

**YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF COMMERCE**

**RECRUITMENT AND SELECTION PRACTICES AND
EMPLOYEE RETENTION OF IKBZ
INSURANCE CO., LTD**

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**RECRUITMENT AND SELECTION PRACTICES AND
EMPLOYEE RETENTION OF IKBZ
INSURANCE CO., LTD**

This thesis is submitted to the Board of Examiners in Partial Fulfillment of the
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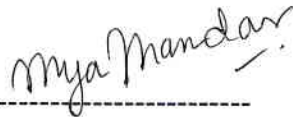
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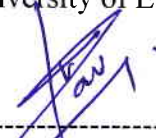
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ABSTRACT

The main objective of the study is to identify the recruitment and selection practices and employee retention of IKBZ Insurance Company in Yangon and to explore the effectiveness of recruitment and selection practices on employee retention. This study took the descriptive method. For this study, random sampling of 120 employees from total of (663) employees of IKBZ Insurance Company in Yangon. The study used primary data which was largely quantitative, collected by use of questionnaires. Both descriptive and inferential statistics was in data analysis. Descriptive analysis involved the use of frequencies in their absolute and percentages. Inferential statistics showed the nature and magnitude of relationships establish between the dependent and independent variables using regression analysis. Mean and standard deviation were also be used as measures of central tendencies and dispersion respectively. Both Pearson Correlation and regression analysis were performed in inferential statistics. Recruitment and selection practices is positive relationship of regression analysis. Recruitment practices, the highest mean score is promotion from within. Selection practices, the highest mean score is interview. It was found that recruitment practices significantly influence retention of employees in KBZ Insurance Company in Yangon. The outcomes further reveal that selection practices significantly influence retention of employees. This study also concluded that recruitment and selection influence retention of employee have association to each other. IKBZ Insurance also analyzes the recruitment and selection by new employee turnover rate during the probation period. The survey was done between February 2018 and March 2018.

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CHAPTER (1)

INTRODUCTION

Today, human resource management plays a vital role in all organizations. Human resource management activities play a major role in ensuring that an organization will prosper and succeed. It can strongly contribute to overall effectiveness of organizations employees selecting and recruiting are the most difficult and important decisions to set the effective workforce for the organization. Recruitment and selection become most important for human resource management as a result of scare talent person. Recruitment is the process of finding and attracting capable applicants for employment. The process begins when new recruits are sought and ends when their applications are submitted. The result is a pool of applicants from which new employees are selected. The process involves searching, sourcing and selecting right candidates for the roles to the organization (Whether and Davis, 2007). Recruitment and selection is the process of sourcing, screening, shortlisting and selecting the right candidates for the filling the required vacant positions. Recruiting and selecting right person is very important for all type of insurance companies.

Recruitment is the process of searching candidates for employment and stimulating them to apply for jobs in an organization (Chhabra, 2005). According to Beard Well et al, (1994) recruitment and selection process is concerned with identifying, attracting, and choosing suitable people to meet an organization's human resource requirement. A reasonable conception of the hiring process, which creates the context in which selection takes place has particularly been touted in recent literature as a key human resource management practice determining a series of outcomes that matter to both individuals and organizations, key among which employee retention (Richard et al., 2009).

Recruitment and selection are essential tools in assisting the human resource managers and the entire company to hire the right people and retain them. Employee recruitment and selection are hence part of the overall staffing process of the organization, which also includes human resource (HR) planning, recruitment, and retention activities. By doing human resource planning, the organization projects its likely demand for personnel with particular knowledge, skills, and abilities (KSAs),

and compares that to the anticipated availability of such personnel in the internal or external labor markets (Vlachos, 2009).

Employee retention is the most critical issue facing the corporate sector. This is as a result of the shortage of skilled labor, poor economic growth and high employee turn-over. According to AL-Qudah et al. (2014), retention is the ability to hold onto those employees that an organization needs to keep for a longer period than its competitors. Organizations need talented employees for maintaining the sustainable competitive advantage and individuals require career opportunities to develop and grow their competence (De Waal and Frijns, 2011). Many services businesses in Myanmar, insurance companies also held the effective of recruitment and selection process to obtain the competent employees. Effective of recruitment and selection practice is an important activity to increase the performance.

1.1 Rationale of the Study

The history of insurance in Myanmar goes back into the middle of the 19th century. For the first 100 years the sector was controlled by foreign companies. At one point, estimated 80-100 insurers were active in the market but Myanmar independence in 1948, the role of foreign firms started to decline quickly. In 1950 the Burma National Insurance Company in Myanmar was nationalized under “the Union insurance Board Act” and eventually become Myanmar insurance. From there, foreign and private firms were slowly but steadily pushed out or shut down. The insurance industry comprises companies and people who develop insurance policies, and sell, administrate, and regulate them. Some insurance companies offer investment products and employ people who develop, sell, administrate, or service these products. Insurance is about managing risk, for both the insurance company and its customers. The company must make sure it collects enough money in premiums to offset customers’ claims while still maintaining a profit. Customers use insurance to minimize risk to their finances in the case of lost or damaged property, lawsuits, illness or accident, business interruption, or premature death.

Today, recruitment and selection practices of a firm have a significant impact on the quality of the business. Therefore, the effective and efficient recruitment and selection practices are important. Hiring the best people has never been crucial than it

is today because of competition. The talented employees have the capabilities which can be combined to gain competitive advantage for the organization.

Recruitment and selection also has the potential to motivate employee performance to do their best to be recruited or compete with those who are chosen with recruitment, industry can very quickly fill a vacancy. Recruitment and selection give employers the opportunity to diversify their workforce if conducted externally. Any time a company has to increase a full-blown employee search, it has to spend money advertising and interviewing. Recruitment and selection reduces or eliminates those costs. Additionally, companies often save money that would be necessary for training because they can recruit only those employees already knowledge to begin independent work immediately. If the recruitment employee truly is a good fit for the job or project, he may stay at the company longer, which mean these benefit are extended over time.

