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Research Paper

The Effect of Recruitment/Selection and Transparency on Organizational Performance: The Islamic Perspectives

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Abstract:

The objective of this research paper is to determine the effect of recruitment/selection and transparency on organizational Performance, the Islamic perspectives. The survey was conducted at Sokoto State Nigeria. Data was collected and SmartPLS 3 version was used for the analysis. 190 questionnaires were distributed to the employees of Ministry of Finance, Sokoto, but only 101 were used for the analysis. The study found that there is significant relationship between Recruitment/Selection, Transparency and organizational performance. The study found that recruitment and selection of qualified and competent staff would result in a higher level of organizational performance. Also, transparency and avoidance of misappropriation enhances the performance of the organization. The study suggest for future research on the Islamic perspectives on Recruitment and organizational performance.

Keywords— Recruitment and selection, Transparency, Organizational Performance

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I. INTRODUCTION

The increasing importance given to human resource in recent times is one of the most important developments in the field of organizational performance (Dessler, 2020). Employees are vital to organizations as they offer perspectives, values and attributes to organizational life and can be of considerable benefits to the organization when effectively managed (Ekwoaba, Ikeije, & Ndubuisi, 2015). An effective procedure of selection and recruitment can ensure that an organization provides the most appropriate opportunity for a specific activity or job to their employees (Abbasi, Tahir, Abbas, & Shabbir, 2020). Recruitment is the process of discovering or selecting and hiring of best qualified candidate from inside or outside of organization for a job opportunity (Hamza et al., 2021). Recruitment also involves actively seeking out and advertising to potential candidates and obtaining their interest in the position while selection refers to the process of determining the best candidate from the pool of applicants(Lesiuk, 2021).

However, Paauwe and Boon (2018) indicated that human resource managers do not appropriately follow proper recruitment and selection procedures in the majority of the organizations. Thus, organizations experience high staff turnover, absenteeism, job updates, high training costs, job shocks, and low efficiency which also hinder its performance(Inkinen, 2016). This connotes that many HR managers do not consider the selection and recruitment to be an essential function in their departments and that make it hard for the organizations to find a reasonable job candidate (Abbasi et al., 2020). According to Reddy (2016), Hiring unqualified employees is one of the dangerous decision the organization will ever make because it will negatively affects its performance in all aspects.

In addition, transparency is very important in the recruitment process of an organization because it reduces turnover as the realities of job will be align with the common expectations. It also allow the managers to be fair in the recruitment and selection process as well as enhance good working relationship between employer and employees, hence the improvement in organizational performance. Using the Islamic perspectives, this study sets to examine the effect of recruitment/selection and transparency on organizational performance. The Sokoto State civil servants were used as population of interest. This paper is divided into four sections. The first section is the above introduction, the second section is the literature review and the third section is the

methodology. Section four and five comprises of results and discussion, while limitations and conclusion concludes the paper.

II. LITERATURE REVIEW

Islam encourages managers to act ethically in the recruitment process and also to be transparent in the conduct of the organizational affairs.so as to achieve the pleasure of Allah (S.W.T).

2.1 Recruitment and Selection

In Islam, recruitment is the process of attracting a pool of candidates for a specific job in the organization. Islam emphasised that the right candidate, should possess the qualities of a good Muslim that include being; pious, moral, competent, team player, hard work, dedicated, loyal, committed, responsible, honest, punctual, discipline and trustworthy (Bhutta & Sabir, 2019). Islam encourages the delegation of positions to only those who deserve it on the basis of merit and administrative capability with qualities of integrity and professional competency(Attahiru, 2021). These are the directives of Almighty Allah to the hiring managers. The Holy Qur'an (4:58) says:

"Verily God directs you to assign trusts/duties/ things to the care of whom they are due and to judge with justice when you decide between people"

