Investigating the Relationship between Recruitment & Selection Practice and OCB Dimensions of Commercial Banks in China

Authors

Sumayya Begum  
School of Management, Wuhan University of Technology, P.R. China  
fsumayya@yahoo.com  
Wuhan, 430070, China

Sun Zehou  
School of Management, Wuhan University of Technology, P.R. China  
szh-63@163.com  
Wuhan, 430070, China

Mohammad Amzad Hossain Sarker  
Department of Marketing, Comilla University, Comilla, Bangladesh.  
emailtoamzad@yahoo.com  
Comilla Sadar,3503,Bangladesh

Abstract

The core objective of this study is to investigate the relationship between recruitment & selection practice and OCB dimensions of some commercial banks in China. For that purpose data were collected by verified structured questionnaire. Total 57 respondent (N= 57) were chosen from six (6) commercial banks in China by convenience sampling technique. The condition was that all of the respondents were working in different positions of selected banks in China. Data were analyzed by using software SPSS-16.0 version by adopting the statistical techniques, correlation and regression. The study reveals that recruitment & selection practice exercised in the private banking sector of China have significant influence on employees’ extra role behaviors. The findings also found that the percentage of variance in employees’ consciousness behavior is most significantly influenced by recruitment & selection practice of commercial banks in China then the rest of the order is as follows: employees’ courtesy (58.0%), employees’ altruism behavior (56.0%) and employees’ civic virtue behavior (45.5%). Therefore this study recommend the employers to ensure effective and fair recruitment process followed by reward and motivation, career growth, training & development and job design to enhance OCB of the employees in the workplace for long term employment relationship. This research also suggest that the field of HRM and OCB must get more attention to develop relevant theories and models for the Chinese commercial banks to ensure best HRM practices for getting sustainable competitive advantage.

Key Words

China, Commercial Banks, HRM, OCB, Recruitment, Selection.
I. Introduction

In today’s competitive business environment, an organization can gain competitive advantage through effective human resource management practices. But sustainable competitive advantage could be ensured only through voluntary extra role behavior of employees that comes from their sense of belongingness in the workplace which increase people's contribution with unlimited potentials. The effective practices of each and every HRM functions can enhance OCB of the people in the organization. Based on the above concept this research focused on recruitment & selection practice and its impact on OCB dimensions in the context of banking industry of China. Service industry is getting the dominating position in the competitive business world. So banks are increasingly focusing on employee's extra role behavior to satisfy customers and increase the service quality. An employee who demonstrates high OCBs is likely to generate high levels of customer satisfaction, through their propensity to help customers make better decisions [1]. This study endeavors to emphasize HRM practices of banks as a great determinant factor to increase employee OCB which would bring sustainable competitive advantage for the organization. The essential issue to be investigated through this study is exactly how employee recruitment & selection process influence the organizational citizenship behavior dimensions in the selected commercial banks and to what extent?

II. Literature Review

A few number of researches conducted to know the HRM practice and its impact on OCB in the commercial banks of China. Chinese human resource scholars have conducted numerous studies to research HR management from different perspectives. Law & Jones [2] tried to present a conceptual model of guanxi-oriented human resource management (HRM) which is appropriate for organizations located in China. Other researches of HRM in China focused on the similarities and dissimilarities between current HRM and traditional management practice of china. Sophisticated recruitment and selection system can ensure a better fit between the individual’s abilities and the organization’s requirement [3]. The effectiveness of recruitment would vary depending on the specific organization.

For that reason organization should conduct systematic follow-up to assess the post hire performance levels of employees recruited. In case of selection organization should use more predictive selection tools which results more accuracy in selection decision [4]. Recent research on recruitment & selection has sought to look beyond the job to identify extra-role behavior of the employees [5]. Dennis Organ [6] originally proposed a five-factor OCB model consisting of altruism (e.g., helping other organizational members with organizationally relevant tasks or problems); courtesy (e.g., consulting with others before taking action); conscientiousness (e.g., behavior indicating that employees accept and adhere to the rules, regulations, and procedures of the organization); civic virtue (e.g., keeping with matters that affect the organization); and sportsmanship (e.g., a willingness on the part of employees to tolerate less than ideal circumstances without complaining and making problems seem bigger than they really are).
Other researches followed by Organ mentioned this OCB as an extra role voluntary behavior of employees’ in the workplace. A recent study of Zhang at el. [7] investigated employees’ perceptions of HPWS (High-performance work systems) and its influence on employee outcomes such as organizational commitment and organizational citizenship behavior (OCB). They found multiple mediators working between HPWS and OCB which can leads to desired HR outcomes.