The hiring of a new employee is a very important function, the Insurance firms are finally beginning to realize that employees are their most important asset, therefore development of appropriate hiring and selection practices can prevent the costly error of hiring the wrong person for a particular position. Hiring the wrong person can be costly in terms of advertising, interviewing, training, and administrative expenses. IKBZ is the largest insurance company among private insurance companies, and it has most number of employees. Thus, recruitment and selection is important for IKBZ Insurance. Lack of systematic technique for employee selection results in appropriate choices for respective jobs hence the misdirection of skill and talent. Therefore, shortage of skilled labour, high employee turnover, lower of employee retention. Therefore, appropriate recruitment and selection practices need to be applied for choices skillful staff. Thus, the objective of this study is to identify appropriate recruitment and selection practices.

1.2 Objectives of the Study

The specific objectives of this study are;

1. To identify the recruitment and selection practices and employee retention of IKBZ Insurance Co., Ltd.
2. To explore the effectiveness of recruitment and selection practices on employee retention of IKBZ Insurance Co., Ltd.

1.3 Scope and Method of the Study

This study focus on recruitment and selection practices and employee retention of IKBZ Insurance Co., Ltd. Descriptive research method is used in this study. This research uses both primary and secondary data. Primary data and secondary data are used to identify the recruitment and selection practices and employee retention. Primary data are collected via the use of questionnaire and distributed to the employees. Secondary data gathered from the recruitment and selection section of human resource department, IKBZ Insurance Company. And relevant texts and international studies through internet website links. Effectiveness of recruitment and selection at IKBZ Insurance Company will be analyzed by using turnover rate. Simple random sampling is chosen. This study involves sample 120 of employees from total employees (663) of IKBZ Insurance Co., Ltd.

1.4 Organization of the Study

This study is organized by five chapter. Chapter (1) includes introduction, rationale of the study, objectives of the study, scope and method of the study, organization of the study. Chapter (2) includes theoretical background, literature review of recruitment and selection practices on employee retention. Chapter (3) consists of profile of IKBZ Insurance Company in Yangon. Chapter (4) describe the data analysis and the exploration of primary data gathered from the survey in IKBZ Insurance Co., Ltd. This include data processing, data presentation and description to bring about understanding of the data processed. Finally Chapter (5) the finding, recommendations, limitation and needs for further study are included.

CHAPTER (2)

THEORETICAL BACKGROUND

This chapter presented the theories and concept concerning with recruitment and selection practices, employee retention. It included portions, human resource management, important of recruitment and selection in HRM, concept of recruitment and selection, sources of recruitment, selection process, effects of recruitment and selection practices on employee retention, turnover rate of new recruits, conceptual framework of this study.

2.1 Human Resource Management

Human resource management refers to activities and tasks useful in maximizing employees' performance. Human resource management, therefore, includes the recruitment, selection, placement, motivation, appraisal, development, communication with, utilization, and overall accommodation of employees to achieve organizational goals.

Human resource management and the main functions of this discipline, including managerial and operative functions. The recruitment and selection processes are described in order to understand how the staffing system looks like. This part of the theoretical framework is further narrowed down to the most well-known sources of recruitment, with paying close attention to the internet channels, and selection methods. In addition, various techniques and methods of recruitment are briefly presented. Thus, it is important to understand how the human resource management works and what should be done by human resource managers to expand and develop a company, with the help of a process of hiring the most talented and suitable employees.

According to Rao (2009), Human Resource Management (HRM) "is managing (planning, organizing, directing and controlling) the functions of employing, developing, compensating and utilizing human resources." As a result, the human and industrial relations are created and developed; and with further practices are ready to contribute to the organizational, individual and social goals.

2.2 The Important of Recruitment and Selection in HRM

Recruitment and selection process is one of the most important human resource function which makes a great impact on the revenue growth and the profit margins of company as compared to other tasks such as retention, on boarding, leadership development and managing talent. In addition, recruitment and selection process is also more important than restructuring the organization, work/ life balance and strategic human resource.

Recruitment is one of the most important parts of human resource because once the correct selection has been done, it is automatically reduced any potential work related problems and increase productivity. If the recruitment is not done effectively, there will be prolonging effect to the organization. Therefore, it is quite important to focus on recruitment and selection to make the whole working chain run smoothly and efficiently by placing right man at the right place. Statistics show that replacing the new staff in place of old member will cost two and half times of employee's salary because it has to invest in time to collect applicants and to find out who will be fit for the vacant as per the job nature.

Recruitment and selection would be recommended and considered as the most important step for the whole human resource management. Screening has to be done to match the skill in contrast with job requirement. Successful recruitment depends upon finding people with the necessary skill, expertise and qualifications to deliver organizational objectives and the ability to make a positive contribution to the values and aims of the organizations.

2.3 The Concept of Recruitment and Selection

Recruitment and selection is the process of getting human resources into organizations' departments, sections and jobs. The recruitment and selection processes starts with organizational analysis. This is the process of evaluating the total organization, its objectives, human resources, effectiveness and internal environment. The most useful data and information is obtained from the corporate strategic plan or human resource strategy if available. This definition has introduced the concept of 'art' which is about the soft skills of management, some of which might be a natural talent of some managers or acquired through specialized training. According to Costello (2006) recruitment is described as the set of activities and processes used to

legally obtain a sufficient number of qualified people at the right place and time so that the people and the organization can select each other in their own best short and long term interests. In other words, the recruitment process provides the organization with a pool of potentially qualified job candidates from which judicious selection can be made to fill vacancies. Successful recruitment begins with proper employment planning and forecasting. In this phase of the staffing process, an organization formulates plans to fill or eliminate future job openings based on an analysis of future needs, the talent available within and outside of the organization, and the current and anticipated resources that can be expanded to attract and retain such talent.

Also related to the success of a recruitment process are the strategies an organization is prepared to employ in order to identify and select the best candidates for its developing pool of human resources. Organizations seeking recruits for base-level entry positions often require minimum qualifications and experiences. At the middle levels, senior administrative, technical and junior executive positions are often filled internally. The push for scarce, high-quality talent, often recruited from external sources, has usually been at the senior executive levels. Most organizations utilize both mechanisms to effect recruitment to all levels. Jovanovic (2004) said recruitment is a process of attracting a pool of high quality applicants so as to select the best among them. For this reason, top performing companies devoted considerable resources and energy to creating high quality selection systems.