2.2 Transparency

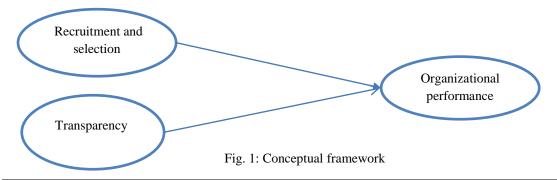
Transparency simply can be defined as the condition in which nothing is hidden and all information is available to all concerned in an organization. Any person must have chance to see and check financial operations done by organizations(Sekreter, 2013). The Quran and the *Sunnah* solidly condemn all types of fraud and cheating in all activities including the affairs of governance. Aldulaimi (2016) observed that all businesses must rest on moral and ethical foundations and the condition for realising and propagating this goal is transparency. Aldulaimi (2016) further stressed on the Prophet's condemnation of cheating when he ordered the merchant to differentiate between the qualities of the dates saying, "He who cheats us is not one of us", which underlies the significance of transparency in all business transactions, the necessity for reducing problems and enhancing trust in the organization. Al-Qur'an (8:27) decrees;

"O ye that believe! Betray not the trust of Allah and the Messenger, nor misappropriate knowingly things entrusted to you".

Ali (2012) commented on the above verse that: "Trusts may be of various kinds: (1) property, goods, credit, etc.; (2) plans, confidences, secrets, etc.; (3) knowledge, talents, opportunities, etc., which we are expected to use for our fellow men. Men may betray the trust of Allah and His Prophet by misusing property, or abusing the confidence reposed in them, or the knowledge or talents given to them. On that special occasion, when the plans for the protection of Allah's worshippers against annihilation were of special importance, the Prophet's trust and confidence had to be guarded with special care. Occasions for scrupulously respecting the trust and confidence of our fellow men occur every day in our life, and few of us can claim perfection in this respect. Hence the special distinction of the Prophet of Allah, who earned the title of Al-Amin, the one who was true to every trust reposed in him" (Ali, 2012, p. 110). This study therefore hypothesised that;

2.3 Conceptual framework

This section discusses the conceptual framework of this study which is developed under the Islamic approach. Figure 1 shows the research model indicating Organizational performance as dependent variable, while Recruitment/Selection and Transparency as independent variables.



2.4 Recruitment/Selection, Transparency Organizational Performance

Islam emphasised that only those who are competent and honest will be recruited or selected on public positions Islam emphasised that only those who are competent and honest will be recruited or selected on public positions. Favouritism and recruitment of unqualified personnel or appointment of incompetent people on key position of governance were strongly condemned by Islam, and Prophet (PBUH) described it as one of the terrible things that will happen before the day of judgement. The Prophet said,

"When the power or authority is given to those who do not deserve it then wait for the (last) Hour" (Sahih Al-Bukhari: 59). Also, Al-Quran: (28:26) dictates;

"Indeed, the best one you can hire is the strong and the trustworthy."

Sultan Muhammad Bello emphasised that, it is incumbent on a leader to exert his best in selecting the righteous workers, He should select only those people with determination, honest and trustworthy. Their appointment should also be based on piety not desire (Nabingo, 2013). Furthermore, contract for employment which must be respected should be made clear and agreed upon between employer and employee. Prophet (PBUH) said:

"Employer must declare the wages to worker before the worker embark on the required work" Khan (1992).

Also, Allah Said "O you who believe fulfill your contract" (Quran, 5: 1)

"Fulfill your agreement, surely, you will be questioned about it" (Quran, 17:34)

Prophet Mohammed (PBUH) said: "Muslim must abide by their agreement" Al Tirmidi: 1352)

Qur'an and *Sunnah* teach transparency in all actions because non-transparency is contentious and has negative impact on the society including the organizational performance. Al-Qur'an (2:283) decrees;

"And if one of you deposits a thing on trust with another, Let the trustee (Faithfully) discharge His trust, and let him fear his Lord. Conceal not evidence; for whoever conceals it, His heart is tainted with sin. And Allah Knows all that you do".

Ali (2012) said that, the law of deposit implies great trust in what is deposited on the part of the depositor. Therefore, anything deposited becomes a trustee and the doctrine of trust can be further developed on that basis. The duty of the trustee is to guard the interests of the person on whose behalf he holds the trust and to render back the property and accounts when required according to the terms of the trust. This duty again is linked to the sanction of religion which requires a higher standard than law. Prophet Muhammad (PBUH) said:

There is no person whom Allah puts in charge of others, and when he dies he has cheated his subjects, but Allah will forbid Paradise to him (Sahih Muslim, 142).

