

# COMPETENCY BASED RECRUITMENT, SELECTION PRACTICES AND SERVICE QUALITY IN THE MALAYSIAN PUBLIC SECTOR

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## Abstract

Multiple crisis such as globalization and rapid rate of technology change have forced the Malaysian public service to emulate the private sector especially on applying competency based recruitment and selection and emphasising service quality. By recruiting competent public servants through this practice, these workers will be capable of ensuring that customers' expectations are met and thus increasing the quality of the services. However, this study found non-relationship between competency based recruitment and selection with service quality. Some possible reasons are that these practices since their introduction in 2002 are not implemented widely and to the highest extent by all public organisations in Malaysia.

**Keywords:** Recruitment and selection, competency, service quality, SERVQUAL, public service, Malaysia

## Introduction

Late of service delivery is the type of complaint most received by the Public Complaint Bureau (PCB). This complaint is filed by the public as the concerned agencies did not meet the time specification stated in the Client's Charter and did not take action to their queries, questions or complaints (PCB, 2003). Four federal agencies have been identified as to receive the highest number of complaints since 1999 to 2006 as are Ministry of Home Affairs (1858 complaints), Ministry of Finance (1102 complaints) and Department of Prime Minister (955 complaints). At the same time, four state agencies received the highest number of complaints are Selangor (906 complaints), Johor (662 complaints), Perak (556 complaints) and Penang (342 complaints) (PCB, 1999-2006).

Malaysian public service has taken various efforts to increase the quality of its services since 1980s. These include introducing all sort of policies, programmes and administration development circulars. Malaysian remuneration system which at the same time is the public service human resource management system or popularly known as SSM was officially introduced at 1st November 2002. SSM is competency based human resource practices in selection and recruitment, training and development, career development, performance appraisal, succession planning and rewards. SSM aims to produce responsive public servants towards environmental changes and customers' demands on service quality provision (PDSM, 2002).

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Thus, service quality is a common and important phenomenon in organizations that provide services to their customers either as core services or customer services. In fact, it is a concept of the organizational performance either as operational performance or strategic performance.

There are so many ways to enhance performance but organizations have exhausted the options that once promised significant gains like financial restructuring, reorganization or relocation. Therefore, getting the most from people has been a major management focus. However, due to multiple crisis such as rapid technological and demographic change, the skills among available new employees are often misaligned with job requirements. There are abundance of qualified employees but scarce of skilled workers. Thus, organizations need to develop more sophisticated and systematic approaches in finding competent employees (Sachs, 1990).

Recruitment and selection are core and centrally important human resource management functions as they are the sources used to attract new employees. They have become a quite difficult task due to insufficiency of competent labor and difficulty in finding the candidates that correspond to the organization's needs. As a result, employers seem to be like rivals in seeking to obtain the best possible staff. However, the practice is crucial as by possessing the required competencies and being competent workforce at the same time, employees can fulfill the needs of the customers in enhancing the quality of products and services as demanded by them (Fish & Macklin, 2004).

### **Competency based recruitment and selection and performance**

Competency is the brainchild of McClelland (1973) who posit that amount of education or grades i.e. intelligence is not related to vocational success but abilities and personal credentials are. This is because when behavior competencies increased, the ability to perform increase. Till today there is so much debate on the meanings of competency and competence. Some differentiate competency from competence and others assert that both have the same meaning (Moore, Cheng & Dainty, 2002; Ozelik & Ferman, 2006). Draganidis and Mentzas, (2006) defined competency as a specific, identifiable and measurable knowledge, skill, ability and/or other deployment related characteristic (e.g. attitude, behavior, physical ability) which a human resource may possess and which is necessary for or material to the performance of an activity within a specific business context. Others such as Rowe (1995) and Woodruff (1991) defined it as the behaviors to be displayed in order to be competent.

In Malaysian public service, there are three categories of competencies which are core, professional and functional competencies. Core competencies are behavioral traits and attitudes which are needed for all types of occupation such as integrity, self confidence, accountability and others. Meanwhile professional competencies are the knowledge, skills and professional attributes needed by any public servants such as leadership, interpersonal communication and abilities in problem solving and decision making. Finally, functional competencies are the knowledge and skills needed to carry out tasks and specific responsibilities such as the head of departments and others (Malek & Liew, 2002).

