

Recruitment Practices Effect on Organisational Performance through Employee Commitment

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Abstract

Employee commitment is a key factor that is often mediates the recruitment factors and organisational performance as found in literature. In addition, commitment is often being associated with employee retention which concerns most today's organisations. The objectives of this thesis were fourfold; to investigate the effect of recruitment practices on organisational performance; to examine the relationship between employee commitment and recruitment practices; to examine the relationship between employee commitment and organisational performance; and to analyze the roles of employee commitment in mediating the effect between recruitment practices and organisational performance. The main analysis analysed the relationship among the research constructs and the research framework was validated by employing the Partial Least Squares Structural Equation Modeling (PLS-SEM) Software. The current research was guided by Resource Based-view Theory. Quantitative research method was employed through survey utilizing questionnaires for primary data collection. The samples included 377 managerial personnel of firms in the energy industry such as Abu Dhabi National Oil Company, Emirates National Oil Company, Abu Dhabi National Energy Company, Sharjah National Oil Corporation. Simple random sampling method was used in achieving the total number of samples through the provided sampling formula. The results indicated a significant relationship between all variables.

Keywords: Recruitment Practices, Employee Commitment, Organizational Performance

Introduction

Recruitment practices (RP) within human resource management (HRM) are essential for addressing challenges and unlocking the full potential of employees, thereby driving organizational performance. HRM, which encompasses hiring, training, performance appraisal, and industrial relations, focuses on optimizing employee contributions to achieve organizational objectives. This is particularly crucial in high-stakes industries like energy, where success is not only measured by financial return but also by the quality of human capital and commitment to corporate goals.

This study aims to develop a framework for understanding the impact of recruitment practices on organizational performance through employee commitment in UAE public energy organizations. Given that energy is a key sector in the UAE's economy, hiring competent personnel is vital for both organizational success and long-term sustainability. The oil and gas industry, with its complex projects and specialized knowledge, relies on extensive supply chains and collaboration among various stakeholders.

In the context of UAE government organizations, aligning HR practices with strategic objectives is key to enhancing organizational effectiveness and fostering a competitive edge. As HR continues to evolve, HR professionals are increasingly seen as strategic partners, driving both change and innovation within the workforce, making their role in organizational success even more critical.

Background of the Study

Human Resource Management (HRM) plays a critical role in large organizations, particularly in the UAE, where a diverse workforce with varying cultural backgrounds presents unique challenges. One of the key functions of HRM is recruitment, which has a significant impact on organizational performance. In the UAE, many companies face difficulties in hiring skilled employees who meet performance expectations, which in turn affects productivity.

Employee commitment, a crucial factor for organizational success, can be influenced by recruitment practices, with challenges such as job-labour mismatches and lack of transparency in hiring processes. Additionally, the need to source talent from abroad complicates recruitment due to competitive compensation demands and legal requirements. Ineffective recruitment can harm organizational growth, as talented employees are essential to achieving corporate objectives.

High-commitment HRM practices, such as transparent and efficient recruitment, are linked to improved organizational outcomes, including increased productivity and profitability. Despite a wealth of literature on HRM, particularly in Western contexts, there is a gap in research specific to the UAE, especially regarding how recruitment practices impact organizational performance through employee commitment. This study aims to address these gaps and provide insights into the role of recruitment in enhancing performance in UAE public organizations.

An effective recruitment system is a prerequisite for the collection and placement of the right employees in the right position of the organisation. It is thus imperative to evaluate the effectiveness of the recruitment process prevailing in the UAE Government companies as part of the present study. Moreover, employee commitment is also a crucial problem, and challenges like growing hiring costs and high turnover have prompted companies to pay more attention to it. Employee commitment is quickly becoming one of the most critical aspects of an organisational success (Mowday et al., 2013). According to Mahmood et al. (2016), the recruitment process has a significant impact on employee commitment. The core purpose of the research was assessing the roles of recruitment factors to enhance organisational performance through employee commitment in the UAE public organisations..

Research Objectives

1. To investigate the effect of Recruitment Practices on Organisational Performance.
2. To examine the relationship between Employee Commitment and Recruitment Practices.
3. To examine the relationship between employee commitment and organisational performance.
4. To analyze the roles of employee commitment in mediating the effect between recruitment practices and organisational performance.