Recruitment and selection process are important practices for human resource management, and are crucial in affecting organizational success Jovanovic (2004). Due to the fact that organizations are always fortified by information technology to be more competitive, it is natural to also consider utilizing this technology to re-organize the traditional recruitment and selection process through proper decision techniques, with that both the effectiveness and the efficiency of the processes can be increased and the quality of the recruitment and selection decision improved. Recruitment and selection are vital functions of human resource management for any type of business organization. These are terms that refer to the process of attracting and choosing candidates for employment. Recruiting and selecting the wrong candidates who are not capable come with a huge negative cost which businesses cannot afford.

Odiorne (1984), postulated that the quality of recruitment practices put in place by an organization is a function of the quantity of application that will be received; he stated further that the relative effectiveness of the next human resources

phase (selection) is inherently dependent upon the quality of applicant attracted. The result of effective recruitment and selection are the reduction on labour turnover, good employee morale and improves organization performance.

2.4 Definition of Recruitment

Various researchers have contributed to the field of human resource management, and have offered intensive and profound knowledge on the branches of human resource management especially on recruitment and selection. Below is some of the different definitions of recruitment;

Recruitment is the generating of applications or applicants for specific positions to be filled up in organization. In other words, it is a process of searching for and obtaining applicant for jobs so that the right people in right number can be selected.

Recruitment is the process of generating a pool of capable candidates applying to an organization for employment (Gold, 2007). This suggests that applicants with experience and qualifications most closely related to job specifications may eventually be selected. Organizations become concerned when the cost of a mistake in recruitment is high. According to Armstrong (2006), the aim is to obtain, at a minimum cost, the number of suitable and qualified candidates to satisfy the needs of the organization. The organization attracts candidates by means of identifying, evaluating and using the most appropriate sources of applicants. El-Kot and Leat (2008), observation is that recruitment begins with advertising existing vacancies. Recruiting is defined as “activities or practices that define the characteristics of applicants to whom selection procedures are ultimately applied.” Today, recruiting is sometimes referred to as talent acquisition to reflect the importance of the human factor in the organization’s success.

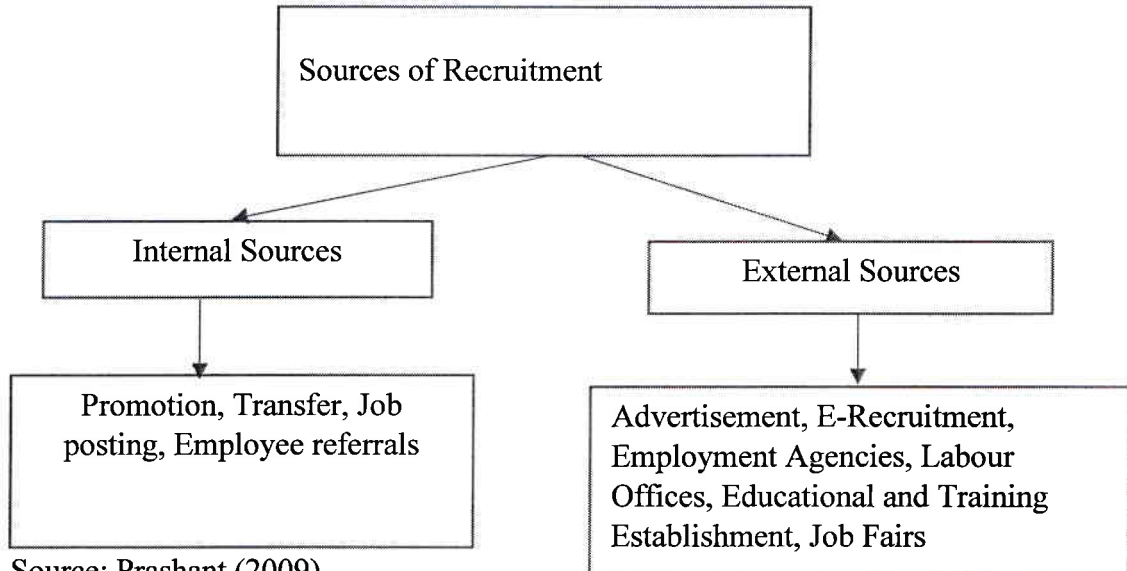
2.4.1 Sources of Recruitment

The various sources of recruitment are classified into two broad categories namely;

1. Internal sources
2. External sources

The sources within the organization itself (like transfer of employees from one department to other, promotions) to fill a position re known as the internal sources of recruitment. Recruiting candidates from all the other sources (such as outsourcing agencies etc.) are known as the external sources of recruitment. The sources included under each category are depicted in the following figure.

Figure: 2.1 Sources of Recruitment



Source: Prashant (2009)

2.4.2 Internal Sources of Recruitment

Internal sources refer to recruiting employees from within the organization. In deciding requirement of employees, initial consideration should be given to a company's current employees, which is concerned with internal recruitment. This is important source of recruitment as it provides opportunities for better development and utilization of existing human resources in the organization.

Aspects of recruitment under internal sources area as follows;

(1) Promotions

Many organizations choose to fill vacancies through promotions from within whenever possible. It refers to promoting or upgrading an employee who is already existed in the pay roll and contributed to the organizational performance. It is shifting an employee to a higher position with high responsibilities, facilities, status and pay. Usually, many companies fill higher job vacancies by promoting employees who are

considered fit for such positions. This is due to fact that it has a great psychological impact over other employees for their motivation towards better performance. Internal recruitment efforts very often result in promotions. Promotion signifies reward for past performance and encourages employees in their efforts (Sherman, Bohlander, & Snell, 1998).

(2) Transfers

Transfer is a lateral shift causing movement of individuals from one position to another. Langseth (1995), consider transfers as being effected when the need for people in one job or department is reduced or increased, if the work load reduced employees would want to relocate to other areas where they can have enough tasks to perform. Employees are recruited internally through transfer from one work place to another. It refers to the process of interchanging the job duties and responsibilities of employees from one place to another or from one department to another without any promotion in their position or grade.

(3) Job Posting

Job posting is an open invitation to all employees in an organization to apply for the vacant position. It provides an equal opportunity to all employees currently working in the organization. Today it has become a very common practice in many organizations across the world. Under this, vacancy announcement is made through bulletin boards or in lists available to all employees. Interested employees, then apply for the post being advertised. In this way, it has become one of the cost saving techniques of recruitment (Keshav, 2013).