Competence, on the other hand; results from a set of resources coordinated in a way that provides a particular level of performance in a firm (Fernandez, Mills & Fleury, 2005). However, according to Wood & Payne (1998), competence is the minimum standard of performance. Employees are also said to be competent when these competencies are transformed into behaviors as needed by the organizations (Malek & Liew, 2002; Putra & Hizatul, 2004). Hence, we can conclude that competencies are the abilities needed by the organizations to carry out job tasks whereas competences are the ability to use the competencies to behave and carry out job tasks as needed by the organizations.

There are quite a few studies that attempt to examine the effects of competency on performance. Mayer (2003) for example, found the public health workers' competencies explained 2 percent to 20 percent of the variance in essential service performance after controlling career demographics. Sekaran and Wagner (1980) found that if workers possess a sense of competence i.e. having high self esteem or confidence of oneself competencies, job performance will be high. Wallick and Stager (2002) through qualitative means i.e. telephone interviews found that healthcare managers need to be knowledgeable of their roles and possess competencies associated with these roles to produce superior outputs for improved organizational performance. Finally, Dulewic and Herbert (1999) found that competencies of managers are to be better predictors of rate of advancement and managerial success than their personalities. These findings could be because of the competencies are more performance related and have been identified by the organizations in prior to hiring. Therefore, it will surely promise that performance will be achieved.

Competency based recruitment and selection is defined as the extent of screening methods that are used to select a small number of strong candidates from a large group of applicants quickly and efficiently (PDSM, 2004). Competency based recruitment and selection start with the identification of the competencies needed by an organization to achieve its goals, missions and objectives which are known as competency model and competency framework. Some competencies that are important for service provision in order to enhance service quality are emotional intelligence, customer service orientation, interpersonal communication and team player skills. Consequently, education, qualifications, personality and temperament are now of little value for effective executive search and executive resource planning. Instead skills, knowledge, behaviors and capabilities are of priorities in order to eliminate the gap between the competencies requested with the competencies possessed. Once the best candidate is identified, competency gaps form the basis for an initial new learning plan (Draganidis & Mentzas, 2006).

People can be competent but if they are not coordinated properly, this will not be converted to organizational performance (Fernandez, Mills & Fleury, 2005). Khandwalla (2004) asserted that competencies are associated only with excellence in performing specific sets of roles. Therefore, via competency based recruitment and selection practices, competent people with the needed competencies will be hired and then managed and coordinated through subsequent intervention programs such as training, performance evaluation systems and performance reward and incentive programs (Schmidt, Hunter & Pearlman, 1982). This is to ensure that they will enhance their competencies and increase further their job performance by carrying out their roles effectively and efficiently.

There are so many advantages of competency based recruitment and selection practices over the traditional ones. Competency based recruitment and selection practices would be able to develop more accurate, consistent and job related selection methods as competency models and frameworks that contain the competencies needed to increase performance are used as the pre-established criteria in selection decisions, thereby; increasing the likelihood of selecting the right person for the job. This will surely reduce the costs in recruitment and selection and training and eventually, reduce employee turnover and increase productivity (Malek & Liew, 2002). Job satisfaction, commitment and performance, stress and absenteeism also improved as there is a match between people and the organization (people organization fit) (Wood & Payne, 1998). Moreover, it does not discriminate people as they are selected on the basis of their competencies, therefore; selection decisions made are not biased.

A variety of tools are specifically used to directly assess these competencies such as competency based advertisement, competency based application forms, competency based resume and cover letter, competency based interview, competency tests such as cognitive ability tests, personality tests, assessment centers and noticeable differential scales or ratings used in the selection competency template. These tools have more predictive validity over and above academic qualifications as behaviors could be assessed on reliable objective scales. In fact, they are more job related than are the traditional tests (McClelland & Boyatzis, 1980). Furthermore, use of these techniques could provide improved reliability and validity, thus; preventing costly mistakes in selection (Patterson, Ferguson, Lane, Farrell, Martlew & Wells, 2000) as they do not depend on a single measure in selecting prospective candidates (Wood & Payne, 1998). These tools act like stages in screening out the incompetent candidates whereby candidates that lack the competencies that the organization can easily afford to train or not possessing the right attitudes are dropped off from further screening stages (Mitrani, Dalziel & Fitt, 1992). These tools emphasize on the priorities of the most important competencies as the first ones to be screened out and thus, saving time in further screening. Moreover, they also act like realistic job preview in turning off possible unsuitable applicants as they are quite daunting to pursue as they have to provide evidences for their competencies and there are too many stages that they have to be screened off. As a result, a huge number of applications will be dramatically reduced to a small number which is manageable for the employers to carry out the techniques on each subsequent step (Wood & Payne, 1998). It is not uncommon for public sector to have hundreds or thousands of applicants. Therefore, by having these multiple screening procedures, the number of applications can be reduced (Pynes & Bass, 2004).