Hudson [8] conducted a comprehensive study of 1,750 employers and employees in China. Their report showed that there is the increasing tendency of candidates to withdraw from the recruitment process, even after they have signed a contract. This report also showed that China’s employers are largely optimistic as 55.9% of organizations expect to increase permanent staff numbers in near future. HR management has become a source of core competence in many enterprises. For example, the Lin Development Research Center of the State Council, and Human Resource Management Research Center of HRM (2006) organized experts who developed and administered a random questionnaire survey for 2100 companies throughout the country. Results of the survey strongly showed that human resource is a way for companies to gain continuous competitive advantages. Relationship and trust are very important aspect of HRM practice in China. In another study Farh et al. [9] examined forms of OCB in the People’s Republic of China.

They revealed that all of the dimensions of OCB are not equally important for the Chinese business organizations. They also found that self-training to be an important OCB dimension. Unlike other forms of OCB, self-training contributes to organizational effectiveness by making employees themselves more productive. Moreover, their results suggested that Chinese formulation of OCB differs from that in the West, and is embedded in its unique social and cultural context.

### III. RESEARCH OBJECTIVES

The main objective of this study is to investigate the relationship between recruitment & selection practice and OCB dimensions of selected commercial banks in China. Other objectives are:

1. To explore which OCB dimension is most significantly related with recruitment & selection.
2. To give some recommendations for policy makers for effective recruitment & selection practice to enhance OCB in banking sector.

### IV. METHODOLOGY

#### A. Sample Size and Sampling Technique

To fulfill the objectives of this study, total 57 respondents (N= 57) were chosen from six (6) commercial banks in China by convenience sampling technique. The condition was that all of the
respondents were working in different positions of selected banks in China. Commercial banks play a significant role in the economy of the country. Therefore, the study selected some commercial banks as the study area in order to accomplish the research objectives. The selected commercial banks of China (research area) are: China Minsheng Bank, Shenzhen Development Bank, China Ever Bright Bank, Hubei Bank, Industrial and Commercial Bank of China Limited (ICBC) and Bank of Ningbo Company Limited.

**B. Research Instrument**

The main methodology chosen for this study is the questionnaire survey method. The survey was conducted from March 2012 to July 2012. Primary data were obtained through a structured survey questionnaire. Total ten questions under the head of four elements (consciousness, civic virtue, courtesy and altruism) and three questions for recruitment & selection are included in the survey questionnaire.

**C. Measurement of Dependent and Independent Variables**

For the purpose of the study, respondents were asked to give tick marks on the right side of different statements. Independent and all of the dependent variables were measured on a five-point Likert scale. The response scales for each statement in the survey questionnaire were as: 1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree.

**V. Conceptual Model and Hypotheses**

The conceptual model and hypotheses of this study are shown below:

![Conceptual Model of the Research](image)

The equations of the conceptual model are as follows:

Consciousness = α + β₁X₁ + e

Civic Virtue = α + β₁X₁ + e
Courtesy \( = \alpha + \beta_1 X_1 + e \)

Altruism \( = \alpha + \beta_1 X_1 + e \)

Where, Consciousness, Civic Virtue, Courtesy and Altruism are dependent variables (OCB Dimensions)

\[ X_1 = \text{Recruitment & selection is independent variable, and } \alpha \text{ is constant and } \beta_1 \text{ is the coefficient to estimate and } e \text{ is the error term.} \]

Hypotheses:

H1: Recruitment & selection practice is positively related to consciousness.

H2: Recruitment & selection practice is positively related to civic virtue.