(4) Employee Referrals

An employee referral program is a system where existing employees recommend prospective candidates for the job offered, and in some organizations if the suggested candidate is hired, the employee receives a cash bonus. The existing employee refers their family members, friends, and relatives to the company as potential candidates for the vacancies to be filled up in the organizations. Under this method, a candidate is appointed on the recommendation of some currently working employees.

2.4.3 External Sources of Recruitment

External sources of recruitment refer to attracting applicants from outside a particular organization to fill vacant positions. Broad varieties of methods are available for external recruiting. External source of recruitment include advertisement, e-recruitment employment agencies, labour office, education and training establishment, job offers (Beardwell, 2007; Cober& Brown, 2006). Details of these sources are discussed in this section.

(1) Advertisement

Advertisements are expensive but attract a larger pool of applicants than internal recruitment processes. It is, however, more difficult to evaluate external applicant than those that are already employed within the organizations. Advertisements are another popular method of recruitment of external candidates. Two things to consider when using advertising as a source of candidates are the media to use and the construction of the advert (Singh and Finn (2003). The media will determine the cadre of candidate one wants to reach. For example to clerical jobs, low-level jobs and administrative jobs a local newspaper would suit best.

The local newspaper is readily available to locals who could be potential candidates. For specialized jobs, trade and professional, journals and magazines would be most appropriate to use. When needing to recruit large numbers for long periods, an entrepreneur could consider using outdoor advertising. This includes the use of roadside billboards, posters on street boards and buses. Point-of-purchase as a form of media is very useful to reach large number of candidates, involves using posters, banners, brochures and placement offices. Radio and telephone adverts is not commonly used but cannot be absolutely ruled out as effective.

(2) Online or E-recruitment

Online or E-recruitment uses the internet to advertise or 'post' vacancies, provides information about jobs and the organization and enables e-mail communications to take place between employers and candidates. The latter can apply for jobs online and can e-mail application forms and CVs to employers or agencies. Tests can be completed online. The main types of online recruitment sites are corporate websites, commercial job boards and agency sites. The processes of e-

recruitment consist of attracting, screening and tracking applicants, selecting, and offering jobs or rejecting candidates. Companies that are likely to advertise on-line usually have a website that allows potential candidates to learn about the company before deciding whether to apply, thus lowering the incidence time-wasting through the submission of unsuitable applications.

(3) Employment Agencies

Employment agencies, sometimes referred to as labour brokers, even though they can face criticism from labour unions, tend to be fast and efficient in recruiting applicants for specialized positions. For a fee collected from either the employee or the employer, usually the employer, these agencies do some preliminary screening for the organization and put that organization in touch with applicants. Private employment agencies differ considerably in the level of service, costs, policies, and types of applicants they provide. Employers can reduce the range of possible problems from these sources by giving a precise definition of the position to be filled (Sims, 2002).

(4) Labour Offices

Labour offices are sources of certain types of workers. In some industries, such as construction, unions have traditionally supplied workers to employers. A labor pool is generally available through a union, and workers can be dispatched to particular jobs to meet the needs of the employers. In some instances, the union can control or influence recruiting and staffing needs. An organization with a strong union may have less flexibility than a nonunion company in deciding who will be hired and where that person will be placed. Unions also can work to an employer's advantage through cooperative staffing programs, as they do in the building and printing industries (Keshav, 2013).

(5) Educational and Training Establishments

Many jobs can, of course, be filled by school leavers. For some organizations the main source of recruits for training schemes will be universities and colleges as well as schools. Graduate recruitment is a major annual exercise for some companies, which go to great efforts to produce glossy brochures, visit campuses on the 'milk

run' and use elaborate sifting and selection procedures to vet candidates. College recruiting sending an employer's representatives to college campuses to prescreen applicants and create an applicant pool from the graduating class is an important source of management trainees and professional and technical employees. College recruitment also offers opportunities for internships. The problem is that on-campus recruiting is expensive and time-consuming.

(6) Job Fair

Job fair is to bring those interested in finding a job into those companies who are searching for applicants. Job fairs are open fora at which employers can exhibit the best their companies have to offer so that job seekers can make informed choices. They are considered one of the most effective ways for job seekers to land jobs. At the job fair, employers have a large pool of candidates on which to draw, while job seekers have the opportunity to shop around for dozens sometimes hundreds of employers, all in one place. Notwithstanding the fact that the atmosphere at the fair is more relaxed than at an interview, employers are still on the lookout for qualified, potential employees who have interest, dedication and initiative.

From many years organizations have used referrals from current employees. The employees are given bonus for successful referrals. It is an easy, reliable and a low cost approach.

2.5 Definition of Selection

Selection is hiring the best candidate from the pool of applications. It refers to the process of offering jobs to one or more applicants/candidates from the applications received through recruitment. It is the process of picking the suitable candidates from the pool of job applications to fill various job in the organizations.

Mondy (2010), refers to selection as 'the process of choosing from a group of applicants those individuals best suited for a particular position in an organization. 'Whereas the recruitment process is aligned to encourage individuals to seek employment with the organization, the selection process is to identify and employ the best-qualified and suitable individuals for specific positions. Traditionally, it was assumed that organizations could choose amongst applicants and that they would accept all job offers. Employer decisions about the selection of employees are central

to the operation of organizations and to a series of outcomes that matter to individuals, organizations, and society.

Selection process that employer decisions about the selection of employees are central to the operation of organizations and to a series of outcomes that matter to individuals, organizations, and society. Perhaps the most basic question in this area is why employers engage in selection efforts at all. Managers who are involved in hiring employees need to understand the skills and abilities that are required in a particular job and determine which candidates have those capabilities. Interviews, reference checks, tests, applications and résumés can all help identify differences among candidates.

(1) Application Forms

The application form is used to collect information about the applicant's education, previous job experience, and other background characteristics. Employment applications include areas for applicants to provide several types of information:

1. Contact information: the employee's name, address, phone number, and email
2. Work experience: Companies the applicant worked for, job titles and dates of employment.
3. Educational background: High school, college, and universities and attended and degree awarded.

The application form may include other areas for the applicant to provide additional information, such as specific work experiences technical skills or memberships in professionals or trade groups.