At the moment, there are quite a limited number of the quantitative studies on competency based recruitment and selection and performance. Chris (1996) for example, through a case study found that when competencies are integrated into human resource practices such as recruitment and selection, training and, compensation and performance management, significant growth in product distribution and profitability have been achieved by the Holiday Inn Worldwide's three regional divisions in America, Europe/Middle East/Africa and Asia-Pacific. Furthermore, strong hotel occupancy levels are reported along with lower than average labour turnover rates. Sachs (1990) found that after retailers adopted competency based recruitment and selection practice, sales were 15 to 20 percent higher and turnover declined. The combined impact of these contributed to \$1.8 million in greater profitability. This is because good performers will slowly drive out poor performers and

satisfied employees are less likely to quit. Moreover, it is not biased against race, sex or religion as employees are being assessed not by their background but by their abilities to perform (Decker & Strader, 1997). Furthermore, competent new employees have sense of competence (higher self esteem) and therefore; they have heightened focus and greater energy to their work. As a result, productivity increased (Goodstein & Davidson, 1998). Ozcelick & Ferman (2006) also from their case study reported that assessment centers and competency based interview have the highest level of criterion validity correlation with job performance. Wood & Payne (1998) from their book reported sales assistants hired from competency based recruitment and selection practices sell on average \$240 of electrical goods per hour in comparison to bottom performers that were not selected from the practices sell on average for just \$70 an hour. Thus, from these anecdotes, it is imperative and timely to carry out this quantitative study whereby service quality is the subjective measure to organizational performance.

### **Service quality as a proxy to organizational performance**

Organizational performance in public sector is a concept which is debatable till today (Black, Briggs & Keogh, 2001). This is due to public sector has to play various unique roles such as facilitator, pacer, socio-developer and others (Mahathir, 1994; Mohamed, 1996). It also has various stakeholders or customers such as suppliers, politicians, investors, government agencies, the public and others (Lynch & Day, 1996). Different customers have different expectations. Thus, it is very hard to determine the final definition of organizational performance in public sector (Ghobadian, 1994; Talbot, 2000). However, it can be concluded that organizational performance is a multidimensional construct (Mwita, 2000) as the public service has to meet all their expectations and one of them is service quality (Ammons, 1995; Dyer & Reeves, 1995).

Service quality is the main output of public service. This is due to public service is the main component in service industry (Hope, 1999). New service management policy implemented requires public organizations to compete among themselves. Thus, public service needs to ensure that their customers expectations are met (Wisniewski, 2001a; 2001b) and customer services to be upgraded continuously (Rowley, 1998). Public service reputation is very much depended on understanding and meeting the customers/citizens expectations (Sharifuddin, 1999). Moreover, they are tax payers and hence; they expect quality services as the return to their payment or investment (Mahathir, 1994).

Public organizations are assessed in terms of its excellency in providing services to the customers and they are not profit oriented like the private sector. Objective data on organizational performance such as return on investment or sales are normally inobtainable in public service (Harel & Tzafrir, 1999). Moreover, it is difficult to determine the objective measure of services due to their attributes to be intangible, perishable, inseparable and heterogeneity (Parasuraman et al., 1988). Thus, subjective data is the alternative data if objective data is inobtainable. Previous studies have proved that objective and subjective measures correlated at the organizational level (Kim, 2005). Thus, this measure is suitable for public organizations.