Also, Prophet (PBUH) said:

O Allah, whoever was entrusted with authority over any affair of my nation and made it difficult for them, makes it difficult for him. (Ibn Hanbal, 2009)

Furthermore, people are expected to be transparent in all their dealings, as Allah (S.W.T) Himself witnesses all their dealings. This is highlighted by Allah (S.W.T):

"And whatever deed ye (mankind) may be doing, - We are witnesses thereof when ye are deeply engrossed therein. Nor is hidden from thy Lord (so much as) the weight of an atom on the earth or in heaven. And not the least and not the greatest of these things but are recorded in a clear Record (Al-Quran, 10:61)

Ali (2012) said that Allah is the witness to all the actions of men. A person may be deeply occupied in some things and be quite unaware of other things for the time being, while Allah's knowledge comprehends all things without anything hidden from Him. Ali (2012) further emphasised that the knowledge of Allah has another quality that is beyond humans, because human knowledge is subject to time and is eliminated by time, while Allah's knowledge endures forever. Furthermore, Ali (2012) stressed that most permanent records of humans may be seen as intelligible to those who make it but may be unclear to others and may become unintelligible with the passage of time as happens almost always to the most durable inscriptions from very ancient times; nevertheless, there is no ambiguity in Allah's records or knowledge, because it is independent of place, time or circumstance (Ali, 2012).

- H1 Recruitment/selection will significantly influence the organizational performance
- H2 Transparency will significantly influence the organizational performance

III. METHODOLOGY

Sample of this study comprises of employees in the Civil Service of Sokoto State, Nigeria. Survey questionnaire was administered to 190 employees through simple random sampling and only 101 were used as indicated in Table 1.

Table 1: Demographic Profile of the Total Sample

Characteristics	Frequency	Percentage%
Gender		
Male	68	67.3
Female	33	32.7
Marital Status		
Married	76	75.2
Single	22	21.8
Divorced	3	3.0
Age		
18-29	16	15.8
30-39	16	15.8
40-49	29	28.7
50-59	40	39.6
Category		
Civil Servants	101	100
Educational level		
Informal education	29	28.8
Diploma/NCE	38	37.6
Degree/HND	27	26.7
Postgraduate Degree	7	6.9

To improve the response rate, the questionnaires were delivered to the respondents by hand and collected by hand on a scheduled pick-up date. PLS-SEM 3.0 was used for data analysis. Survey design was provided based on the literature review in section 2. This study classified responses according to a five-point Likert scale ranging from 1 (strongly disagree) to (strongly agree).

Partial least square structural equation model (PLS-SEM) method was used and found suitable by this study because, the research model entails considerable complexity regarding the type of relationships in hypotheses. This study also uses latent variables' scores in the consequent analysis for predictive purposes. This study concurrently uses SmartPLS 3 software (Hair et al. 2014).

RESULTS IV.

The PLS model analysis covers two stages: (1) assessment of reliability and validity of measurement model and (2) evaluation of structural model.

4.1 Measurement model

The reflective measurement model assesses model's reliability and validity which involves indicators item loading, composite reliability, convergent validity and discriminant validity. Result shows that all the requirements were met in assessing measurement model. Firstly, reflective individual items are reliable, because all standardised loadings are above 0.6 as indicated in figure 2 and Table 2 respectively. Accordingly, the individual item reliability is satisfactory (Hair, Black, Babin, Anderson, & Tatham, 2010). Secondly, the composite reliabilities of all reflective constructs are greater than 0.7 indicating that the requirement of construct reliability is met (Leal-Rodríguez, Eldridge, Roldán, Leal-Millán, & Ortega-Gutiérrez, 2015).

