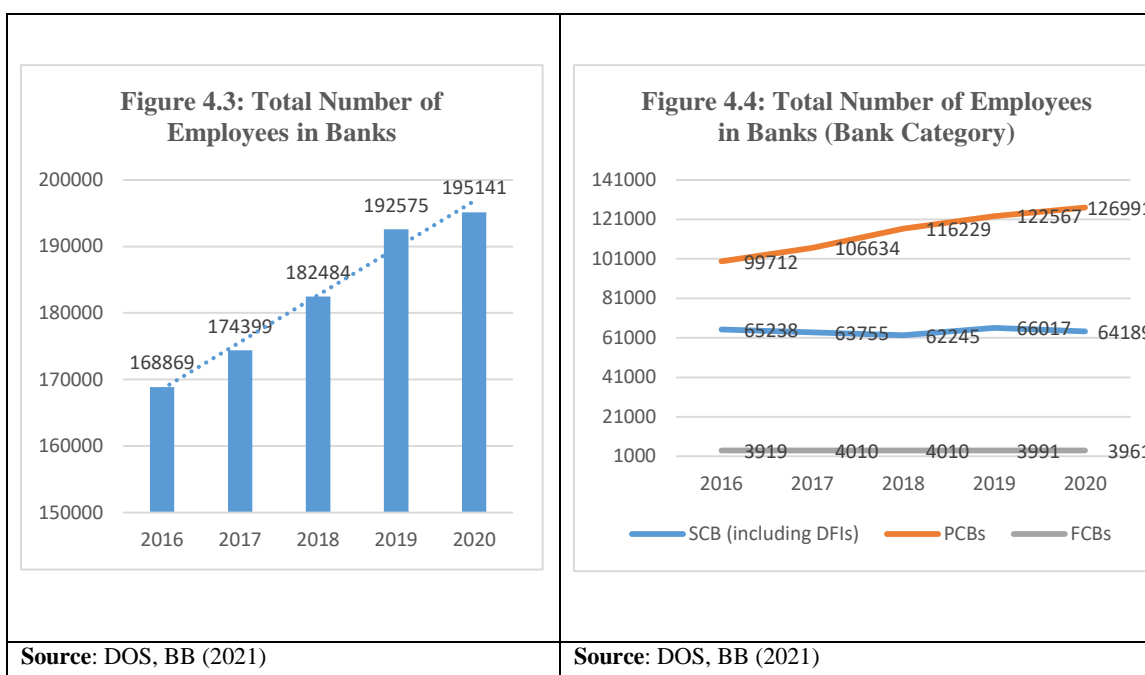
Source: Islam et al. (2020)

Figure 4.2: Age Graph of Employee in Sample Banks in 2018 and 2019

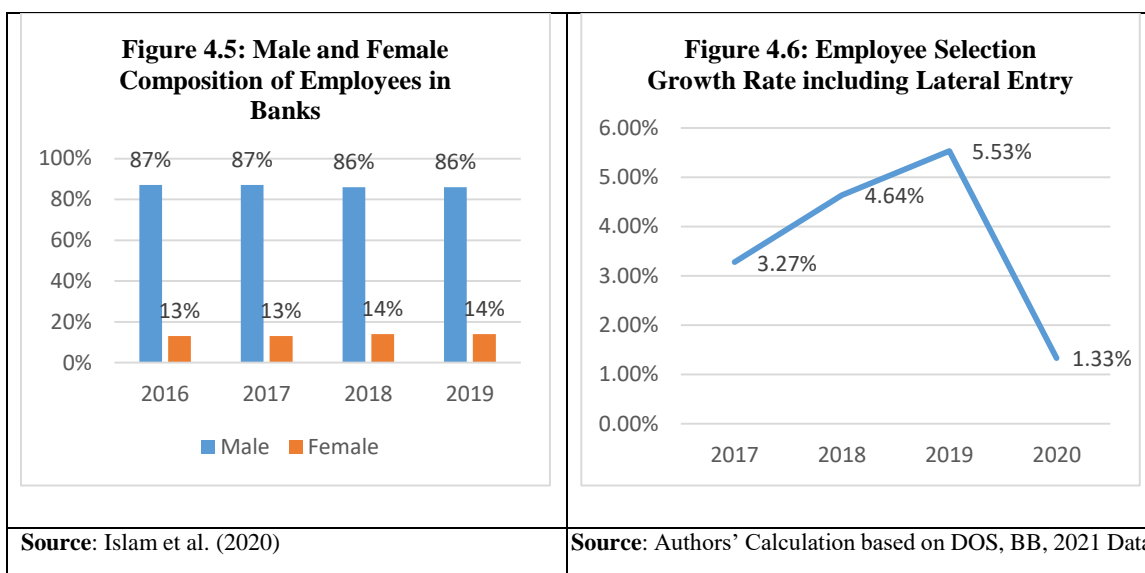


Source: Islam et al. (2020)

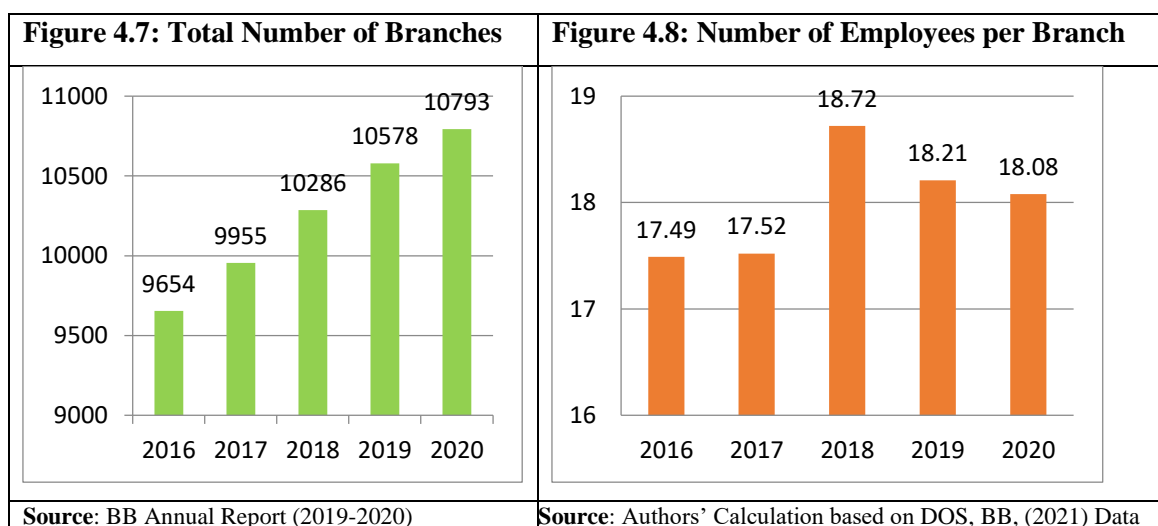
The number of employees is increasing gradually in the banking industry, as new opportunities are opening up. The total number of employees in the banking industry was 192,575 in 2019 while in 2020 it was 195,141. The increasing trend in the number of employees in banks is clear from Figure-4.3. Job security is very important and that is why employees of the banking industry are much more inclined to SCBs than PCBs or FCBs (Figure-4.4). The number of employees in banks (bank category) has been increasing in SCBs, while there is a decreasing trend in case of PCBs and FCBs.



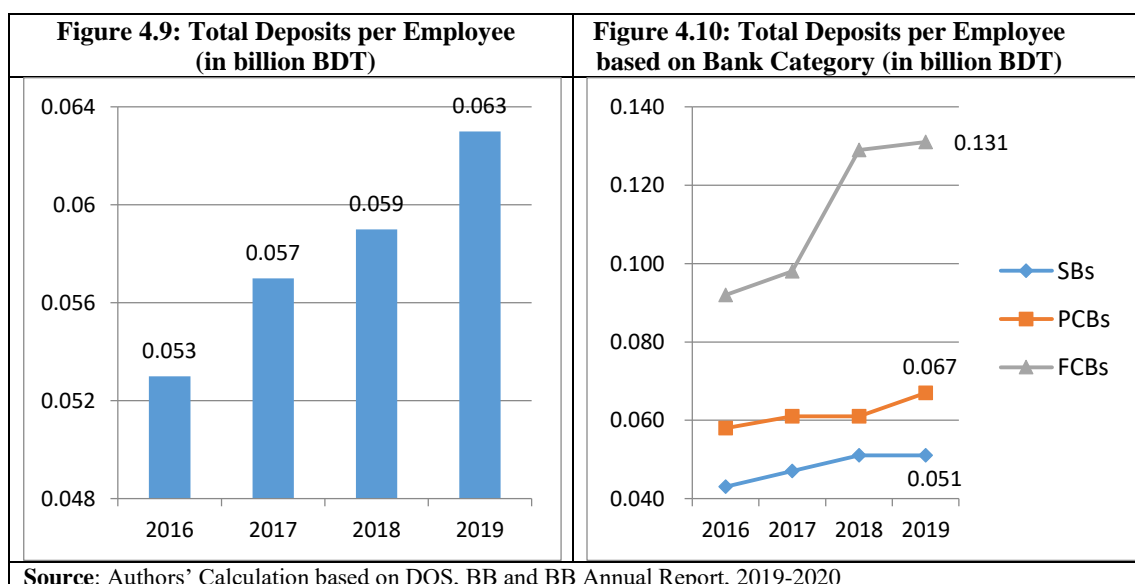
The composition of male and female employees in banks were unchanged at 86 percent and 14 percent in both 2018 and 2019, though they are decreased from 2016 and 2017 in case of male employees but increased in case of female employees in banks (Figure-4.5). There was an increasing trend in employee selection growth rate including lateral entry between year 2017 and 2019 but from Figure-4.6 a drastic decrease is evident from 2019 which was 5.53 percent and further to 1.35 percent in 2020.