Complaints are the measure or indicator to service quality (Kouzmin, Loeffler & Klages & Nada, 1999; Stafford, Stafford & Wells, 1998). It also provides the information on service quality performance (Black et al., 2001). According to Ray, Barney and Muhanna (2004),

customer complaints ratio correlate with service quality measure that is measured by SERVQUAL instrument which is developed by Parasuraman et al.

Thus, service quality is a proxy to organizational performance. It is a subjective performance whereby customers evaluate the outcome of service delivery (Brady & Cronin, 2001). Service quality as the outcome variable is very much related to the HRM effectiveness in organizations (Schneider, 1994; Paauwe & Boselie, 2005). Quality is an important theme in HRM as the main objective of organizations (Wright McCormick, Sherman & McMahan, 1999) is to increase the organizational performance by attracting and retaining the satisfied customers through providing them service quality (Fang, 2001).

### *Competency based recruitment and selection and service quality: The conceptual framework*

Customers perceive service quality along many dimensions (e.g., courtesy, reliability, assurance). Therefore, service employees must demonstrate competencies in these areas to be effective at meeting customer expectations (Kundu & Vora, 2004). Selecting competent employees especially those who are emotionally intelligent (Bardzil & Slaski, 2003, Putra & Hizatul, 2004) will certainly help organizations to enhance their service quality and sustain their competitiveness in this volatile world. Competency based recruitment and selection is the answer to this service quality dilemma as Farnham and Steven (2000) claim that traditional recruitment and selection provide insufficient guidance for recruiting manager in terms of the composition and operation of the interview panel, lack of efficiency and speed of the recruitment process, lack of information given to candidates in advance of selection, too much reliance placed on interviews as a selection tool and weak monitoring of equal opportunities. Moreover, traditional recruitment and selection result in mismatch of employees and characteristics needed, thereby; resulted in high turnover and negative return on investment. Furthermore, unstructured interview predicts job performance in between 15 to 25 %. However, competency based interview has been empirically validated and produced validity results in predicting job performance in between 55 to 70 % (Van Clieaf, 1991). In lieu with that, a wide variety of quantitative studies have been done on recruitment and selection practices and performance but none of them addresses competency based recruitment and selection practices and their impact on organizational performance specifically service quality. The lack of pertinent data on this should be considered as a gap in research studies. Thus, the study is the first attempt to find the relationship.

The theory that underpins this study is resource based view (RBV) of the firm that asserts that the competencies of the employees are the intangible resources of the organizations and competency based HRM practices especially recruitment and selection. The practices are responsible in leveraging and managing those competencies in ensuring that the organizations can obtain competitiveness especially in terms of service quality. Employees who are competent, and at the same time possess the competencies needed by the organizations are the valuable resources which are rare, non-imitable, non-substitutable and this promises that sustainable competitive advantage to be achieved (Barney, 1991).

On the other hand, traditional resources which are linked to market, financial capital and economies of scales have been weakened by globalization and environmental changes (Youndt, Snell, Dean & Lepak, 1996). They are also easy to be imitated compared to an employment system which has a complex social structure. However, organizations that have competent workers are the organizations which have complex social structure and this is hard to be understood and imitated (Collins & Clark, 2003).

Therefore, we posit that :

*Proposition 1:* Competency based recruitment and selection practices are positively related to service quality.

## **Methodology**

The population of this study is the public organizations that are providing services to the external customers such as the departments of registration, immigration and others. Therefore, any public organizations that do not provide services to the external customers are not included in this study. It is estimated that there are about 444 public organizations throughout Malaysia that serve the external customers whereby federal state agencies are not included. This is due to assumption that if these practices are applied in the federal ministries, they are also practiced in the federal state agencies. The purpose of this study is to investigate the implementation of the practices at the headquarters level as they are policy makers and the rest are the policy followers.

Two sets of questionnaire were distributed to two types of respondents who are the human resource managers and the customers at 300 public organizations in Malaysia. This is imperative as the human resource managers are the best persons who can easily get access to the human resource activities and customers are the recipients of the services. Simple random sampling technique was used in order to ensure that each public organization located throughout Malaysia has the equal chance to be selected as the respondents. (Tsaur & Lin, 2004). This amounted to 300 copies of set A and 3,000 copies of set B questionnaires. The purpose of distributing these two sets of questionnaires is to avoid the problem of self-reported bias (Khatri, 2000). Approval from the Chief of Country Secretary was obtained in prior to the distribution. Then, the questionnaires together with the self returned envelopes were posted to the top management to be distributed further to the respective customers.