(2) Screening

A key facet of providing security is screening job applicants. Human resource management is somewhat limited by legal constraints on what can be done, particularly regarding the use of psychological tests and checking of references. However, firms that do not screen employees adequately may be subject to liability if an employee commits crimes later. For instance, an individual with a criminal record for assault was hired by a firm to maintain sound equipment in clients' homes.

Screening, popularly known as short listing, is the first step after the recruitment process is completed and applications received. In this step, all the applications received by the due date are screened and those that do not correspond to the requirements stipulated in the advertisement are immediately eliminated in this step. Their decisions should be guided by short-listing criteria that is developed against the job requirements stipulated in the advertisements. Furthermore, they need to ensure that enough time is set aside for short-listing.

(3) Selection Tests

Selection tests are often used as part of a selection procedure for occupations where a large number of recruits are required, and where it is not possible to rely entirely on examination results or information about previous experience as the basis for predicting future performance. Tests usually form part of an assessment center procedure. An aptitude test is used to predict the potentials an individual has to perform a job or specific tasks within a job. The test covers numerical, clerical, mechanical, problem solving etc. Attainment tests are most useful for jobs where specific and measurable skills are required, such as typing or computer programming. Employment tests may assess general abilities, such as physical strength, or specific skills, such as keyboarding speed.

Personality is a unique blend of individual characteristics that can affect how a person interacts with his or her work environment. As such, many organizations utilize various personality tests that assess the degree to which candidates' attributes match specific job criteria. Personality tests can provide interesting supplementary information about candidates that is free from the biased reactions that frequently occur in face-to-face interviews, but they have to be used with great care. Personality assessment generally makes use of self-report inventories that require candidates to respond to questions or statements by rating the extent to which they agree, or by indicating how accurate an item is as a description of their personality.

Psychological tests are standardized tests designed to provide an objective measure of certain human characteristics by sampling human behavior. Work sample tests and job knowledge tests can be used to ascertain specific skill levels required before beginning a position (i.e. skills that cannot be learnt on the job. These two types of tests are quite similar in nature. Job knowledge tests measure critical

knowledge areas needed to perform a job effectively and are generally used to assess specific skill sets i.e. technical skills such as IT (Information Technology) programming. Work sample tests assess the actual execution of the critical knowledge i.e. they are practically based rather than knowledge based.

IQ (Intelligence quotient) tests have the advantage of being very reliable, but they are limited in that they measure abstract reasoning and verbal fluency. Intelligence tests measure a range of mental abilities that enable a person to succeed at a variety of intellectual tasks using the faculties of abstract thinking and reasoning. English language ability tests have also proved a crucial tool especially for employees in international firms. English proficiency tests determine English fluency and English language ability is emphasized due to the need for communication within staff members, management and in job execution. Team role play assessments may also be conducted in a group at a selection center - each member of the group may be allocated a role and briefed beforehand on their role and the background to the topic under discussion. A group exercise role play would also assess one's skills of team working, listening, negotiating, leadership and time management.

(4) Reference & background check

Usually advertisements require that applicants provide the names and contact details of people who can serve as referees to them in case their applications are considered. Reference checks are used to verify the information that is supplied by applicant and are usually done telephonically. Although most referees are reluctant to respond to certain questions (Mathis and Jackson, 2006), reference checks can be used to gather as much information that will be used in deciding whether to appoint or decline to appoint the applicants.

References provide the organization with other people's perceptions of the candidate's professional ability. The company should contact the candidate's previous employers and colleagues. Questions to ask references might address the candidate's creativity and initiative. This is mostly the reason why conditional job offers are given in order to check the authenticity of what the candidate provided on the application form. References are one of the more popular and traditional tools in the selection process.

(5) Interview

The interview is the most familiar method of selection. The aim is to elicit information about candidates that will enable a prediction to be made about how well they will do the job and thus lead to a selection decision. An interview involves face-to-face discussion. When it is an individual rather than a panel interview, it provides the best opportunity for the establishment of close contact -rapport – between the interviewer and the candidate, thus easing the acquisition of information about the candidate's suitability and how well he or she would fit into the organization.

a. Structured interviews

A structured interview is one based on a defined framework. Within the framework there may be a set of predetermined questions. All candidates are asked the same questions, which will focus on the attributes and behaviour required to succeed in the job. The answers may be scored through a rating system. The most typical framework is the person specification. Interview questions aim to analyze and build on the information provided by the candidate's CV or application form to establish the extent to which a candidate has the required knowledge, skills and abilities (KSAs). In a competency based interview the emphasis is on establishing if the candidate has the right level of desirable behavioural competencies. A structured interview may include experience-based questions in which candidates are asked to relate how they handled situations in the past requiring skills and abilities necessary for effective performance in the job for which they are applying. And/or it may include situational questions that provide candidates with hypothetical job-relevant situations and ask how they would deal with them.

b. Unstructured interviews

Unstructured interviews are essentially a general discussion during which the interviewer asks a few questions that are relevant to what he or she is looking for but without any specific aim in mind other than getting an overall picture of the candidate as an individual. Questions are often random and non-specific. Candidates are judged on the general impression they make and the process is likely to be quite subjective. Research quoted later in this chapter has shown that the predictive validity of an

unstructured interview is fairly low. The preferred method is a structured interview, which when conducted well has a higher level of predictive validity.

(6) Physical Examination

The last tool used in the selection process is physical examination. The main purpose of conducting physical examination or medical examination is to have proper matching of job requirement with the physical ability of the candidate. Medical examination, also referred to as pre placement medical testing, is conducted only where the applicants are required to use physical strength to successfully perform their duties (Mathis and Jackson, 2006). Employers may also wish to establish an employee's physical condition at the beginning of employment, so that there is a basis for measuring whether the employee has suffered a work-related disability later. Furthermore, to protect candidates' privacy, medical exams must be related to job requirements and may not be given until the candidates has received a job offer.

(7) Final selection

Final selection of the most important sets of decisions an organization makes is the decision to employ personnel. The last step in the selection process is the final selection of the candidates for a job. Selection process is job offer to those applicants who have crossed all the previous hurdles. After reviewing applications, scoring tests, conducting interviews, and checking references, the organization needs to make decisions about which candidates to place in which jobs. In practice, most organizations, find more than on qualified candidate to fill an open position. The selection decision typically combines ranking based on objective criteria along with subjective judgments about which candidate will make the greatest contribution. Development of an offer via e-mail or letter is sometimes a more formal part of this process.