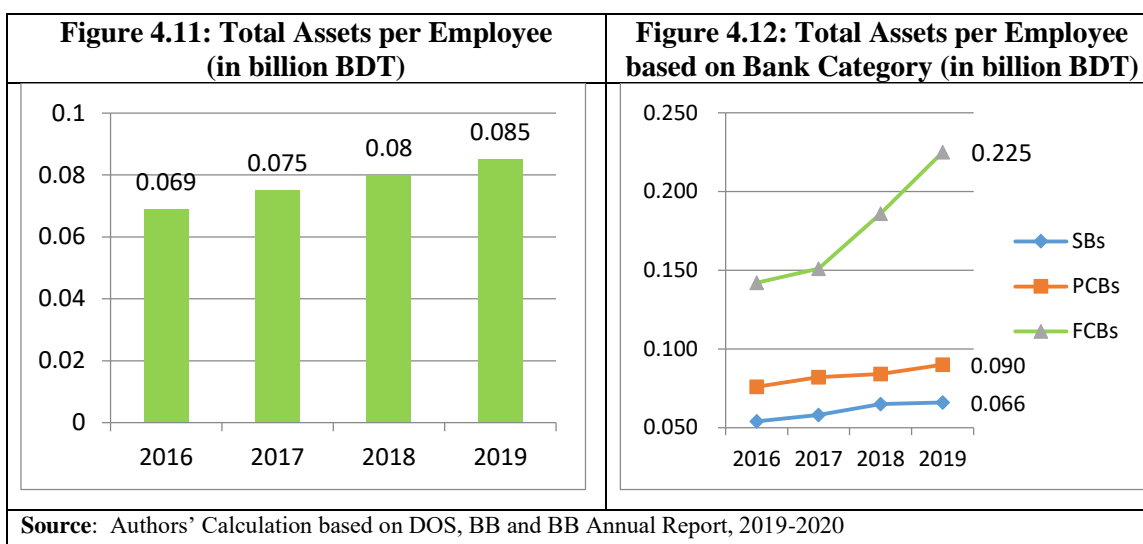
In 2019, the total number of branches was 10,578 and in 2020 the total number increased to 10,793 (Figure-4.7). The number of employees per branch was increased from 17.49 to 18.72 between 2016 and 2018; however, a decreasing trend was observed since 2018 (Figure-4.8).



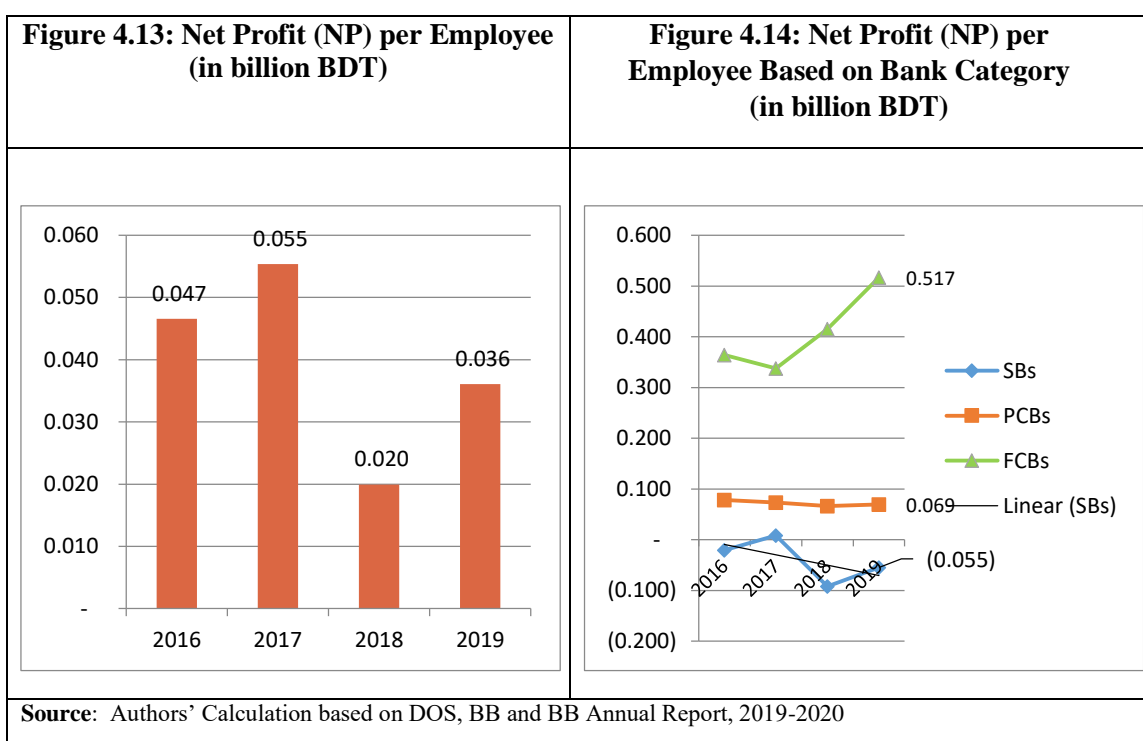
Total deposits per employee in 2019 was BDT 0.063 billion which was higher than the previous year by BDT 0.059 billion. Total deposit per employee was increasing over the years (Figure-4.9). The lowest total deposits per employee was BDT 0.051 billion in 2019 by the SBs compared to FB (BDT 0.131 billion) and PCBs (BDT 0.067 billion) (Figure-4.10).



Total asset per employee was BDT 0.085 billion in 2019 which was higher than the previous years (Figure-4.11). The highest total asset per employees was BDT 0.225 billion by the FCBs in 2019 compared to the PCBs (BDT 0.090 billion) and SBs (BDT 0.066 billion) (Figure-4.12).



Net profit per employee was BDT 0.055 billion in 2017, which decreased drastically in 2018 (Figure-4.13). FCBs experienced steady profit growth since 2017, while a declining trend with some fluctuations was observed for the SBs since 2016 (Figure-4.14).



4.2 Determinants of Employee and Organizational Performance

Based on the Focus Group Discussion (FGD) and literature review, the study identified total eight (8) determinants of employee performance and two (2) other determinants of organizational performance in banks. Under these ten (10) broad thematic items total thirty-six (36) sub-items has been identified (Table-4.2)

Table 4.2: Determinants of Employee and Organizational Performance

Broad Thematic Items	Sub-Items
Leadership (L)	Leader's self-confidence, values and commitment
	Leader's ethics
	Leader's knowledge and competencies (skill and knowledge) on job
	Leadership styles
Organization Culture (OC)	Employee orientation
	Organizational culture i.e., office timing, respect, team work
	Organizational culture i.e., degree of integrity, ethics, honesty in management practices
	Organization values, customs, tradition in management
	Power and politics in the organization.
Emotional States/Attitudes (A)	Emotional states toward the working environment and job experiences
	Emotional states toward the employee performance appraisal and promotion
	Emotional states toward the employee financial benefits
	Emotional states toward the employee non-financial benefits
Job Satisfaction (JS)	Financial benefits
	Organizational policy for work and job security
	Employee relationship with the co-workers, supervisor and communication
	Supervisors attitude to manage the branch or department
Motivation (M)	Non-financial benefits
	Nature of organization and nature of the work
	Employee involvement with the job, job responsibility and career growth (e.g. promotion)
	Job recognition and job achievement
Skill (S)	Related job experiences (within the banking industry)
	Unrelated job experiences (outside the banking industry)
Knowledge (K)	Higher banking and business-related degree (Such as MBA)
	Higher non-banking and non-business background (Such as MSS or MSc)
	Higher academic result (e.g., Grade/Class)
Resources (R)	Sufficient resources such as IT and networking support, infrastructure, branch network
	Sufficient assets (such as loans and advancement/investment) and liability (such as deposit)
Opportunity (O)	Branch location
	Favorable business environment
Organizational Performance (OP)	Financial performance
	Non-financial performance
Employee Selection (ES)	Academic result e.g., Higher Grade/Class
	Previous work experience
	Personal characteristics such as sincerity, honesty, understanding, truthfulness, intelligence, behavior of an employee
	Employee personal and family background

5. Employee Selection Process

Employee recruitment and selection of the State-Owned Banks (SBs), Specialized Banks and Investment Corporation of Bangladesh (ICB) are done by the Bankers Selection Committee (BSC) of Bangladesh Bank. After getting the final requisition of the number of employees from the respective organization, BSC initiates the process of employee recruitment². The recruitment to entry level posts is done from external sources, mainly from fresh university graduates. The BSC specifies the necessary qualifications in the banks' recruitment and selection policy. After the recruitment process, the selection process starts. BSC holds scrutiny of the applications and conducts preliminary examination, followed by written exam and viva-voce. For the 'Officer' and below the 'Officer' posts, the BSC Viva-Voce board is headed by the Executive Director (ED) of BB, and for the 'Senior Officer' and above posts the BSC Viva-Voce board is headed by a Deputy Governor (DG) of Bangladesh. Managing Director or General Manager (GM) of the respective bank remains present in the final viva-voce of the particular banks. The BSC prepares a panel of the candidates from among the prospective employees, considering their performance in preliminary examination, written-test exam and viva-voce. Medical test and physical examination are conducted before joining of the candidates. Police verification is done after joining of the candidates.

The recruitment and selection process of the private commercial banks and foreign commercial banks are not same as the State-Owned Banks. The recruitment and selection process of the private commercial banks varies. The recruitment decision of a bank can be implemented in two ways, either recruitment through internally and recruitment through externally. However, when recruitment process ends, selection process starts. A traditional employee selection process model is shown Table-5.1.

Islam (2014) explained that recruitment process can be completed by the organization without the face-to-face interaction of the prospective candidates. The green recruitment process model explained by Islam (2014) is depicted in Annex-C. This process model with some modification can be used during the COVID-19 pandemic in the banking sector of Bangladesh. On the other hand, the banking companies of Bangladesh uses three kinds of selection process – selection process for lateral entry, vertical selection (employee promotion) and fresh entry. The usual selection process for the fresh entry has been explained in Table-5.1. However, COVID-19 restricts face-to-face interaction, hence, new employee selection has drastically declined. A new method of employee selection is a must in the new COVID-19 normal situation. Based on the literature (Islam, 2014) and Focus

² Recruitment is a process by which an organization arouses interest among the prospective candidates for particular posts.