Eight items on competency based recruitment and selection practices (set A) were constructed from Public Service Department Malaysia manual (PSDM, 2004). All these items were prepared in English language as the top officers who are responsible for the implementation of the competency based human resource practices are educated workers. A seven Likert scale was used to measure the extent of the implementation of these practices (1 = To no extent at all and 7 = Practiced to a full extent).

On the other hand, service quality (set B) was measured by using SERVQUAL instrument in entirety (Parasuraman et al., 1991) that contained 22 items each on expectation and perception in two columns format. Set B was prepared in English and national languages as the customers come from different education backgrounds. A seven Likert scale was

also used to measure service quality (1 = Totally disagree and 7 = Strongly agree). Service quality is obtained by using the formula Perception minus Expectation (P-E) (Parasuraman et al. 1991). Therefore, if perception exceeds expectation (P>E), service quality is very satisfactory. If perception equals expectation, service quality is satisfactory. However, if expectation exceeds perception (E>P), service quality is poor.

The unit of analysis of this study is organization as service quality is measured as the proxy to the organizational performance.

### **Discussion of findings**

A total of 140 useable responses were obtained, giving a response rate of 46.67 %. Table 1 shows the profile of the public organizations. Majority of them are local authorities (27.10%), federal departments (23.60%) and land and district offices (22.90%) located in Kuala Lumpur (18.60 %). Table 2 features the profile of the respondents. Majority of them are Malay males. As for the public servants that completed the first set of questionnaire of this study or set A, majority of them are in between 46 to 55 years old (49.3 %) and possessed a Bachelor degree (68.6%). As for the customers, majority of them are in between 26 to 35 years old (32.10%) and are Malaysian Education Certificate (SPM) holders and others (37.80%).

The data obtained from the two sets of questionnaire were subjected to factor analysis in order to validate the instruments. Principle Component Factor Analysis was employed to summarize a big number of original variables to a small number of factors for prediction purposes in the subsequent multivariate analysis. Furthermore, Varimax Rotation technique was used to obtain simpler and more interpretable factor solutions. After dropping seven items, three factors of service quality construct were extracted from the factor analysis on the basis of eigen value more than one in order to ensure that the factor loadings are significant (Hair, Anderson, Tatham, & Black, 1998, Hair, Black, Babin, Anderson, & Tatham, 2006). These factors are labeled as service provision, tangible and empathy (please refer to Table 3) whereby the factor loading coefficients vary from .74 to .83, .72 to .91 and .68 to .91 respectively. Service provision is the combination of the three original SERVQUAL dimensions which are reliability, responsiveness and assurance. Findings of Sharifah Latifah's study in 2001 affirm the dimensions of service quality in Malaysian public organizations found in this study. However, she did not rename the combinations of these three original SERVQUAL dimensions.

On the other hand, four items were dropped from the recruitment and selection construct. The factor loading coefficients vary from .60 to .80 (please refer to Table 4). Table 5 features the reliability coefficients of the main variables of the study. All the four variables are above than .70 (Hair et al., 1998, Hair et al., 2006) and this shows that the reliability among the items is consistent. Consequently, the validity and reliability of the instruments as provided by the factor analysis and reliability test serve good foundations for further hypothesis testing.

Table 6 shows that competency based recruitment and selection practices are being implemented to a moderate extent. On the other hand, service quality is low and not satisfactory as it is negative. Anyway, it is less than negative 1. Therefore; it shows that

Malaysian public customers are being realistic in their evaluation towards service quality of the Malaysian public organizations (Curry & Sinclair, 2002). But still, this indicates that the public organizations should take some actions to solve this problem. Table 7 exhibits the results of the multiple regression analysis on the relationship between competency based recruitment and selection practices and service quality. There is a negative relationship between competency based recruitment and selection practices and service provision ( $\beta = -.13, p < .01$ ), tangible ( $\beta = .08, p < .05$ ) and empathy ( $\beta = .23, p < .05$ ). Therefore, these findings are opposite to the hypothesis and could not be accepted.