H3: Recruitment & selection practice is positively related to courtesy.

H4: Recruitment & selection practice is positively related to altruism.

VI. DATA ANALYSIS

Data were analyzed by using software SPSS-16 version. The following statistical techniques were applied to analyze the data:

- Cronbach’s alpha (Reliability Test Table 1)
- Descriptive statistics and correlation (Table 2)
- Linear regression (Table 3)

<table>
<thead>
<tr>
<th>Table I: Reliability Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCB Dimensions &amp; RS</td>
</tr>
<tr>
<td>CA**</td>
</tr>
</tbody>
</table>

Source: Calculated

**Cronbach’s alpha (\( \alpha \))

<table>
<thead>
<tr>
<th>Table II: Descriptive Statistics and Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>M</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>1. Recruitment &amp; Selection</td>
</tr>
<tr>
<td>2. Consciousness</td>
</tr>
<tr>
<td>3. Civic Virtue</td>
</tr>
<tr>
<td>4. Courtesy</td>
</tr>
<tr>
<td>5. Altruism</td>
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</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed)**
TABLE III: REGRESSION ANALYSIS

<table>
<thead>
<tr>
<th>Variable</th>
<th>R</th>
<th>t-value</th>
<th>coefficient</th>
<th>F-value</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consciousness</td>
<td>.646</td>
<td>6.281</td>
<td>.646 (.703*)</td>
<td>39.452</td>
<td>.000</td>
</tr>
<tr>
<td>Civic Virtue</td>
<td>.455</td>
<td>3.790</td>
<td>.455 (.557*)</td>
<td>14.365</td>
<td>.000</td>
</tr>
<tr>
<td>Courtesy</td>
<td>.580</td>
<td>5.280</td>
<td>.580 (.729*)</td>
<td>27.875</td>
<td>.000</td>
</tr>
<tr>
<td>Altruism</td>
<td>.560</td>
<td>5.016</td>
<td>.560 (.610*)</td>
<td>25.159</td>
<td>.000</td>
</tr>
</tbody>
</table>

Source: Calculated, * Unstandardized Beta Coefficient in parenthesis

A. Cronbach’s Alpha

By using Cronbach’s alpha internal reliability of the questionnaire was tested. According to Nunnally, J. [10] Cronbach's α with larger α values (greater than 0.70) indicating higher internal consistency in the measured dimension and hence greater reliability. In our study the entire variables cronbach’s alpha is greater than 0.70 (Table 1). So, it is clear that the questionnaire used in this study had strong internal reliability and it could be used with confidence for the application of next statistical analysis and interpretation.

B. Descriptive Statistics and Correlation Analysis

Table 2 represents descriptive statistics and correlation between each variable. If the mean scores of dependent variables are observed then we found that courtesy has higher mean value 4.20 then the rest of the order is as follows: consciousness (4.14), civic virtue (3.95) and altruism (3.90). The mean score of courtesy is (4.20) means this OCB dimension is most significantly related with recruitment & selection practice of commercial banks. Range of correlation among variables is from .455 to .757. Therefore, all the variables are positively related to each other (Table 2).

C. Regression Analysis

In order to know the effect of independent variable on dependent variables linear regression analysis was applied to test the hypothesis developed. Results of linear regression analysis are shown in Table 3.

Hypothesis 1 expresses that recruitment & selection practice has significant affect on employees’ consciousness behaviors at workplace.

**H1: Recruitment & selection practice is positively related to consciousness.**

64.6% variance in employees’ consciousness is explained by recruitment & selection practice, which is evident by the value of R = 0.646, F = 39.452 at P = 0.000 explains the model’s goodness of fit. The value of t = 6.281 is the evident of significant positive relationship between independent and dependent variable. Therefore, on the basis of these results it can be inferred...
with confidence that H1 is accepted.

**Hypothesis 2** expresses that recruitment & selection practice has significant affect on employees’ civic virtue behavior at workplace.