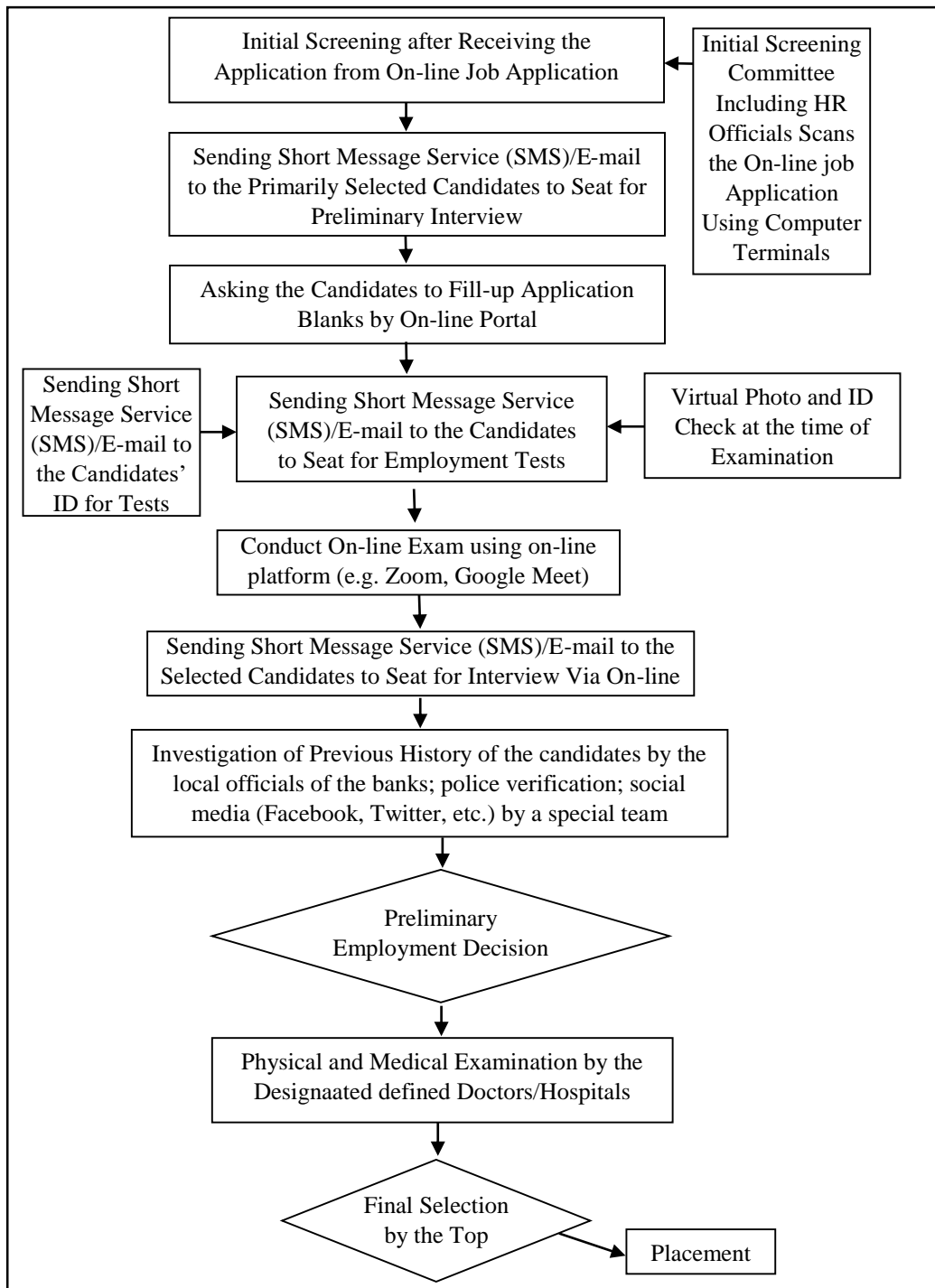
Group Discussion, the study proposed the following selection process due to COVID-19 situation (Figure-5.1).

Table 5.1: Traditional Selection Process Model in Bangladesh

Selection Process in Bangladesh	
Steps	Activities Involved
Step-1: Initial Screening	After receiving the applications from the applicants, the Head of HR initially screened based on job description and job specification. By this process some of the candidates will be eliminated from this stage.
↓	
Step-2: Employment Test	Organizations use intelligence, aptitude ability, analytical ability, interest and dexterity test.
↓	
Step-3: Comprehensive Interview	Candidates who qualified in the employment test are selected for comprehensive interview and send interview card for facing interview. Here comprehensive interview is conducted by the interview board.
↓	
Step-4: Final Employment Decision	Candidates who perform successfully on the employment test and the comprehensive interview are offered final employment. Here a placement letter is issued to the candidates to join the organization.
↓	
Step-5: Medical Test	After having the placement letter candidates are asked to join the organization within a stipulated time with medical test report. If the medical tests report have positive outcome regarding health of the candidate the Head of HR will accept the candidate joining.
↓	
Step-6: Background Investigation	After reception of the joining report of from the candidate, the Head of HR will check the background information. The background investigation report will affect the employee permanent condition in the organization.
↓	
Step-7: Permanent Employee	If the background report confirms positive message the Head of HR will confirm the employee as permanent after the stipulated time frame as mentioned in the placement letter. The selection process turned into end by this stage.

Source: Islam (2014)

Figure 5.1: Employee Selection Process Model (Fresh Entry) during Pandemic (e.g. COVID-19)

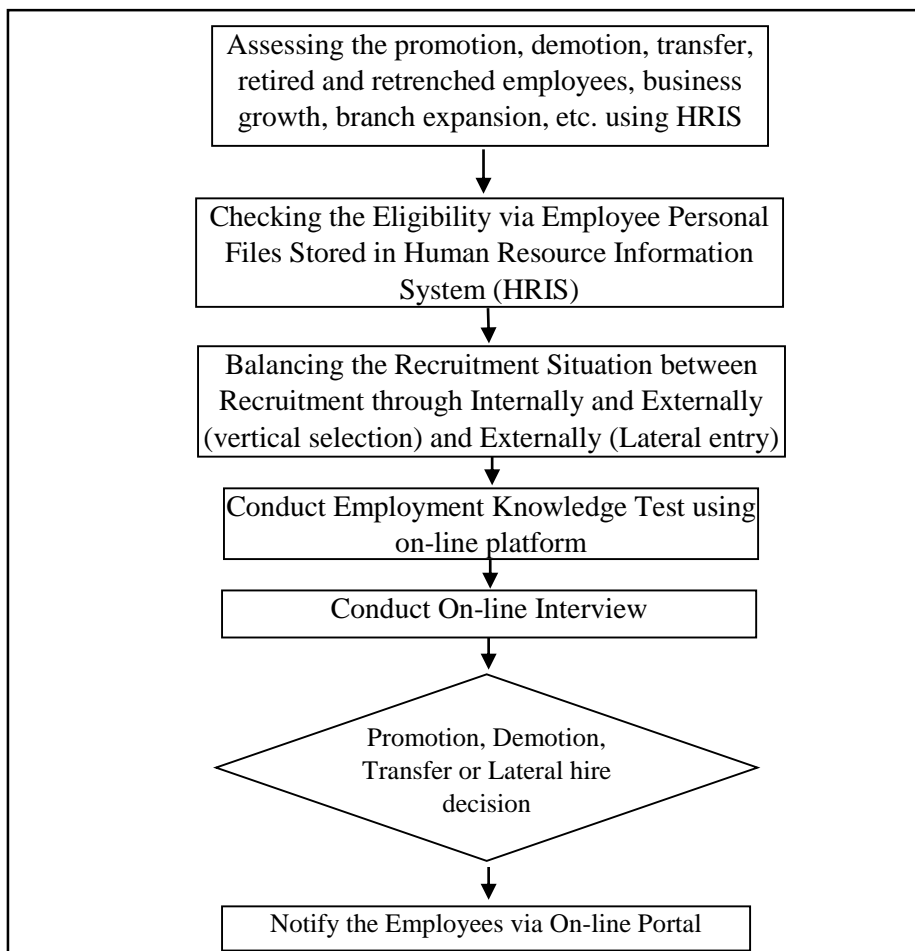


Source: Adopted from Islam (2014)

The main challenge for this proposed selection process model is to conduct on-line employment test/examination. The bank can use on-line platform such as Zoom, Google Meet with live video streaming. The bank can monitor the candidates virtually by staying

at the head-office. Moreover, question pattern should be analytical and of critical reasoning. Multiple Choice Question (MCQ), True/False, Fill-up-the blanks and other similar questions might be suitable in this regard. For mass examination, regional monitoring cell, supervised by the central monitoring system, can be used. Moreover, another critical is due to sharing of answers to questions. It can be solved by giving less time with more questions, live video streaming while giving the exam, candidate's face and movement record, etc. However, a pilot test is necessary before its final implementation.

Figure 5.2: Selection Process Model (Lateral Entry and Vertical Selection)



Source: Adopted from Islam (2014)

Similarly, employee selection for lateral entry externally and vertical selection (internal promotion from one lower post to the higher post) can be performed virtually during the Covid-19 pandemic. Employee selection for the lateral entry as well as vertical selection can be conducted via on-line platform. After assessing the employees' suitability for promotion by the head-office HR, on-line exam or the bank designed question-bank database can be used to assess the employees' eligibility to promote higher posts (Figure-5.2).

6. Findings and Discussion: Focus Group Discussion (FGD)

A Focus Group Discussion (FGD) was organized by the research team. The following issues were discussed in the FGD. A total of 27 discussants were present during the FGD (List of Discussants: Annex-A).

- Employee selection process.
- Methods/ways of employee selection.
- Factors considered in employee selection.
- Future of employee selection process, methods/ways, etc.
- Challenges faced in employee selection; recommendations to way-out.

Employee selection process in the banking sector of Bangladesh is, more or less, same. When demand for the manpower is created, the banks need approval from the Board for fulfilling the vacancy. After the approval, the banks circulate the vacancy announcement in different daily newspaper both in Bengali and English and use online platforms such as LinkedIn, BD Jobs, Facebook or the bank website.

A Head of HR of State-Owned Bank said that they are not directly involved in the selection process. Their selection is done by Banker's Selection Committee (BSC) for 9th and 10th grade especially for General Officer, Officer Cash, Assistant Engineer, Assistant Programmer, etc. Educational requirement, age bar, etc. are followed as per the policy of the bank. BB is directly involved in the selection process. But GM/ DMD/ MD participate in the final viva with BSC for the final selection of the candidates.