2.6 Effects of Recruitment and Selection Practices on Employee Retention

Retention activities may be defined as a sum of all those activities aimed at increasing organizational commitment of employees, giving them an overall ambitious and myriad of opportunities where they can grow by outperforming others. Given the development of new managerial approaches to retention, labor market

dynamism, and evolution in research methodology and technology, recruitment and selection are an essential tool in assisting the human resource managers and the entire company to hire the right people and retain them. While it is understood and accepted that poor recruitment decisions continue to affect organizational employee retention, many organizations across diverse jurisdictions have not identified and implemented effective hiring strategies. In some companies, existing policies inhibit strategic recruitment and selection; in others, the inhibiting factor is managerial inertia. Allen's (2005) review of studies mostly of retention confirms the relationship of recruitment and selection practices to teacher retention. He identified a number of organizational variables that were significantly related to recruiting and retention decisions including compensation, staff level, administrative support, employee autonomy, and general working conditions. The recruitment and selection of employees is fundamental to the functioning of an organization, and there are compelling reasons for getting it right. Inappropriate selection decisions reduce organizational effectiveness, invalidate reward and development strategies, are frequently unfair on the individual recruit and can be distressing for managers who have to deal with unsuitable employees.

Lockwood and Ansari (2011) investigated the recruitment and retention strategies and practices for United States IT specialists. They found that firstly, traditional local news advertising was still useful, and secondly, specific company web sites were more effective than other on-line employment websites. Newell (2010) indicated that these methods have different advantages: online advertising has the advantage of attracting a large pool of applicants at lower costs, and the company website could reach candidates who were not actively seeking work. Lockwood and Ansari (2011) also found that some companies would offer different levels of financial incentives for employee referral programmes, depending on the position of the vacancy. College internship programmes provided a good chance for both sides to look and see. Headhunters and recruiters were also the most effective channel to search and select for qualified candidates.

Effective recruitment and selection are directly concerned with the retention period of new recruits. For instance, in Chien and Chen's (2007) empirical study of a leading Taiwanese semiconductor manufacturing firm, they measured the firm's effective recruitment by considering the new recruit's retention period and performance rating. The study results supported this premise in that the relationship between employee recruitment and selection strategies and employee retention was

found to be statistically significant. It was noted that the directions and strengths of this effect vary across individual employee recruitment and selection strategies. Many commentators refer to significant changes in the world of work and the implications these have for the recruitment and selection of a workforce. 'Increasingly employees are working in self-organized teams in which it is difficult to determine the boundaries between different jobholders' responsibilities. The team undertakes the task and members co-operate and work together to achieve it. Recruitment and selection practices focus on identifying a suitable person for the job, but isolating a job's roles and responsibilities may be difficult to do in fast-changing and team-based situation.

The rise in the use of the Internet is probably the most significant development in the recruitment and selection field in the early 21st century. Various surveys (2008) now suggest that this is fast becoming employers' preferred way of attracting applicants. Whatever the pros and cons, online recruitment and selection continues to expand and employers are now combining more traditional methods with online recruitment and selection by using printed adverts to refer jobseekers to an Internet vacancy for the achievement of improved employee retention. Other employers such as Microsoft are enhancing its brand visibility and credibility by having a wider Internet recruitment presence. Microsoft uses its online tools to impact and influence its public image and reach a broader audience and thus create a diverse workplace with varied skills and talents. One initiative is the introduction of corporate recruitment blogs. The idea is that potential job candidates may be attracted to the company through what they see on the blog and make contact through the specific blogger who will initiate the recruitment process on behalf of the company.

2.7 Turnover Rate of New Recruits

During the course of any work year it can be expected that organizations are going to lose a certain amount of staff, and in turn these people must be replaced in order to maintain the normal levels of service/production. This is viewed as natural wastage or attrition and can be referred to as labour turnover. People can leave for a number of different reasons, (retirement, better opportunity elsewhere, job dissatisfaction, dismissal etc.) but it is vital that the organizations is aware of this and is able to predict a rate of turnover and keep it as low as possible so as to reduce

spending in the recruitment process. Hill and Trist (1955) conducted a number of land mark studies of labour turnover and developed a model which has become known as the "survival curve". Evidence collected from their study suggests people are a lot more likely to quit their job in the early stages of recruitment (first 6 weeks) than they are if they survive this period. The survival curve has three distinct phases:

Phase one is known as the "induction crisis" phase- this is the period where labour turnover can be very high. This turnover could be applicable to many different things, but the three most common are:

- (1) Not matching expectations – the employee had a different image of what he/she would be doing- it is possible that they misunderstood the job, or the job specification was wrong, or explained incorrectly during the recruitment stage.
- (2) Adapting- some new employees may find it hard to adapt to their new surrounding and thus may not like the job- these surroundings could be the people, the culture, the actual job itself.
- (3) A "better" job- the new employee may have applied for many jobs before joining and something they view as better or more suitable may have come along since joining so they leave the company for the other position.

Phase two is the "differential transit" phase- This is where the "new" employee has adapted to their work surroundings and is now happy and feels a part of the culture and community- at this stage it is very unlikely that a person will suddenly decide to leave the organization.

Phase three is the "settled connection" phase- it is at this stage that Hill and Trist (1955) believe that the person has been in the job so long they are now viewed as "quasi permanent". This person now views themselves as part of the furniture- these people are of the opinion that it will be more beneficial for them to stay where they are rather than go anywhere else.

The survival curve is in many ways indicative, rather than definite but there are indications that organizations can use as a way of predicting future labour turnover (Hill & Trist, 1955)

A turnover rate is the rate at which something or someone leaves and must be replaced with something or someone new. The early departure of an employee may be due to any number of factors, including poor job or organizational fit, a poor understanding of the position, or poor induction. In this way, this metric can be used

as an indication of recruitment effectiveness. High rate can lead to interruption in service and customer dissatisfaction, and it can be expensive to constantly recruit, hire and train new employees.