The non-relationship between competency based recruitment and selection practices with all service quality dimensions may be due to these practices are not implemented widely by all public organizations in Malaysia since their introduction in end of 2002. This is due to these practices are centralized at the Public Administration Commission (SPA) especially for the federal and state agencies but not for the statutory bodies. Moreover, the extent of implementation is just moderate. The insignificant relationship may also due to many public servants were employed before 2002. Thus, these practices could not be generalized to all the public servants.

## Conclusion

Service quality is imperative for any organizations to sustain their competitiveness in this volatile world and amid those multiple crisis. To satisfy the customers by providing quality services will determine the competitiveness of these organizations. Customers are the ultimate stakeholders and final arbiters as they are the recipients of the services. Without satisfied and loyal customers, organizations could not survive in long term. Dissatisfied customers will be disloyal and will leave the organizations due to low service quality and not because of low product quality. Thus, competency based recruitment and selection practices are one of the re-imagining human resource practices for organizations to move forward. It is strongly recommended to be implemented in any organizations as people with the right competencies are the scarce resources that are appropriate for the specific business conditions and ultimately for improved organizational performance especially in terms of service quality. However, this relationship could not be proven in this study due to the moderate extent of the implementation of the practices and moreover, they are centralized at the SPA for some agencies since their introduction in end of 2002.

Acknowledgements: Special thanks to the University of Malaya for funding this research.

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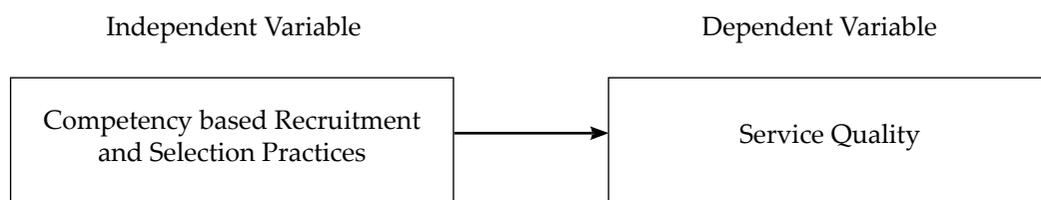


Figure 1: The conceptual framework of competency based recruitment and selection and service quality

		Number of Respondents	Percentage (100)
<b><i>Public Agency Category</i></b>			
1	Local Authorities	38	27.10
2	Federal Department	33	23.60
3	Land and District Office	32	22.90
4	Federal Statutory Bodies	15	10.70
5	State Federal Agencies	6	4.30
6	State Statutory Bodies	6	4.30
7	Land Office	4	2.90
8	Federal Ministries	3	2.10
9	District Office	2	1.40
10	State Secretarial Office	1	0.70
<b><i>Location</i></b>			
1	Kuala Lumpur	26	18.60
2	Putrajaya	14	10.00
3	Selangor	14	10.00
4	Kelantan	13	9.30
5	Negeri Sembilan	11	7.90
6	Terengganu	10	7.10
7	Johor	10	7.10
8	Perak	10	7.10
9	Kedah	7	5.00
10	Pahang	7	5.00
11	Melaka	7	5.00
12	Pulau Pinang	6	4.30
13	Sarawak	3	2.10
14	Sabah	2	1.40

Table 1: Organizational Profile

	<b>Total</b>		<b>Percentage</b>	
	<b>Set A</b>	<b>B</b>	<b>Set A</b>	<b>B</b>
<b>Position</b>				
HR Director/Deputy Director	25		17.80	
HR Manager/Assistant Manager	22		15.70	
Head/ Assistant Administration Officer	21		15.00	
Diplomatic Administrative Officer	22		15.70	
Executive Officer	23		16.40	
Others	25		17.80	
Customers (Set B)		992		100
<b>Gender</b>				
Male	101	538	72.1	54.20
Female	39	436	27.90	44.00
<b>Age</b>				
Below 25 years	0	242	0	24.40
26 to 35 years	44	318	31.4	32.10
36 to 45 years	27	223	19.3	22.50
46 to 55 years	69	167	49.3	16.80
56 years and above	0	28	0	2.80
<b>Race</b>				
Malay	130	843	92.9	85.0
Chinese	4	86	2.90	8.70
Indian	4	33	2.90	3.30
Others	2	16	1.40	1.60
<b>Education</b>				
Diploma	16	293	11.41	29.50
Degree	96	244	68.6	24.60
Masters Degree	22	48	15.70	4.80
PhD	1	5	0.70	0.50
Others	5	375	3.60	37.80