Most banks conduct the recruitment process with the help of third-party agent or vendor. If the number of applicants is huge against the number of posts, then MCQ (Multiple Choice Questions) test is taken to shortlist the candidates. A cut-off mark is also set and candidates who fail to achieve the desired score can't proceed for the written exam. The candidates who pass the written test have to face a viva. In the viva-voce, GM/ DMD/ MD of the respective banks remain present. They ask the candidates different questions relevant to the advertised job. Sometimes the selection board intentionally put the candidates in pressure situation to see their facial expression, confidence and how they come out of the situation.

Banks do not apply specific psychological test. But in the viva, the selection board tries to check the candidates' psychological fitness for the post. However, there may be a person unofficially assigned to see the behavior of the candidates and score them. Some banks also conduct day-long assessment test in their Assessment Center to verify the actual

communication, leadership skill of the candidates. Finally, the marks of written exam and viva are combined, and a merit list is prepared. From the merit list, banks choose the top candidates, as per their requirement.

A Head of HR of Islamic Bank said that they preserve the merit list and create a talent pool for the next one year and if they need employees, they can directly call the candidates from the panel. As recruitment is costly and time consuming, sometimes they renew the merit list with the permission of the Board.

After all these, medical test and police verification of the candidates are conducted. Some banks have their designated medical test centers from where the candidates have to do their medical check-up. Medical centers directly send the report to the banks. Banks mainly see if the candidate is suffering from any chronic disease or have any kind of addiction such as smoking, drugs, etc. Police verification is a must to verify the background of the candidate to find out if he/she has any criminal record. Finally, the selected candidates are given the appointment letter. The FGD discussants identified some key factors they consider for employee selection in banks.

Factors Considered in Employee Selection

- Educational qualification
- Experiences
- Capacity to do the job
- Medical fitness
- Verification (police, educational certificate, NID, etc.)
- Addiction test (smoking, drugs, etc.)
- Viva (physical appearance, IQ test, family background check, confidence, proactive attitude, etc.)

Further, the FGD discussants identified some challenges for employee selection in banks which are summarized as follows:

Presence of Subjective Judgement: In the written exam and viva, those who check the script or take viva, unknowingly bring their subjective judgment in scoring the candidates. Removing these types of subjective judgment is the biggest challenge of employee selection.

- ***Leakage of Question Paper:*** It is very difficult to prevent the leakage of question paper. In some cases, within a moment, exam question paper can be in the

candidates' hand before the exam. It also hampers the bank's reputation and goodwill. To prevent the leakage of question paper is a burning issue.

- *Difficult to Organize Exam Outside of Dhaka City:* It will be easy for the candidates if banks can organize exam not only in Dhaka city but also in each division. It will reduce the cost for the candidates and the pressure on the part of banks to manage huge number of candidates. As banks are dependent on the third party for recruitment, they are unable to manage exam outside of Dhaka.
- *Difficulty in Maintaining Transparency:* Banks find it very challenging to select the right talent. Banks try to ensure transparency on their side but sometimes the candidates tamper with the documents such as educational certificate, NID, medical report to get the job. Sometimes, it becomes really difficult for banks to identify the fake talent from the real one.
- *Mismatch between Test Result and Academic Result:* Now-a-days, a major challenge the banks are facing is on account of a mismatch between the test result and academic result of candidates. Sometimes, a university topper fails to answer any simple and easy questions in the viva board. Banks are facing difficulty in addressing this issue.
- *Under-qualified and Overqualified Candidates:* Banks receive applications from many under-qualified and overqualified candidates. They deal with the under-qualified candidates by rejecting them but face the real challenge in dealing with the overqualified candidates.
- *Difficulty in Taking Exam:* Banks are facing extreme difficulty in taking exams of the candidates physically in the COVID-19 situation by properly maintaining the social distancing and safety measures. Currently, all types of recruitment are on hold and candidates are the main sufferers.
- *Exceeding Candidates' Age to Apply:* Due to COVID-19 situation, banks are unable to take exams but the age of the candidates is increasing day by day. Candidates have to meet the age limit to apply for the bank's advertised job as mentioned in the circular.

7. Findings and Discussion: Quantitative

7.1 Measurement of Instrument

The study further adopted measurement instrument for organizational performance (Almatrooshi et al., 2016; Tomal & Jones, 2015; Randeree & Al Youha, 2009), determinants of HR performance (Almatrooshi et al., 2016; Boyatzis & Boyatzis, 2009; Soebbing et al., 2015; Sekakubo et al., 2014; Babcock-Roberson & Strickland, 2010; Price, 2001) and employee selection (Karanja et al., 2014; Islam, 2014; Mondy, 2011; Ekuma, 2012) as mentioned in Table-7.1.

Table 7.1: Measurement of Items

Thematic Variables	Measurement of Items	Source
Organization Performance	HR Performance, Resources, Opportunities	Almatrooshi et al., 2016; Tomal & Jones, 2015; Randeree & Al Youha, 2009
HR Performance	Leadership, Organization Culture, Employees Ability, Motivation, Job Satisfaction, Emotional States/Attitude	Almatrooshi et al., 2016; Boyatzis & Boyatzis, 2009; Soebbing et al., 2015; Sekakubo et al., 2014; Babcock-Roberson & Strickland, 2010; Price, 2001
Employee Selection	Work Experience, Background, Personal Characteristics, Educational Qualifications	Karanja et al., 2014; Islam, 2014; Mondy, 2011; Ekuma, 2012

7.2 Respondents' Characteristics

A total of 781 questionnaire responses were received, of which 29 responses were discarded because of incomplete information (Jilani et al., 2020; Das et al., 2020). The respondents included 79 percent from private commercial banks (PCBs), 17 percent from State-owned Banks (SOBs), and 4 percent from Foreign Banks (FBs). Moreover, 94 percent of respondents were in positions ranging from officer to Deputy General Manager (DGM), and 6 percent were in positions above DGM. Among the respondents, 62.6 percent had worked at fewer than three banks, while 33.6 percent had worked for more than three but fewer than five banks (Table-7.2).

Table 7.2: Respondents' Characteristics

Respondents' Profile	Particulars	%
Gender	Male	89.7
	Female	10.3
Age	Below 30 years	6.2
	30 to 39 years	62.8
	40 to 49 years	27.7
	50 years and above	3.3
Categories of the Banks	State-owned banks	17
	Private commercial banks	79
	Foreign banks	4
Management Level	Officer to Deputy General Manager	94
	Above Deputy General Manager	6
Number of Banks Worked	Fewer than 3	62.6
	3–5	33.6
	More than 5	3.8

Source: Survey Data, 2021

7.3 Measurement Model

Appendix-E presents the validity and reliability of the constructs. Thirty-three latent variables were extracted by Factor Analysis (FA) with a cut-off point 0.600 of Factor Loading (FL). Also, Average Variance Extracted (AVE) explains the overall variance of the constructs caused for the latent variables that cross the cut-off value 0.500, while Composite Reliability (CR) explains the degree of the constructs of the study and represents the latent variables that are higher than the cut-off value 0.700 (Hair et al., 2013; Ali et al., 2016).

Further, the study examined the constructs so that one construct is not represented by the other constructs. Discriminants Validity (DV) is a measure to assess such relations. Table-7.3 represents DV of the constructs. The diagonal values (bolded ones) is the square root of AVE and others are the inter-correlations among the constructs. The square root of AVE should be higher than the inter-correlations among the constructs (Fornell & Larcker, 1981). Thus, measurement of the model is free from biases.

Table -7.3: Discriminant Validity of the Constructs

	A	ES	JS	K	L	M	O	OC	OP	R	S
Emotional/Attitude States (A)	0.81*										
Employee Selection (ES)	0.045	0.751*									
Job Satisfaction (JS)	0.286	0.256	0.689*								
Knowledge (K)	0.039	0.468	0.185	0.726*							
Leadership (L)	0.159	0.082	0.292	0.154	0.76*						
Motivation (M)	0.261	0.215	0.55	0.227	0.38	0.677*					
Opportunity (O)	0.144	0.289	0.384	0.244	0.269	0.339	0.852*				
Organization Culture (OC)	0.169	0.258	0.374	0.199	0.572	0.447	0.296	0.722*			
Organizational Performance (OP)	0.183	0.291	0.276	0.288	0.318	0.315	0.261	0.349	0.802*		
Resources (R)	0.021	0.318	0.352	0.22	0.206	0.243	0.417	0.248	0.282	0.821*	
Skill (S)	0.132	0.324	0.201	0.179	0.125	0.163	0.341	0.228	0.16	0.252	0.744*

Note: * indicates the diagonal is the square root of AVE and others are the inter-correlations among the constructs

7.4 Structural Equation Model (SEM) and Hypothesis Testing

Table-7.4 presents the findings of the structural hypothesis testing, using SEM-PLS. The study hypothesized that human resource performance affects organizational performance (H₁), employee selection affect employee performance in organization (H₂), employee selection affects the relationship between employee performance and organizational performance (H₃). The statistical model for HR performance and employee selection is

statistically sound and fit by the data ($R^2 = 0.951$; Adjusted $R^2 = 0.949$). Seven broad thematic determinants were used to assess the HR performance in banks. These are leadership, organization culture, job satisfaction, emotional/attitude states, motivation, skill and knowledge. The study found that leadership ($\beta = 0.136$), organizational culture ($\beta = 0.179$), emotional/attitude states ($\beta = 0.398$), job satisfaction ($\beta = 0.182$), employee motivation ($\beta = 0.187$), employee skills ($\beta = 0.149$), employee knowledge ($\beta = 0.221$) are positively significant and affect the employee performance in organization. All of these determinants are statistically significant with 1% ($P < 0.01$) level. These indicate that leaders' quality, ethics, leadership styles (leadership sub factors); employee orientation, office timing, team work, respect, degree of integrity and ethics in the top management (organization Culture sub-factor), employees' attitudes toward the working environment, performance appraisal, financial and non-financial benefits (emotion/ attitudes states), job satisfaction (organizational policy for work and job security, relationship with supervisor and subordinates, etc.), employee motivator factors (e.g. job recognition, career advancement, job involvement, etc.) strongly influence employee performance in banks. Further, HR performance is statistically significant ($\beta = 0.375$; $P < 0.01$) and positively affect organizational performance. It means that the performance of HR improves the performance of organization. Hence, we cannot reject our hypothesis (H^1).