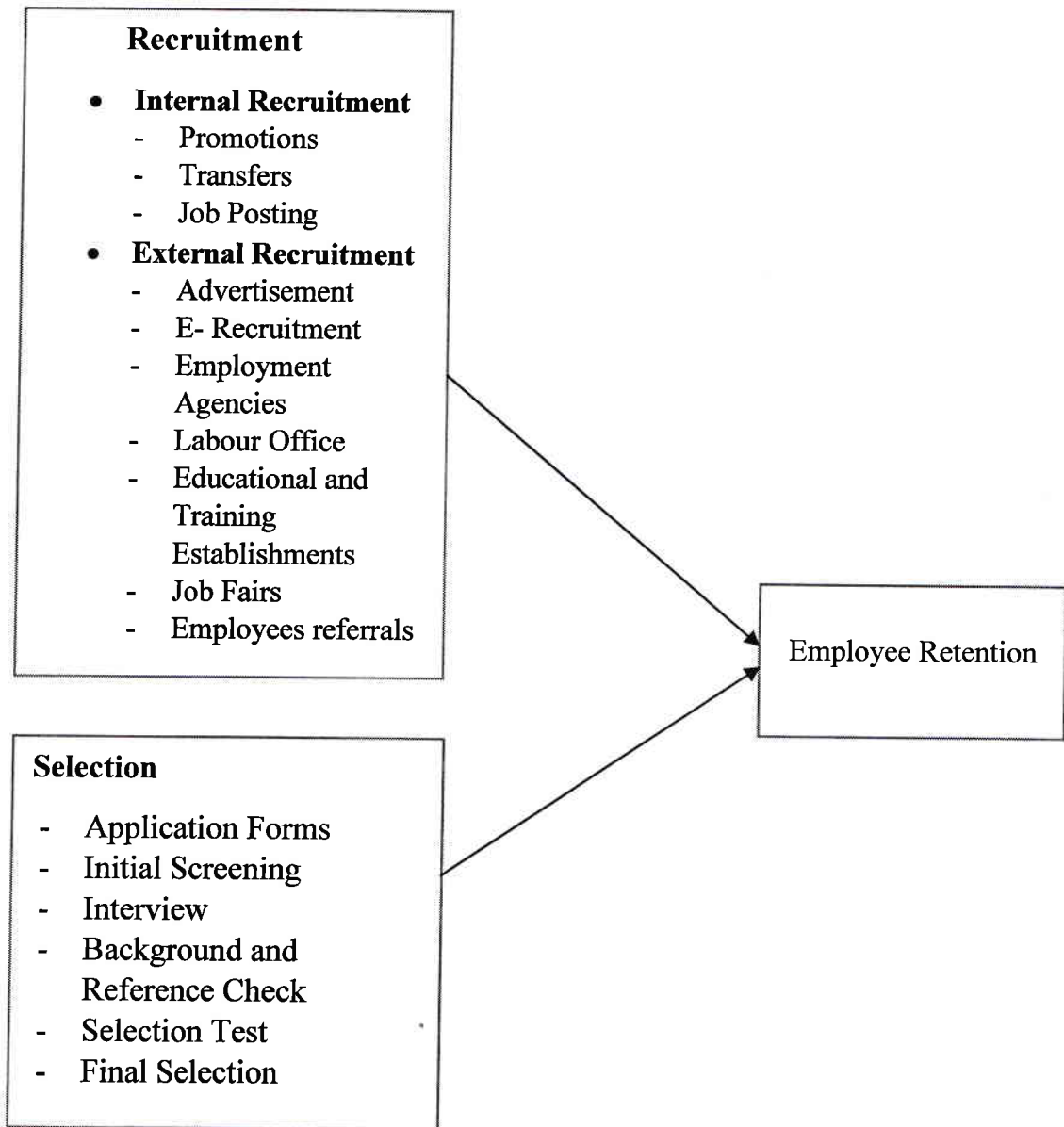
$$\text{Turnover Rate} = \frac{\text{Number of resign person in a probation period}}{\text{Number of recruited person}} \times 100$$

2.8 Conceptual Framework

Recruitment and selection is characterized finally by potential difficulties and it is necessary to keep abreast of developments in research in this field. One of the assets of every organization is its employees. To engage and employee's services the employer needs to undertake recruitment by creating a pool of applicants, which mainly leads to the selection of qualified people to work in the organization. Recruitment and selection also has an important role to play in ensuring worker performance and positive organizational outcomes. Two main sources of recruitment was identified - internal and external source of recruitment.

The components of internal sources of recruitments consists of transfer job posting, and promotions. The external source of recruitment are advertisement, e-recruitment, employee referrals, employment agencies, labour office, job fairs and educational and training establishment. Selection Process followed recruitment which entails, initial screening, interview, reference check, selection test, final selection. Researcher's finds that human resource management practices in effectiveness of recruitment and selection practices in to their institution, employee's training, supervisor support culture, work environment and organization justice can help to reduce absenteeism, employee retention and better quality work .The conceptual framework explaining recruitment and selection practices on employee retention as shown in Figure (2.2).

Figure: 2.2 Conceptual Framework for this Study



Source: Mavis Adu-Darkoh (2014)

2.9 Previous Study

This study of employee recruitment and selection practices in the construction industry in Ashanti region. The growth and development of any economy is connected directly or indirectly with the construction industry. In Ghana, it is the wish of most construction firms to engage the best human resource in order to channel their collective effort into excellent performances, increase in productivity, job satisfaction.

According to (Burack et al., 1980) it has also been observed that due to the inadequate information and evidence of how selection and recruitment are done in many construction firms. It is therefore clear from the foregoing that unconventional selection practices can ruin any business plan thereby affecting the overall target of construction firms. There is the need for management to put in place policies or strategies that will help recruit and select the best employees to strive towards the achievement of organizational goals and objectives.

This study of effect of recruitment and selection practices of retention of teachers in international primary schools in Nairobi country. International primary schools will particularly benefit from the study as the same will provide insights on the most effective recruitment practice in teacher retention in view of the important role teachers play thereof.

This study of recruitment and selection practices adopted by insurance firms. The lack of a systematic technique for employee selection results in inappropriate choices for respective jobs hence the misdirection of skill and talent. This failure translates to a loss to both the employer on one end in the form of mediocre worker productivity as well as the employees whose aptitudes are underutilized hence wasted talent capacity (Cole, 1997).

Human Resources Managers need to ensure that recruitment and selection practices that are adopted are coherent and consistent with their firms' business strategy and with other associated functions of human resources such as planning, training and development, pay and benefits and performance management (Mugao 2004), in his study on recruitment and selection practices of pilots among commercial aviation firms in Kenya.