**H2: Recruitment & selection practice is positively related to civic virtue.**

45.5% variance in employees’ civic virtue behavior is explained by recruitment & selection practice, which is evident by the value of R = 0.455, F = 14.365 at P = 0.000 explains the model’s goodness of fit. The value of t = 3.790 is the evident of significant relationship between independent and dependent variable. Therefore, on the basis of these results it can be inferred with confidence that H2 is accepted.

**Hypothesis 3** postulates that recruitment & selection practice has significant affect on employees’ courtesy at workplace.

**H3: Recruitment & selection practice is positively related to courtesy behavior.**

58.0% variance in employees’ courtesy is explained by recruitment & selection practice, which is evident by the value of R = 0.580, F = 27.875 at P = 0.000 explains the model’s goodness of fit. The value of t = 5.280 is the evident of significant relationship between independent and dependent variable. Therefore, on the basis of these results it can be inferred with confidence that H3 is accepted.

**Hypothesis 4** postulates that recruitment & selection practice has significant affect on employees’ altruism behavior at workplace.

**H4: Recruitment & selection practice is positively related to altruism.**

56.0% variance in employees’ altruism behavior is explained by recruitment & selection practice, which is evident by the value of R = 0.560, F = 25.159 at P = 0.000 explains the model’s goodness of fit. The value of t = 5.016 is the evident of significant positive relationship between independent and dependent variable. Therefore, on the basis of these results it can be inferred with confidence that H4 is accepted.

**VII. Discussion**

The mean score of independent variable is 3.93 indicates that it has significant affect on OCB dimensions. If we analyzed the mean score of dependent variables we found that courtesy has higher mean value 4.20 indicates that this OCB dimension is most significantly related with recruitment & selection practice of commercial banks then the rest of the order is as follows: consciousness (4.14), civic virtue (3.95) and altruism (3.90). From regression analysis we can compare the percentage of variance in OCB dimensions is explained by recruitment & selection practice of commercial banks in China. We found that employees’ consciousness behavior (64.6%) is most significantly influenced by recruitment & selection practice then the rest of the order is as follows: employees’ courtesy (58.0%), employees’ altruism behavior (56.0%) and employees’ civic virtue behavior (45.5%).
VIII. Conclusion and Recommendations

The study disclosed the relationship between recruitment & selection practice of commercial banks and various dimensions of OCB. In this study, we considered one of the major functions of the human resources management practices followed by different banks. The study reveals that recruitment & selection practice exercised in the private banking sector of China have significant influence on employees’ extra role behaviors. Most of the enterprises in China are now facing high employee turnover because of unattractive and ineffective recruitment process which could bring negative outcome for the organization in future. Therefore this study recommend the employers to ensure effective and fair recruitment process followed by good reward and motivation, career growth, training and development, management style, and job design and responsibilities to enhance OCB of the employees in the workplace for long term employment relationship. Banking sector of China becoming more competitive due to new local and foreign banks are entering and extending their businesses in China’s market. But there are very few research found on HRM practices and OCB in the banking sector of China. So this research suggest that the field of HRM and OCB must get more attention to develop relevant theories and models suitable for the Chinese commercial banks to ensure best HRM practices for getting sustainable competitive advantage.

IX. Limitations and Future Research

Despite the importance of the contribution of this study to know the relationship between recruitment & selection practice and OCB dimensions of commercial banks in China, it has some limitations. First limitation of this study is the small sample size. If the sample size is large the result could be more representative. Second limitation is interviewing Chinese bankers and HR managers were not possible by the researchers because they are foreign student. Third limitation is lack of previous research on this field in China in English which made the researchers unable to study literature review to construct the research framework. Finally, it was expensive but no fund was available which actually made difficulties to craft the research successful in all respect.

This research only focused on the relationship between recruitment & selection and OCB dimensions of the commercial banks of China. But there are several potential research areas. For example; Employees’ demographical, psychological and cultural factors may impact on OCB dimensions and HRM outcome in banking sectors. Other study can be done with other influential HRM practices like job placement, training and development, performance appraisal, compensation, employee relations and employee safety and health. The results of this study were carried on by using the regression analysis. The relationship of the variables could be modified and can be done through other advanced statistical techniques.
REFERENCES