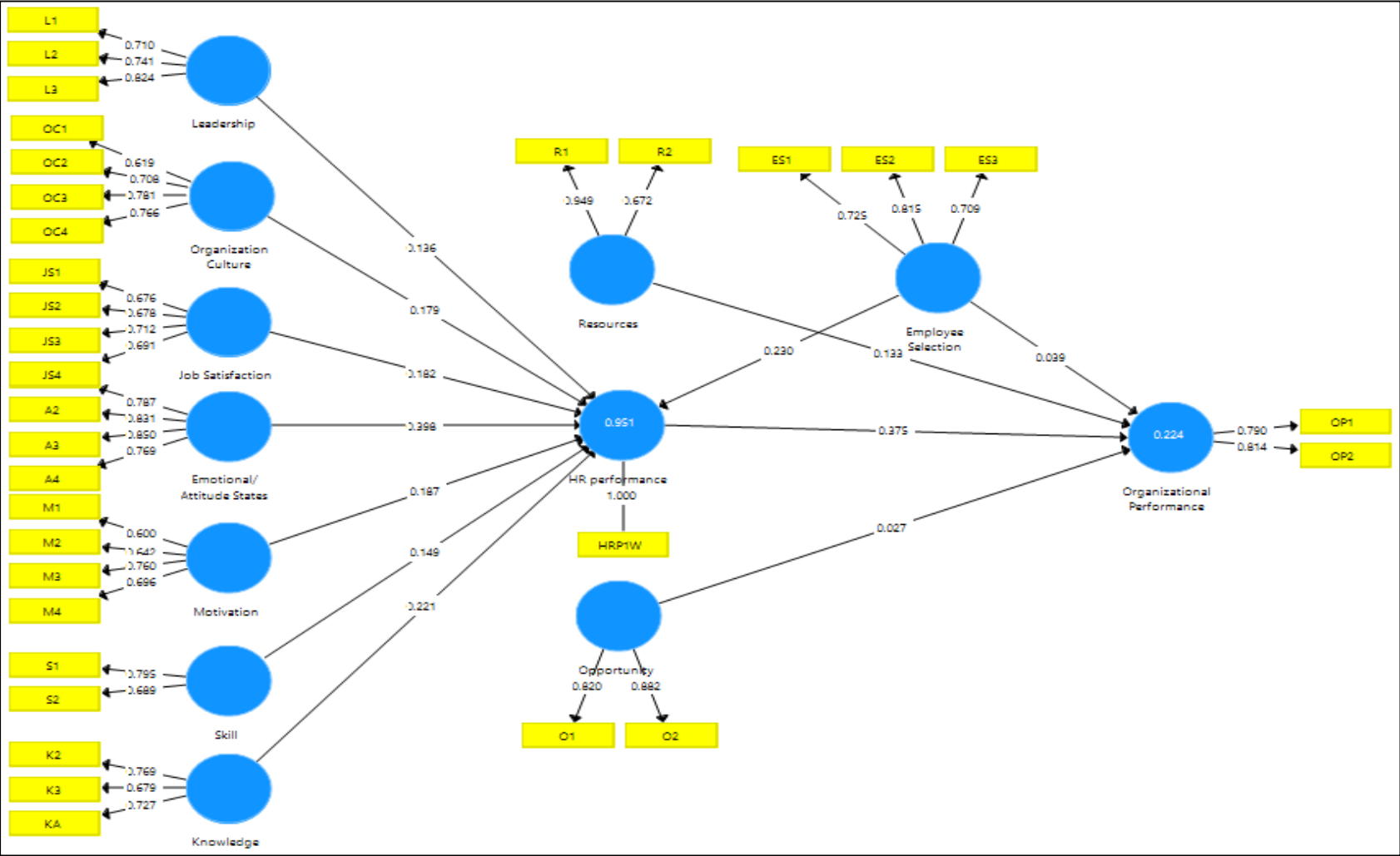
Table 7.4: Structural Hypothesis Testing

Relationship/Hypothesis	β	T- Statistics	P Values	Effect/Hypothesis Decision
Leadership -> HR performance	0.136	7.143***	0	Yes
Organization Culture -> HR performance	0.179	8.409***	0	Yes
Emotional/Attitude States -> HR performance	0.398	12.924***	0	Yes
Job Satisfaction -> HR performance	0.182	9.381***	0	Yes
Motivation -> HR performance	0.187	9.596***	0	Yes
Skill -> HR performance	0.149	7.521***	0	Yes
Knowledge -> HR performance	0.221	10.555***	0	Yes
H1: HR performance -> Organizational Performance	0.371	4.930***	0	Accepted
H2: Employee Selection -> HR performance	0.442	8.126***	0	Accepted
H3: Moderating effect: Employee Selection (ES) -> HR performance (HRP) -> Organizational Performance (OP)	0.061	1.213		Rejected with insignificant positive moderation

Note: *** indicates at 1% significance level

Figure-7.1 depicts the Structural Equation Modeling (SEM) without moderating effect of right employee selection in banks.

Figure 7.1: Structural Equation Modeling without Moderating Effect (1st Order Construct)

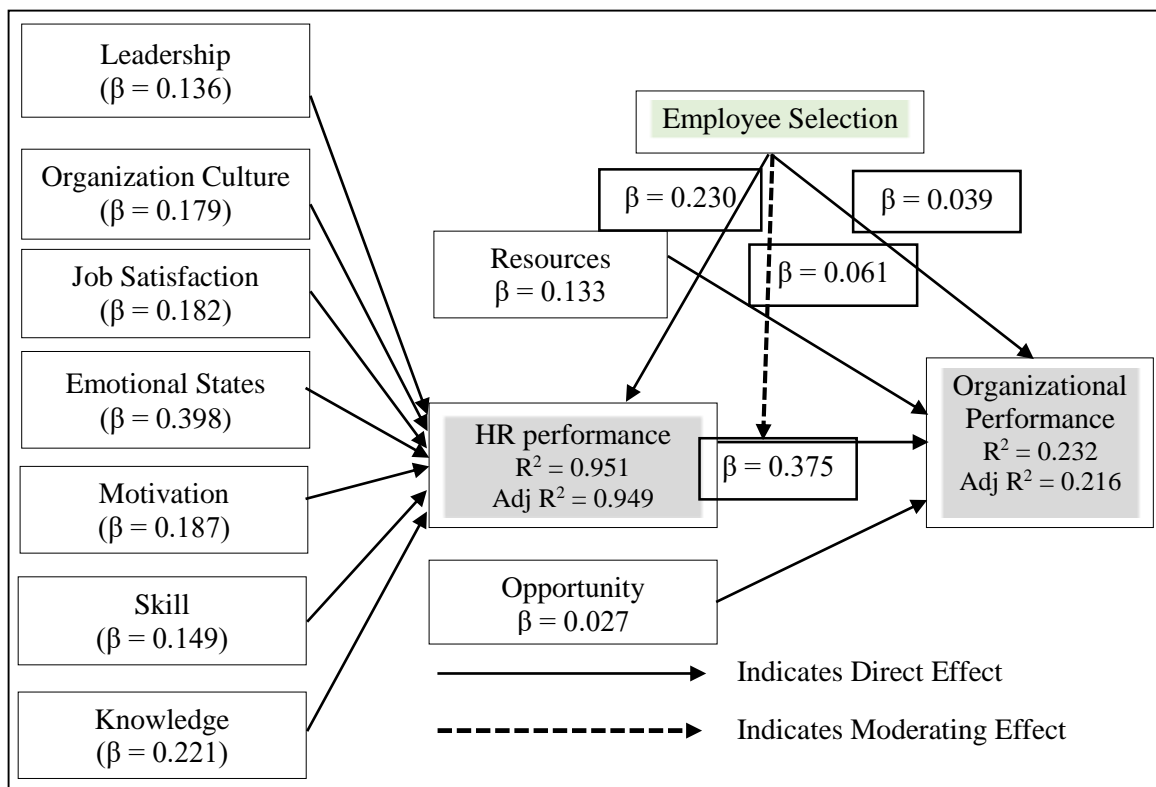


Source: Authors' Compilation

Further, Employee Selection (ES) variable is statistically significant and positively affect the employee performance in banks ($\beta = 0.230$; $P < 0.01$) (Table-7.5). It indicates that as a result of right selection of employees, banks' performances improves compared to other variables. The candidates' academic result (higher grade/class), previous work experience, personal characteristics (such as sincerity, honesty, understanding, truthfulness, intelligence, modest behavior), and personal and family background affect employee performance in the workplace. An employee who has been selected by these considerations in banks performs better than others. Moreover, these selected employees also have significant impact on the performance in banks. Thus, we cannot reject our hypothesis (H^2) and conclude that better employee selection significantly affects HR performance as well as organizational performance.

Our third hypothesis is that Employee Selection (ES) moderates the relationship between HR performance and organizational performance ($H3$). The study found that the moderating role of ES is statistically significant ($\beta = 0.061$; T-statistics = 1.213), but has a positive moderation between the HR performance and organizational performance. Hence, we cannot accept our hypothesis (H^3). The Structural Equation Modeling (SEM) with moderation is shown in Figure-7.2.