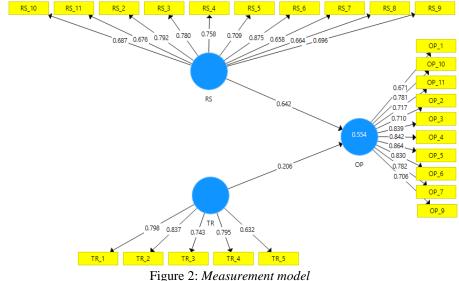


Table 2: Measurement Model: Reliability and Convergent Validity

Items	Loadings	CR	Cronbach	AVE
OP_1	0.671	0.938	0.926	0.604
OP_10	0.781			
OP_11	0.717			
OP_2	0.710			
OP_3	0.839			
OP_4	0.842			
OP_5	0.864			
OP_6	0.830			
OP_7	0.782			
OP_9	0.706			
RS_10	0.687	0.920	0.905	0.537
RS_11	0.676			
RS_2	0.792			
RS_3	0.780			
RS_4	0.758			
RS_5	0.709			
RS_6	0.875			
RS_7	0.658			
RS_8	0.664			
RS_9	0.696			
TR_1	0.798	0.874	0.824	0.584
TR_2	0.837	· · ·		•
TR_3	0.743			
TR_4	0.795			
TR_5	0.632			

OP: Organizational Performance; RS: Recruitment and Selection; TR: Transparency

As indicated in Table 2, the convergent validity is achieved by the latent variables since their average variance extracted (AVE) exceeds 0.5 level (Fornell and Larcker 1981). Also, Table 3 confirms that all the variables met the requirement of discriminant validity. This is achieved from a comparison of the square root of AVE versus the corresponding latent variable correlations. For discriminant validity to be satisfactory, diagonal elements should be significantly greater than off-diagonal elements in the corresponding columns and rows (Roldán and Sánchez-Franco 2012)

Table 3: Discriminant Validity (Fornell & Larcker, 1981)

Costruct	OP	RS	TR
OP	0.777		
RS	0.719	0.764	
TR	0.446	0.373	0.732

In addition, as stated earlier, discriminant validity can be achieved by comparing the indicator item loadings with cross-loadings. To ascertain satisfactory discriminant validity, Chin (1998) recommended that all the indicator item loadings should be greater than the cross-loadings. Table 3 below compares the indicator item loadings with other indicators.

Table 4: Cross Loadings

Construct	OP	RS	TR
OP_1	0.671	0.429	0.263
OP_10	0.781	0.599	0.406
OP_11	0.717	0.579	0.314
OP_2	0.710	0.310	0.267
OP_3	0.839	0.515	0.359
OP_4	0.842	0.538	0.512
OP_5	0.864	0.627	0.297
OP_6	0.830	0.569	0.456
OP_7	0.782	0.687	0.332
OP_9	0.706	0.597	0.210
RS_10	0.387	0.687	0.212
RS_11	0.388	0.676	0.276
RS_2	0.673	0.792	0.414
RS_3	0.694	0.780	0.264
RS_4	0.531	0.758	0.479
RS_5	0.476	0.709	0.288
RS_6	0.610	0.875	0.257
RS_7	0.465	0.658	0.068
RS_8	0.500	0.664	0.212
RS_9	0.343	0.696	0.187
TR_1	0.261	0.187	0.798
TR_2	0.332	0.130	0.837
TR_3	0.284	0.098	0.743
TR_4	0.482	0.564	0.795
TR_5	0.243	0.286	0.632

All indicator item loadings are higher than the cross-loadings as shown in the Table 4 above, recommending acceptable discriminant validity for further analysis. Therefore, in this study, all the criteria for attaining discriminant validity are achieved.

Structural model

The assessment of structural model includes, testing of path coefficient (hypotheses), assessment of R-square, evaluation of effect size and assessment of predictive relevance of the study model. The study achieved all the requirement of structural model. Therefore, bootstrapping procedure was used in assessing structural model (Figure 3). Table 5 indicates the bootstrapping results which provides t-values that permit the assessment of statistical significance relationship in the research model (Ramayah, Cheah, Chuah, Ting, & Memon, 2017). In this situation, the results significantly support the hypothesis, which defines the direct relationship 0f Recruitment and Selection (RS) and Organizational Performance (OP) (Beta = 0.642; t=13.303). The result also support the hypothesis which defines the direct relationship between Transparency and Organizational Performance (OP) (Beta = 0.206; t=3.059).