Table 2: Respondents' Profile

<b>Items</b>	<b>Factor 1</b>	<b>Factor 2</b>	<b>Factor 3</b>
Employees give prompt service to customers.	<b><u>.83</u></b>	.27	.23
Employees are always willing to help customers.	<b><u>.83</u></b>	.26	.30
Employees are consistently courteous with customers.	<b><u>.80</u></b>	.24	.24
Employees' behavior instill confidence in customers.	<b><u>.79</u></b>	.20	.34
Show a sincere interest in solving customers' problem.	<b><u>.79</u></b>	.34	.15
Provide their services at the time they promise to do so.	<b><u>.78</u></b>	.25	.25
Do things by a certain time as promised.	<b><u>.75</u></b>	.39	.16
Employees tell customers exactly when services will be performed.	<b><u>.75</u></b>	.24	.18
Customers feel safe in their transactions.	<b><u>.74</u></b>	.23	.39
The equipment is up-to-date.	.17	<b><u>.91</u></b>	.16
The physical facilities are visually appealing.	.50	<b><u>.76</u></b>	.13
Materials associated with the service (such as pamphlets or statements) are visually appealing.	.42	<b><u>.72</u></b>	.21
Employees give customers personal attention.	.15	.04	<b><u>.91</u></b>
Give customers individual attention.	.49	.26	<b><u>.69</u></b>
The operating hours are convenient to all their customers.	.39	.35	<b><u>.68</u></b>
Eigen Values	6.41	2.79	2.46
Percentage of Variance	42.74	18.62	16.42
Bartlett	0.00***		
KMO	0.95		

Note: Factor 1: Service Provision  
 Factor 2: Tangible  
 Factor 3: Empathy

Table 3: Factor Analysis Results on Service Quality Construct

<b>Items</b>	
Administer simulations in the assessment center to assess level of competencies demonstrated.	<b><u>.80</u></b>
Use psychological tests e.g. cognitive ability tests to support the interviewing process.	<b><u>.75</u></b>
Use computer if there are more than two candidates in finding the closest match to the job's competency requirements.	<b><u>.75</u></b>
Conduct competencies gap analysis to identify the competencies employees are lacking	<b><u>.60</u></b>
Eigen Values	3.22
Percentage of Variance	16.10
Bartlett	0.00***
KMO	0.90

Table 4: Loading Factor for Competency based Recruitment and Selection Practices

<b>Variable</b>	<b>Number of Items</b>	<b>Cronbach Alpha (<math>\alpha</math>)</b>
Competency based Recruitment and Selection Practices	4	.78
Service Provision	9	.96
Tangible	3	.87
Empathy	3	.84

Table 5: Reliability Coefficients of the Main Variables

<b>Variable</b>	<b>Mean</b>	<b>Standard Deviation</b>	<b>Maximum</b>	<b>Minimum</b>
Competency based Recruitment and Selection Practices	4.00	1.39	7.00	1.00
Service Provision	-.54	.54	.63	-2.52
Tangible	-.63	.64	.60	-3.22
Empathy	-.37	.51	.88	-2.89

Likert scale 7 (1 = To no extent at all/Totally disagree; 7 =Practiced to a full extent/Strongly agree)

Table 6: Mean and Standard Deviation of the Main Variables

	<b>Service Provision (N=128)</b>	<b>Tangible (N=125)</b>	<b>Empathy (N=135)</b>
Competency based Recruitment and Selection Practices	-.13	.08	.23
F	2.83**	3.33**	2.83**
R <sup>2</sup>	.10	.12	.10
Adjusted R <sup>2</sup>	.07	.09	.06
Durbin Watson	1.85	2.04	1.95

Note: \* significant at .1 level  
 \*\* significant at .05 level  
 \*\*\* significant at .01 level

Table 7: Multiple Regression Analysis Results on the Relationship between Competency based Recruitment and Selection Practices and Service Quality