Figure 7.2: Structural Equation Modeling (1st Order and 2nd Order Constructs)



8. Recommendations and Conclusion

Based on the study findings, the study recommends the following actions:

- Banks can identify a checklist for soft skills as well as hard skills by which a candidate can be assessed. Moreover, some Key Selection Factors (KSF) should also be identified for the right selection of the employees. The test of the skill sets for the candidates can be conducted during the total selection process, but it should be completed before the final placement letter.
- Information on candidates' ethics and integrity, and their parents' ethical analysis can be conducted by the banks, using a separate team (including local branch manager or local level employees). Moreover, separate psychological test can be conducted to measure candidates' ethics and integrity. A designated psychiatrist can be incorporated in the final interview of the candidate and specific marks can be allocated for psychological assessment. Bangladesh Bank (BB) can ask all banks to form a High-Power Ethical Team (HPET) in the banks to assess the candidates' ethical and historical background.
- Banks may have an assessment center to assess the candidates before the final interview with the top management. Assessment center must be under the supervision of HRD of the banks. The assessment center can observe a group of candidates for a day or two. Candidates' behavior, communication skills, sudden ethical test, etc. may be measured by following certain standards in the assessment center. Bangladesh Bank (BB) can ask all banks to have an assessment center and assess the candidates' ethics and integrity and psychology before the final selection is made.
- Subjective judgement in the total selection process should be reduced by introducing more analytical questions in the employment tests. Moreover, some key selection criteria in the viva-voce can be defined earlier where maximum and minimum scores can be allocated for each criterion. Further, to reduce leakage of question paper in the employment tests, banks can organize the process by their own. They can outsource the total selection process by an ethical-fit organization. If banks are required to appoint only a limited number of candidates, they can ask reputed organizations/universities for sending meritorious but ethically and psychologically fit students for employment assessment. However, the banks should arrange necessary employment test by their own for this small group of candidates.

- While selecting the employees, banks may choose the employees based on their merit from three categories proportionately: low, mediocre and high level. This may help the banks to reduce the problem of employee turnover.
- COVID-19 poses a threat to conduct face-to-face employment tests for the candidates. The proposed employee selection model in this study can be used for employee selection. Moreover, if the entire populations of Bangladesh can be brought under COVID-19 vaccination, then hopefully the pandemic situation will be under control. Banks then can conduct MCQ or written test in that new normal situation. Banks can also develop an innovative software which will help the banks to virtually conduct exam of the candidates.
- Bangladesh Bank prohibits the banks to receive any kind of fees from the candidates for applying for the advertised jobs through a circular. Bangladesh Bank may allow the banks to receive recruitment and selection process fees from the candidates by fixing the maximum amount. However, banks can also adjust this cost from the CSR fund of the banks. As banks invite applications from all disciplines, they receive a large number of applications.
- To complete a recruitment process, it takes a lot of time. Sometimes the candidates cross their eligible age. So, banks can take an initiative or find a methodology to reduce the time it takes to complete the whole recruitment and selection process. Further, COVID-19 pandemic has also snatched away around 2 years from the candidates. Banks can consider this issue and can relax the age limit. Bangladesh Bank (BB) may ask all banks to relax the age bar and limit it to 32 years.

The banking sector in Bangladesh should apply the modern and innovative techniques for selecting appropriate employees in their human resources management system. This may help them to derive the benefits to the desired objectives of the banking sector, satisfy the customers, ensure sound financial management, plug loopholes and increase in profitability through increased productivity of human resources. This may enable the banking sector of Bangladesh to respond to present and upcoming challenges.

References

- Ahmed, R., Yousuf, M., & Lubna, N. (2019). Banking sector development and economic growth in Bangladesh: an empirical analysis. *Canadian Journal of Researcher's Society*, 9(1).
- Aksoy, M., Apak, S., Eren, E., & Korkmaz, M. (2014). Analysis of the effect of organizational learning-based organizational culture on performance, job satisfaction and efficiency: A field study in banking sector. *International Journal of Academic Research*, 6(1), 301-313.
- Ali, F. Kim, W.G. and Ryu, K. 2016. The effect of physical environment on passenger delight and satisfaction: moderating effect of national identity. *Tourism Management*, 57, 213-224.
- Almatrooshi, B., Singh, S.K. & Farouk, S. (2016). Determinants of organizational performance: a proposed framework. *International Journal of Productivity and Performance Management*, Vol. 65 No. 6, pp. 844-859.
- Babcock-Roberson, M.E. and Strickland, O.J. (2010). The relationship between charismatic leadership, work engagement, and organizational citizenship behaviors, *Journal of Psychology*, Vol. 144 No. 3, pp. 313-326.
- Bartlett, M.S. (1954). A note on the multiplying factors for various χ^2 approximations. *Journal of the Royal Statistical Society. Series B (Methodological)*. Vol. 16 No. 2, pp. 296-298.
- Borman, W.C. Ilgen, D.R. & Klimoski, R.J. (2003). Industrial and Organizational Psychology, in *Handbook of Psychology*. 12, John Wiley and Sons.
- Boyatzis, R. and Boyatzis, R.E. (2009). Competencies as a behavioral approach to emotional intelligence", *Journal of Management Development*, Vol. 28 No. 9, pp. 749-770.
- Brislin RW. (1970). Back-Translation for Cross-Cultural Research. *Journal of Cross-Cultural Psychology*. 1(3):185-216.
- Cho, J. and Dansereau, F. (2010). Are transformational leaders fair? A multi-level study of transformational leadership, justice perceptions, and organizational citizenship behavior, *The Leadership Quarterly*, Vol. 21 No. 3, pp. 409-421.
- Christmann, A. and Aelst, S. V. (2006). Robust estimation of Cronbach's alpha, *Journal of Multivariate Analysis*, Vol. 97(7), 1660-1674
- Chu, Z., Wang, L., & Lai, F. (2019). Customer pressure and green innovations at third party logistics providers in China: The moderation effect of organizational culture. *The International Journal of Logistics Management*, 30(1), 57-75.
- Creswell, J.W. & Plano Clark, V.L. (2011). *Designing and Conducting Mixed Methods Research*, Thousand Oaks (2nd edition), CA: Sage Publications, Inc.

- Crossman, A. Abou-Zaki, B. (2003). Job satisfaction and employee performance of Lebanese banking staff, *Journal of Managerial Psychology*, Vol. 18 Issue: 4, pp.368-376
- Das, A.K. Jilani, M.M.A.K. Uddin, M.S. Uddin, M.A. and Ghosh, A.K. (2021). Fighting ahead: adoption of social distancing in COVID-19 outbreak through the lens of theory of planned behavior. *Journal of Human Behavior in the Social Environment*, 3(1-4), 373-393.
- Das, Madhushree and Bhuyan, Chandan and Sultana, Syeda Fahima Shahnaz (2020). COVID-19 Pandemic-Induced Teaching-Learning Experiences: Some Realities from Assam (India), *International Journal of Innovation, Creativity and Change*, Available at SSRN: <https://ssrn.com/abstract=3707078>
- DeCenzo, D.A. & Robbins, S.P. (1998). *Personnel/Human Resource Management*, Prentice Hall of India, 3rd Edition.
- Dessler, G. & Varkkey, B. (2011). *Human Resource Management*, Pearson, 12th Edition.
- Ehnert, I. (2020). *Sustainable Human Resource Management – A conceptual and exploratory analysis from a paradox perspective*. Springer Nature Switzerland AG.
- Ekuma, K. J. (2012). The Importance of Predictive and Face Validity in Employee Selection and Ways of Maximizing Them: An Assessment of Three Selection Methods. *International Journal of Business and Management*, 7 (22), 115-122.
- Eva, T. P. (2018). Recruitment and Selection Strategies and Practices in the Private Sector Commercial Banks of Bangladesh: Evidence from Human Resource Practitioners. *European Business and Management*, 4(1): 28-38.
- Fitzgerald, L., Johnston, R., Brignall, S., Silvestro, R. and Voss, C. (1994). *Performance Measurement in Service Businesses*. The Chartered Institute of Management Accountants, Cambridge.
- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39-50
- French, R. & Rumbles, S. (2010). Recruitment and selection. In C. Rayner & D. Adam Smith (eds.), *Managing and Leading People* (pp. 139-156). London: Chartered Institute of Personnel and Development (CIPD).
- Gundersen, M.G., Heide, M. and Olsson, U.H. (1996). Hotel guest satisfaction among business travelers: what are the important factors? *Cornell Hotel & Restaurant Administration Quarterly*, Vol. 37, pp. 72-8
- Hair, J. F., Hult, G. T. M., Ringle, C., & Sarstedt, M. 2013. *A primer on partial least squares structural equation modelling (PLS-SEM)*. Los Angeles: Sage Publications.

- Herzberg, F. (1968). One more time: How do you motivate employees. <http://www.mcrhrdi.gov.in/91fc/coursematerial/management/14%20One%20More%20Time%20How%20do%20you%20Motivate%20Employees.pdf> accessed 20 January 2022
- Highhouse, S. (2008). Stubborn Reliance on Intuition and Subjectivity in Employee Selection. *Industrial and Organizational Psychology*, 1, 333-342.
- Islam, M. T. (2014). Green Recruitment and Selection Process Model: Evidence from the Banking Sector of Bangladesh. *Bank Parikrama*, XXXIX (1 & 2), 113-135.
- Islam, M.T. (2020). *Organization and Management. Institute of Bankers Bangladesh (IBB)*, Associate Printing Press, 1st Edition.
- Islam, M.T. Yesmin, R. Ezaz, S. and Islam, M.M. (2019). Human resource management of banks. *Banking Review Series-2019*. BIBM publications
- Islam, M.T., Kokubu, K. and Nishitani, K. (2021). Corporate social reporting in the banking industry of Bangladesh: a test of legitimacy theory, *Social Responsibility Journal*, Vol. 17 No. 2, pp. 198-225.
- Ismail, I. Haron, H. Nasir, H. Ibrahim and Isa, S. M. (2006). Service quality, client satisfaction and loyalty towards audit firms Perceptions of Malaysian public listed companies, *Managerial Auditing Journal*, Vol. 21 No. 7, pp. 738-756
- Jilani, M.M.A.K. Fan, L. Islam, M.T. and Uddin, M.A. (2020). The influence of knowledge sharing on sustainable performance: a moderated mediation study. *Sustainability*, 12(3), 908
- Jones, G. R., & George, J. M. (2006). *Contemporary Management*. New York: McGraw-Hill Irwin.
- Judge, T. A., Thoresen, C.J., Bono, J. E., & Patton, G. K. (2001). The job satisfaction job performance relationship: qualitative and quantitative review, *Psychological Bulletin*, vol. 127(3), p. 376-407.
- Karanja, J.G. Ndunga, R.M. & Mugambi, C.N. (2014). Factors Influencing Employee Selection In The Public Service In Kenya. *International Journal of Economics, Commerce and Management*, II (12).
- Kumar, Y. L. N. (2014). Importance of organizational citizenship behaviors in enhancing customer service indicators: A review. *IUP Journal of Management Research*, 13(1), 17.
- Lee, F-H. Lee, T-Z & Wu, W-Y (2020). The relationship between human resource management practices, business strategy and firm performance: Evidence from steel industry in Taiwan. *The International Journal of Human Resource Management* 21(9):1351-1372.