Literature Review

Human Resource Management (HRM) is a critical function of organizations, focusing on strategically managing people as valuable assets to achieve organizational objectives. Armstrong (2014), highlights HRM as a strategic approach fostering individual and collective contributions toward goals. Ahmad et al. (2017), emphasizes HRM's role in shaping corporate strategy to enhance organizational image. Key HR functions include recruitment, training, performance appraisal, and compensation (Paauwe & Boselie, 2015).

Lambooj (2016), underlines the significance of aligning HR planning with business needs, noting that ineffective recruitment can harm long-term performance. Recruitment and selection remain pivotal challenges (Yound, 2016), requiring clear job descriptions and strategies to attract qualified candidates. Studies, such as Kumar (2010), reveal that efficient recruitment practices enhance employee satisfaction, productivity, and financial performance. Similarly, Kristof-Brown (2015), associates future-oriented employee attitudes with higher organizational productivity.

Technological advancements have redefined HRM, shifting from personnel management to talent management, where nurturing talent is central to organizational success (Harari, 2015). Gamage (2014), and Alshtri (2013), further stress that well-designed HR practices, especially in recruitment, directly impact organizational performance and profitability. Collectively, these studies establish HRM as a dynamic, evolving function critical to sustaining competitive advantage.

Recruitment Practices

Recruitment is a critical function of human resource management, directly influencing organizational performance and competitiveness. It involves searching for and attracting qualified candidates to fill vacancies arising from transfers, promotions, retirements, expansions, or job re-specifications. A rigorous recruitment process is essential to meet the demands of a dynamic market influenced by rapid technological changes and escalating labour costs.

Effective recruitment begins with clearly defined job specifications and requisitions, ensuring alignment with organizational strategies. Both internal and external sources are utilized, with internal recruitment often filling senior positions and external sources, such as advertisements, employment exchanges, and campus visits, catering to specialized roles. External factors like government policies and labour market conditions, alongside internal organizational policies, significantly influence recruitment.

Strong recruitment and selection practices enhance retention, ensuring a pool of competent employees with the necessary skills to drive organizational success. Ultimately, effective hiring practices are foundational to building a productive and sustainable workforce.

Organisational Performance

Organisational performance reflects how effectively an organisation achieves its objectives, combining results from financial, operational, and market-based dimensions (Harvey et al. 2014; Combs et al., 2005). It is influenced by factors like organisational structure, employee development, and innovation. Structural Contingency Theory highlights a relationship between organisational structure and performance, with strategy and adaptability being key drivers (Deb, 2016; Bratton et al., 2017).

Studies emphasize the importance of employee development and motivation in improving organisational performance. Research on Chinese companies and hospitals shows positive correlations between employee development, job satisfaction, and performance (Raymond, et al., 2015; Dessler, (2020). Innovative practices and an adaptive organisational climate also play pivotal roles, enabling organisations to respond effectively to external changes (Levinson, 2013; Elwood and James, 2016).

Leadership significantly impacts performance, especially transformational leadership, which fosters employee motivation and effectiveness (Mihalj et al. 2019). Similarly, organisational learning enhances performance by driving innovation, corporate responsibility, and operational efficiency (Robert et al. 2015). Overall, a combination of human resource strategies, motivation, and structural adaptability underpins sustained organisational success.

Employee Commitment

Employee commitment reflects dedication to an organisation's mission, regular attendance, willingness to take on additional tasks, and alignment with its vision. This commitment significantly influences employees' work-related behaviour and overall organisational outcomes. Islam et al. (2014) highlight that high organisational commitment fosters positive behaviours like citizenship and improved job performance, particularly in academic settings.

Chivu et al. (2018) assert that such commitment benefits organisations by enhancing employee contributions. For instance, when lecturers demonstrate strong commitment, they deliver high-quality research and teaching outcomes. This, in turn, leads to increased research funding and improved professional standing for both the institution and its staff. Thus, fostering organisational commitment not only drives individual performance but also enhances overall institutional success.

Methodology

This research employed a quantitative method to systematically investigate recruitment practices in the UAE. Questionnaires were used to collect measurable data, analyzed through computational, mathematical, and statistical techniques. The study targeted government entities employing diverse recruitment practices and adopted random sampling to select participants. Online surveys, polls, and questionnaires ensured accurate data collection (Korkmaz, 2017).

The quantitative approach allowed results to be presented in numerical format, enabling a clear understanding of current trends. This facilitated predictions for future recruitment trends in the sector and supported relevant recommendations for improvement.

The samples included 377 managerial personnel of firms in the energy industry such as Abu Dhabi National Oil Company, Emirates National Oil Company, Abu Dhabi National Energy Company and Sharjah National Oil Corporation. Simple random sampling method was used in achieving the total number of samples through the provided sampling formula.