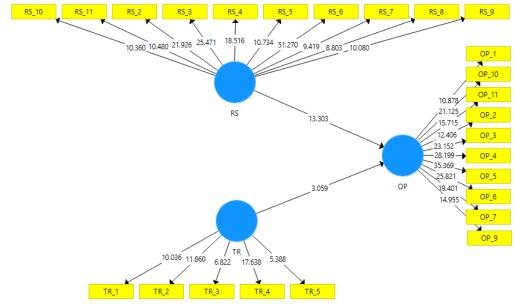


Figure 3: Structural model

Table 5: Structural Model Result

Hypotheses	Beta	Standard Error	T Value	P Values	Decision
RS -> OP	0.642	0.048	13.303	0.000	Supported
TR -> OP	0.206	0.067	3.059	0.002	Supported

Table 6 indicates the variance explained (R2) in the endogenous variable and the path coefficients for the study model. As highlighted in Table 6, the evaluation of the effects size of the exogenous latent constructs on the endogenous latent construct in the direct relationship indicates that Transparency have a large significant effect on the endogenous latent construct, while the construct of recruitment and selection has a small significant effect based on the formula of Cohen (1988).

Table 6: Coefficient of Determination

Construct	R Square
OP	0.554

Table 7: Assessment of the Effect Size f2

Construct	Included	Excluded	f-squared	Effect size
RS	0.554	0.523	0.0695	Small
TR	0.554	0.212	0.7668	Large

Also, in Table 8 and Figure 4, the result from blindfolding and cross-validated redundancy (Q2) of the latent endogenous construct is higher than zero. This clearly shows that the model has predictive relevance (Chin, 1998; Hair et al., 2014; Hayes et al., 2009)

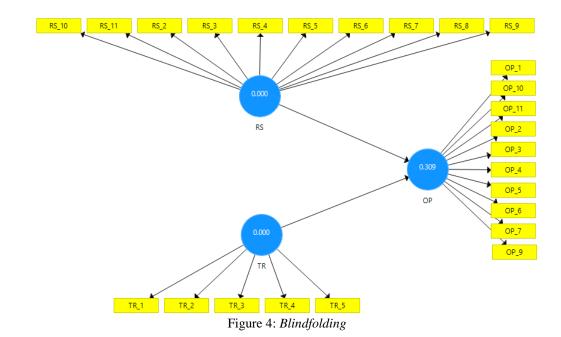


Table 8:Predictive relevance

Total	SSO	SSE	1-SSE/SSO
Organizational Performance	1100.000	760.292	0.309

V. DISCUSSION

This study explores the effect of recruitment/Selection and Transparency on Organizational Performance; the Islamic perspectives. The result of the direct relationship between two variables and Organizational Performance is significantly positive. This indicates that organizational performance increases with the improvement of recruitment and transparency processes. Therefore, adapting to Islamic values by those at management levelas well as subordinates could enhance their ethical behaviour and that leads to the improved performance. The findings also indicate that in order to enhance the organizational performance the Human resource managers should fear Allah during recruitment and selection by making sure that only qualified people will be recruited; they should avoid favouritism and egoism. Similarly, the employers and employees should be transparent in all aspects without concealing any information with a view to achieve organizational performance and attract the reward of this world and hereafter as well as anticipating God's pleasure.

VI. LIMITATIONS AND SUGGESTIONS

This study has some limitations. First, this study focused only on the effect of Recruitment/selection and transparency on the organizational performance; there are many constructs that can be tested with OP. Therefore, future study should test some other variables that can affect Islamic perspectives on organizational performance

VII. CONCLUSIONS

The goal of Islamic Human resource management is to eliminate injustice, inequality, favouritism and egoismin the recruitment process in the organizations so that optimal performance can be achieved. This study therefore discusses and examines the effectof recruitment/Selection and transparency on organizational performance. Primary data was analysed to establish the effect of recruitment/selection on organizational performance. The significant positive relationship indicated that recruitment and selectionof qualified and competent staff would result in a higher level of organizational performance. In addition, transparency and avoidance of misappropriation also enhances the performance of the organization. Therefore, adapting to Islamic values by employers and employees could boost their morality and dedication to duty. The findings also indicate that in leading and managing their responsibilities, managers should be God fears and conduct their businesses with the Islamic guidelines with a view to attract the reward of this world and hereafter as well as anticipating God's pleasure. Furthermore, this study suggests that there is a need to improve the understanding,

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