- Lewis, B.R. (1994) in Meidan, A., Lewis, B.R. and Moutinho, L. (Eds), *Service Quality: Recent Developments in Financial Services*; Financial Services Marketing: A Reader, The Dryden Press, London.
- Locke, E.A. (1976). *The nature and causes of job satisfaction*, Handbook of Industrial and Organizational Psychology, Rand-McNally, Chicago, IL.
- Maamari, B. E., & Saheb, A. (2018). How organizational culture and leadership style affect employees' performance of genders. *International Journal of Organizational Analysis*, 26(4), 630-651.
- Mastrangelo, A., Eddy, E.R. and Lorenzet, S.J. (2014). The relationship between enduring leadership and organizational performance, *Leadership and Organization Development Journal*, Vol. 35 No. 7, pp. 590-604.
- Mastrangelo, A., Eddy, E.R. and Lorenzet, S.J. (2014). The relationship between enduring leadership and organizational performance, *Leadership and Organization Development Journal*, Vol. 35 No. 7, pp. 590-604.
- Miah, M.K. & Mohiuddin, K.G.B. (2014). Recruitment and selection strategy and institutional performance: evidence from foreign banks operating in Bangladesh. *Bank Parikrama*, XXXIX (1 & 2), 56-77.
- Mondy, R.W. (2011). *Human Resource Management*. Pearson, 10th Edition.
- Morse, J.M. (1991). Approaches to qualitative-quantitative methodological triangulation. *Nursing Research*, 40, 120-123.
- Nda, M.M. & Fard, R.Y. (2013). The impact of employee training and development on employee productivity. *Global Journal of Commerce and Management Perspectives*, 2(6), 91-93.
- Newstrom, J.W. & Davis, K. (1996). *Organizational behavior: Human behavior at work*. McGraw-Hill College; Subsequent edition.
- Pradhan, S. and Pradhan, R.K. (2015). An empirical investigation of relationship among transformational leadership, affective organizational commitment and contextual performance, *Vision: The Journal of Business Perspective*, Vol. 19 No. 3, pp. 227-235.
- Randeree, K. and Al Youha, H. (2009). Strategic management of performance: an examination of public sector organizations in the United Arab Emirates, *International Journal of Knowledge, Culture and Change Management*, Vol. 9 No. 4, pp. 123-134.
- Ringle, C. M., Wende, S., & Will, A. (2005). *Smart PLS 2.0 M3*. Hamburg: University of Hamburg. www.smartpls.de
- Robbins, S.F. and Judge, T.A. (2019). *Organizational Behavior*, Pearson, Global Edition
- Rust, R.T. and Oliver, R.L. (1994). *Service Quality: Insights and Managerial Implications from the Frontier*. In: Rust, R.T. and Oliver, R.L., Eds., *Service Quality: New*

- Directions in Theory and Practice, Sage Publications, Thousand Oaks, 1-19.
<http://dx.doi.org/10.4135/9781452229102.n1>
- Ryan, G., Emmerling, R.J. and Spencer, L.M. (2009). Distinguishing high-performing European executives: the role of emotional, social and cognitive competencies, *Journal of Management Development*, Vol. 28 No. 9, pp. 859-875.
- Sarinah, Gultom, R. S. Thabah, A. A. (2016). The Effect of Recruitment and Employee Selection on Employee Placement and Its Impacts Towards Employee Performance. *Jurnal Manajemen Transportasi & Logistik (JMTranslog)* - Vol. 03 No. 1,
- Schmid, F. L., & Hunter, J. E. (1998). The validity and utility of selection methods in personnel psychology: Practical and theoretical implications of 85 years of research findings. *Psychological Bulletin*, 124(2), 262–274.
- Schumpeter, J. & Backhaus, U. (2003). The Theory of Economic Development. In *Joseph Alois Schumpeter* (pp. 61-116). Springer, Boston, MA.
- Siddiqui, M. N. (2014). Success of an Organization is a result of Employees Performance. *Advances in Social Sciences Research Journal*, 1(4), 179-201.
- Soebbing, B.P., Wicker, P. and Weimar, D. (2015). The impact of leadership changes on expectations of organizational performance, *Journal of Sport Management*, Vol. 29 No. 5, pp. 485-497.
- Spector, P. (1997), *Job Satisfaction: Application, Assessment, Cause and Consequences*, Sage Publications, London.
- Tomal, D.R. and Jones, K.J. (2015). A comparison of core competencies of women and men leaders in the manufacturing industry. *The Coastal Business Journal*, Vol. 14 No. 1, pp. 13-25.
- Tomal, D.R. and Jones, K.J. (2015). A comparison of core competencies of women and men leaders in the manufacturing industry, *The Coastal Business Journal*, Vol. 14 No. 1, pp. 13-25.
- Ugheoke, S.O. (2019). Organizational culture and employee performance: Moderation effect of transformational leadership style. *Academic Journal of Business and Social Sciences*, Vol. 3 No. 1
- Ulrich, D. (1997). Measuring Human Resources: An Overview of Practice and a Prescription for Results. *Human Resource Management: Published in Cooperation with the School of Business Administration, The University of Michigan and in alliance with the Society of Human Resources Management*, 36(3), 303-320.
- Werther, W. B. & Davis, K. J. (2000). *Human resources and personnel management* (4th ed.). New York: McGraw-Hill.
- Westland, J.C. (2010). Lower bounds on sample size in structural equation modelling. *Electronic Commerce Research and Applications*, Vol. 9, 476–487

Annex A: Discussants of the FGD

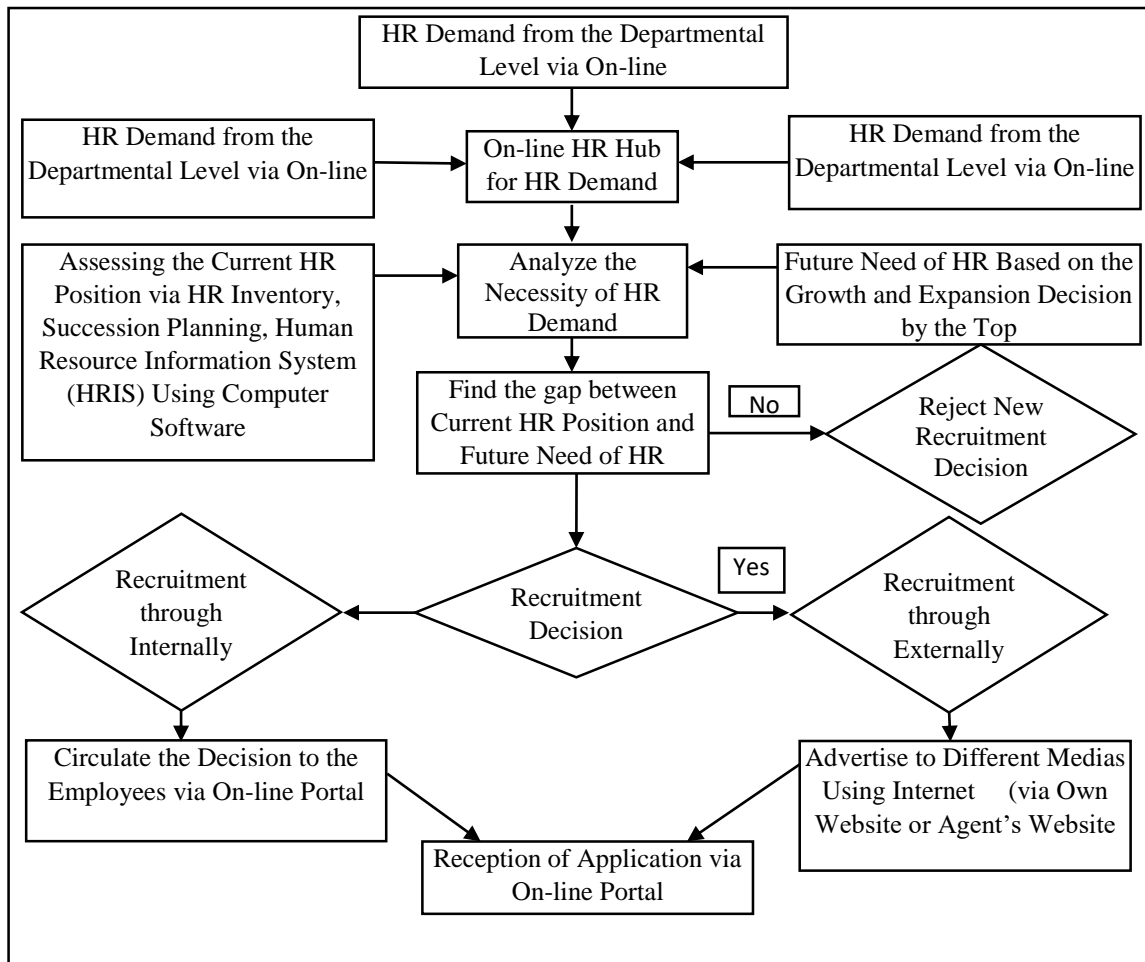
Sl.	Name of the Organization	Department and Designation	Number of Discussants
1	Bangladesh Bank	HRM-1, DGM	1
2	Bangladesh Bank	BSC, DGM	1
3	Bangladesh Institute of Bank Management	--	3
4	Bangladesh Institute of Bank Management	DG	1
5	Sonali Bank Limited	GM, HR	1
6	Agrani Bank Limited	DGM, HR	1
7	Rupali Bank Limited	DGM, HR	2
8	Janata Bank Limited	DGM, HR	1
9	Rajshahi Krishi Unnayan Bank	DGM, HR	1
10	Islami Bank Bangladesh Limited	SVP, HR	1
11	Dutch-Bangla Bank Limited	EVP, HR	1
12	BRAC Bank Limited	HR	4
13	Southeast Bank Limited	SEVP, HR	1
14	Eastern Bank Limited	Acquisition Manager, HR	1
15	First Security Islami Bank Limited	AVP, HR	1
16	Habib Bank Limited	Acquisition Manager, HR	1
17	Social Islami Bank Limited	AVP, HR	1
18.	Bangladesh Krishi Bank	Former Chairman	1
19.	Pubali Bank Limited	Former Managing Director	1
20.	Standard Chartered Bank	Former High Official	1
21.	The Hongkong and Shanghai Banking Corporation Limited	Former High Official	1
Total			27

Annex B: Questionnaire

Leadership	L1	Leader's self-confidence, values and commitment influence its followers' performance which influence the organizational productivity
	L2	Leader's ethics motivate the employees to work in the organization
	L3	Leader's knowledge and competencies (skill and knowledge) on job, motivate the employees to work in the organization
	L4	Leadership styles e.g., democratic, autocratic, and free-reign matter for employee motivation to works in the organization
Organization Culture	OC1	Effective orientation of an employee to his/her work matters for employee job performance
	OC2	Organizational culture i.e., office timing, respect, team work matter for employee job performance in organization
	OC3	Organizational culture i.e., degree of integrity, ethics, honesty in management practices matter for employee job performance in organization
	OC4	Organization values, customs, tradition in management matters for employee job performance at workplace in organization.
	OC5	Power and politics in the organization matter for employee promotion and career growth at the workplace in organization.