Data Analysis and Discussions

Research objective 1-Effect of Recruitment Practices on Organisational Performance

This study investigates the impact of recruitment practices on organisational performance, highlighting their critical role in achieving improved outcomes. Effective recruitment strategies attract skilled and committed employees who enhance business value and performance. According to Price (2007), recruitment aims to acquire qualified candidates at reasonable costs to meet organisational goals. Recruitment and selection processes shape organisational effectiveness by identifying talent and predicting future potential.

Numerous studies affirm the strong correlation between recruitment and performance. For instance, research by Nanor et al. (2022), and Mahmood et al. (2016) found significant links between effective recruitment and organisational success. Similarly, Mohammad et al. (2020) emphasized the positive influence of internal promotions, training, and recruitment. However, some studies, such as Suwanto et al. (2019), suggest recruitment alone may not directly influence performance but is interconnected with placement and selection processes. In summary, recruitment and selection are pivotal for building a competent workforce, driving innovation, and ensuring organisational success.

Research Objective 2-Relationship between Employee Commitment and Recruitment Practices

This study examines the relationship between recruitment practices and employee commitment, revealing a significant positive correlation with a path coefficient of 0.330. Effective recruitment practices foster higher employee commitment, which contributes to increased creativity, innovation, and productivity in daily work. These findings align with Omar et al. (2019), who highlighted the link between recruitment practices, employee commitment, and organisational success. Similarly, Lee and Steers (2017), emphasized that committed employees enhance a firm's competitiveness.

The research underscores that companies with robust recruitment practices are more likely to cultivate employee dedication, boosting engagement and loyalty to the organisation's goals and values. This strong relationship between employee commitment and recruitment practices demonstrates the strategic importance of designing effective hiring processes to enhance organisational performance and maintain a motivated workforce. Ultimately, employee commitment emerges as a critical driver of organisational success.

Research Objective 3-Relationship between Employee Commitment and Organisational Performance

The study reveals a significant positive relationship between employee commitment and organisational performance, with a p-value of 0.000, a path coefficient of 0.343, a standard

deviation of 0.063, and a T-statistic of 5.432. This indicates that higher employee commitment positively influences organisational performance.

Andrew (2017) further supports this finding, identifying Affective, Normative, and Continuous commitments as key factors driving organisational performance. Research on the Eravurpatru Divisional Secretariat demonstrated a significant link between these commitment types and organisational success.

Research Objective 4-Employee Commitment as a Mediator Between Recruitment Practices and Organisational Performance

The study reveals that employee commitment partially mediates the relationship between recruitment practices and organisational performance, with a T-statistic of 4.87 and a p-value of 0.000. This demonstrates that while recruitment practices influence organisational performance directly, employee commitment plays an indirect, yet significant, mediating role.

Supporting research, such as Omar et al. (2019), highlights the favourable connection between recruitment practices, employee commitment, and organisational performance. However, the study confirms that employee commitment does not entirely explain the relationship. Recruitment practices can directly enhance performance by attracting qualified talent, promoting diversity, fostering innovation, and strengthening team dynamics.

Additional mediators, such as job satisfaction, leadership style, training programs, and organisational culture, also influence the relationship. This underscores the complexity of factors that link recruitment practices to organisational success, with employee commitment being an important, but not exclusive, determinant.

Conclusion

This study highlights the critical role of human resource management (HRM) practices, particularly recruitment, in enhancing organisational performance. It offers both theoretical and practical contributions. Theoretically, the study extends existing research by exploring the relationship between recruitment practices, employee commitment, and organisational performance, specifically within the UAE context. A framework developed and tested using structural equation modeling reveals that effective recruitment practices significantly influence organisational performance, with employee commitment serving as a partial mediator.

Practically, the findings guide HR professionals and policymakers in designing recruitment policies. Transparent, unbiased hiring processes aligned with job requirements, qualifications, and organisational goals ensure competent and motivated employees. Effective recruitment directly impacts productivity by fostering creativity, improving group dynamics, and broadening workforce diversity.

The study also emphasizes the importance of employee engagement in achieving organisational success. However, recruitment's influence on performance extends beyond commitment, with mediating factors such as job satisfaction, training programs, and organisational culture playing vital roles. This research offers actionable insights for UAE

businesses and government entities, enabling them to improve productivity and competitiveness through evidence-based HR strategies. By implementing these recommendations, organisations can foster innovation, enhance employee commitment, and improve overall performance.

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