Emotional States/Attitudes	ES1	Emotional states toward the working environment and job experiences affect employee performance at workplace in organization
	ES2	Emotional states toward the employee performance appraisal and promotion affect employee performance at workplace in organization
	ES3	Emotional states toward the employee financial benefits affect employee performance at workplace in organization
	ES4	Emotional states toward the employee non-financial benefits affect employee performance at workplace in organization
Job Satisfaction	JS1	Financial benefits matter for job satisfaction and job performance
	JS2	Organizational policy for work and job security matters for job satisfaction and job performance
	JS3	Employee relationship with the co-workers, supervisor and communication matters for job satisfaction and job performance
	JS4	Supervisors attitude to manage the branch or department matter for better work environment and job performance
Motivation	M1	Non-financial benefits such as travel, car, insurance, medical , etc. matter for job motivation and job performance
	M2	Nature of organization and nature of the work matters for job motivation and job performance
	M3	Employee involvement with the job, job responsibility and career growth (e.g. promotion) matters for job motivation and job performance
	M4	Job recognition and job achievement matters for job motivation and job performance
Skill	S1	Related job experiences (within the banking industry) affect employee performance in the organization.
	S2	Unrelated job experiences (outside the banking industry) improves employee performance in the organization.
Knowledge	K1	Higher banking and business-related degree (Such as MBA) improve employee performance in the organization
	K2	Higher non-banking and non-business background (Such as MSS or MSc) improves employee performance in the organization
	K3	Higher academic result (e.g., Grade/Class) matter for employee performance in the organization
Resources	R1	Sufficient resources such as IT and networking support, infrastructure, branch network affect organizational performance
	R2	Sufficient assets (such as loans and advances/investment) and liabilities (such as deposit) affect organizational performance
Opportunity	O1	Branch location affect to bring better business and affect organizational performance
	O2	Favourable business environment affects to bring better business and affect organizational performance
Organizational Performance	OP1	The bank's financial performance is related to the HR performance, opportunity and resources to the organization
	OP2	Non-financial performance such as corporate culture, leadership, ethics, and value system are related to the HR performance, opportunity and resources to the organization
Employee Selection	ES1	Academic result e.g., Higher Grade/Class affect employee selection hence affect employee performance in the organization
	ES2	Previous work experience affects employee selection hence affect employee performance in the organization
	ES3	Personal characteristics such as sincerity, honesty, understanding, truthfulness, intelligence, behavior of an employee affects employee selection hence affect employee performance in the organization
	ES4	Employee personal and family background affects employee selection hence affect employee performance in the organization

Annex C: Green Recruitment Process Model



Source: Islam (2014)

Annex D: List of Banks Covered in the Perception Survey

State Owned Commercial Banks (07)	Private Commercial Banks (37)	Foreign Commercial Banks (04)
1. Sonali Bank Limited	1. Pubali Bank Limited	1. Standard Chartered Bank
2. Janata Bank Limited	2. Uttara Bank Limited	2. Habib Bank Limited
3. Agrani Bank Limited	3. AB Bank Limited	3. WOORI BANK
4. Rupali Bank Limited	4. National Bank Limited	4. The Hongkong and Shanghai Banking Corporation Limited
5. Bangladesh Development Bank Limited	5. Eastern Bank Limited	
6. BASIC Bank Limited	6. United Commercial Bank Limited	
7. Bangladesh Krishi Bank	7. Islami Bank Bangladesh Limited	
	8. IFIC Bank Limited	
	9. Dutch-Bangla Bank Limited	
	10. Mercantile Bank Limited	
	11. Al-Arafah Islami Bank Limited	
	12. National Credit and Commerce Bank Limited	
	13. Trust Bank Limited	
	14. Southeast Bank Limited	

	15. Social Islami Bank Limited	
	16. Standard Bank Limited	
	17. Export Import Bank of Bangladesh Limited	
	18. Mutual Trust Bank Limited	
	19. Jamuna Bank Limited	
	20. Bank Asia Limited	
	21. First Security Islami Bank Limited	
	22. Meghna Bank Limited	
	23. South Bangla Agriculture and Commerce Bank Limited	
	24. NRB Commercial Bank Limited	
	25. Union Bank Limited	
	26. BRAC Bank Limited	
	27. NRB Bank Limited	
	28. The City Bank Limited	
	29. Prime Bank Limited	
	30. Dhaka Bank Limited	
	31. Investment Corporation of Bangladesh	
	32. Bangladesh Commerce Bank Limited	
	33. The Premier Bank Limited	
	34. Shahjalal Islami Bank Limited	
	35. Shimanto Bank Limited	
	36. ICB Islami Bank Limited	
	37. ONE Bank Limited	

Annex E: Validity and Reliability of the Constructs

Constructs	Acronyms	Items	Factor Loading	AVE	CR
Leadership (L)	L1	Leader's self-confidence, values and commitment influence its followers' performance which influence the organizational productivity	0.710	0.577	0.803
	L2	Leader's ethics motivate the employees to work in the organization	0.741		
	L3	Leader's knowledge and competencies (skill and knowledge) on job, motivate the employees to work in the organization	0.824		
Organization Culture	OC1	Effective orientation of an employee to his/her work matters for employee job performance	0.619	0.521	0.812
	OC2	Organizational culture i.e., office timing, respect, team work matter for employee job performance in organization	0.708		
	OC3	Organizational culture i.e., degree of integrity, ethics, honesty in management practices matter for employee job performance in organization	0.781		
	OC4	Organization values, customs, tradition in management matters for employee job performance at workplace in organization.	0.766		
	A1	Emotional states toward the working environment and job experiences affect	0.787	0.656	0.884

Constructs	Acronyms	Items	Factor Loading	AVE	CR
Emotional States/ Attitudes		employee performance at workplace in organization			
	A2	Emotional states toward the employee performance appraisal and promotion affect employee performance at workplace in organization	0.831		
	A3	Emotional states toward the employee financial benefits affect employee performance at workplace in organization	0.850		
	A4	Emotional states toward the employee non-financial benefits affect employee performance at workplace in organization	0.769		
Job Satisfaction	JS1	Financial benefits matter for job satisfaction and job performance	0.676	0.475	0.783
	JS2	Organizational policy for work and job security matters for job satisfaction and job performance	0.678		
	JS3	Employee relationship with the co-workers, supervisor and communication matters for job satisfaction and job performance	0.712		
	JS4	Supervisors attitude to manage the branch or department matter for better work environment and job performance	0.691		
Motivation	M1	Non-financial benefits such as travel, car, insurance, medical , etc. matter for job motivation and job performance	0.600	0.459	0.771
	M2	Nature of organization and nature of the work matters for job motivation and job performance	0.642		
	M3	Employee involvement with the job, job responsibility and career growth (e.g. promotion) matters for job motivation and job performance	0.760		
	M4	Job recognition and job achievement matters for job motivation and job performance	0.696		
Skill	S1	Related job experiences (within the banking industry) affect employee performance in the organization.	0.795	0.554	0.712
	S2	Unrelated job experiences (outside the banking industry) improves employee performance in the organization.	0.689		
Knowledge	K1	Higher banking and business-related degree (Such as MBA) improve employee performance in the organization	0.727	0.527	0.769
	K2	Higher non-banking and non-business background (Such as MSS or MSc) improves employee performance in the organization	0.769		
	K3	Higher academic result (e.g., Grade/Class) matter for employee performance in the organization	0.679		
Resources	R1	Sufficient resources such as IT and networking support, infrastructure, branch network affect organizational performance	0.849	0.675	0.801

Constructs	Acronyms	Items	Factor Loading	AVE	CR
	R2	Sufficient assets (such as loans and advancement/investment) and liability (such as deposit) affect organizational performance	0.669		
Opportunity	O1	Branch location affect to bring better business and affect organizational performance	0.818	0.726	0.841
	O2	Favourable business environment affects to bring better business and affect organizational performance	0.884		
Organizational Performance	OP1	The bank's financial performance is related to the HR performance, opportunity and resources to the organization	0.770	0.643	0.782
	OP2	Non-financial performance such as corporate culture, leadership, ethics, and value system are related to the HR performance, opportunity and resources to the organization	0.833		
Employee Selection	ES1	Academic result e.g., Higher Grade/Class affect employee selection hence affect employee performance in the organization	0.726	0.564	0.795
	ES2	Previous work experience affects employee selection hence affect employee performance in the organization	0.815		
	ES3	Personal characteristics such as sincerity, honesty, understanding, truthfulness, intelligence, behavior of an employee affects employee selection hence affect employee performance in the organization	0.709		

Note: CR = Composite Reliability; AVE = Average Variance Extracted; Factor Loadings, CR and AVE are from SEM-PLS output.

Bangladesh Institute of Bank Management (BIBM)

Plot No. 4, Main Road No. 1 (South), Section No. 2, Mirpur, Dhaka-1216

Tel: 48032091-4; 48032096-7, 48032104, E-mail bibmresearch@bibt.org.bd; Web: www.bibt.org.bd

Price: BDT 300.00

USD 8.00