This study of recruitment and selection practices of HFC bank. A common problem in recruitment and selection is poor HR planning. The key goal of HR planning is to get the right number of people with the right skills, experience and competencies in the right jobs at the right time at the right cost. The major challenge facing HFC Bank in its recruiting and selection practices is lack of key talents in the job market for specialized areas within the bank. HFC Bank as a financial institution deals in normal banking activities while massively involved in mortgaging which needs specialized skills in order to serve its customers and such skills from the study is lacking thereby affecting the performance of the bank.

Competition is another challenge facing HFC Bank in its recruiting and selection practices. The financial market in the country is now very competitive thereby there is a rush for those with the experience and skills to help the various banks float and have competitive advantage over others.

CHAPTER (3)
RECRUITMENT AND SELECTION OF IKBZ INSURANCE
CO., LTD

This chapter include history of insurance in Myanmar, Private Insurance Companies, Profile of IKBZ Insurance Co., Ltd, Organization Structure of IKBZ Insurance Co., Ltd, Recruitment and Selection process of IKBZ Insurance Co., Ltd.

3.1 History of Insurance in Myanmar

Insurance has been sold in Myanmar since the middle of the 19th century, but for the first 100 years the sector was controlled by foreign companies. At one point, an estimated 80-100 insurers were active in the market. With independence in 1948, the role of foreign firms started to decline quickly. In 1950 the Burma National Insurance Company was nationalized under the Union Insurance Board Act and eventually became Myanmar Insurance. From there, foreign and private firms were slowly but steadily pushed out or shut down. Under the 1959 Life Prohibition Act, life insurers were forbidden from taking new business. In 1961 the Compulsory Reinsurance Act required a 30% cession of non-life business to the Union Insurance Board. Finally, in 1963 foreign insurers were nationalized some 78 firms were active in the country at the time. The 1989 State-Owned Economic Enterprises Law made insurance officially a state monopoly.

The legislation underpinning the sector today is relatively light and somewhat dated. In 1963 third-party liability motor insurance became compulsory. The Myanmar Insurance Law of 1993 pertains to the state-owned insurer and outlines the coverage it can offer. This was followed by the Insurance Business Law of 1996 and the Insurance Business Rules of 1997. These regulations cover supervision, investment, accounting practices and consumer protection, in addition to other subjects related to the sector. Significantly, the 1996 law established the Insurance Business Supervisory Board (IBSB), a body under the Ministry of Finance and Revenue. Technically, foreign insurers can operate in Myanmar under the 1996 law, but no full licenses have been granted in the 20 years since it was signed into law. Legal observers have considered the sector closed for all practical purposes. The laws are silent on non-admitted insurance. Myanmar Insurance has for many years operated

as the monopoly provider of insurance, although at some times and in some ways foreign and private participation has been allowed.

For example, in 1997 Malaysia's Jerneh Insurance established a joint venture with Myanmar International Insurance Corporation, which is related to the Myanmar Economic Corporation, and wrote local policies. It did so with some success, as its underwriting was quick and non-bureaucratic, but it later left the market in 2002. Foreign companies have been able to write policies offshore and have them fronted via Myanmar Insurance for a 15% commission, or 7% in the case of aviation policies.

3.2 Private Insurance Companies

For most of the last half century Myanmar's insurance sector was closed and monopolized, but it is now opening up to both domestic and international competition. The 12 private insurance companies to be granted the license on 5th September, 2012. Five private companies were first issued the license on 25th May, 2013 and the other four private insurance companies were issued the license on 14th June, 2013 and 3 private insurance companies on 6th October, 2014. Therefore, Insurance Business Regulatory Board has already granted eleven licenses in total to private companies up to now. The market has opened quickly, with 12 insurers being licensed in 2012 and five beginning operations by 2013. Almost all were operating by 2015. The licensed firms included: First National Insurance, IKBZ Insurance, Young Insurance Global, Grand Guardian Insurance, Global World Insurance, Excellent Fortune Insurance, Aung Thitsar Oo Insurance, Pillar of Truth Insurance, Ayeyar Myanmar Insurance, Capital Life Insurance, Citizen Business Insurance Public and Aung Myint Moh Min Insurance. List of Private Insurance Companies are shown in following Table (3.1).

Minimum capital requirements have been set for private companies. Life insurers must have MMK6billion (\$5.4million) of paid up capital, non-life MMK40billion (\$36million) and composite insurers MMK46billion (\$41.4million). Of that, 10% must be deposited at Myanmar Economic Bank and 30% must be used to buy government securities. The companies may offer a number of products. On the non-life side, the list includes: motor, fire, cash in safe, cash in transit, fidelity insurance and travel insurance. In addition, companies can also sell term life, sportsman and snake bite insurance.

Table 3.1 Lists of Private Insurance Companies

No	Company Name	Types of Insurance License
1	First National Insurance Public Co., Ltd	General +Life Insurance
2	IKBZ insurance Public Co., Ltd	General +Life Insurance
3	Young Insurance Global Co., Ltd	General +Life Insurance
4	Grand Guardian Insurance Co., Ltd	General +Life Insurance
5	Global World Insurance Co., Ltd	General +Life Insurance
6	Excellent Fortune Insurance Co., Ltd	General +Life Insurance
7	AungThistar Oo Insurance Co., Ltd	General +Life Insurance
8	Pillar Of Truth Insurance Co., Ltd	General +Life Insurance
9	Ayeyar Myanmar Insurance Co., Ltd	General +Life Insurance
10	Capital Life Insurance Co., Ltd	Life Insurance
11	Citizen Business Insurance Public Co., Ltd	Life Insurance
12	Aung Myint Moh Min Insurance Co., Ltd	Life Insurance

Source: Myanmar Insurance Report

3.3 Profile of IKBZ insurance Co., Ltd

“Any Ownership is never without Risks. We are proud to say that IKBZ willingly and responsibly takes care of all of your risks in safeguarding your Ownership.” The official name of our Company is designated as IKBZ Insurance Company. It is the second largest conglomerate within the Kanbawza (KBZ) Group of Companies amongst its various other financial wings. The KBZ Group of Companies has a long history of business establishment since 1995. It all started with rubies, jade and precious metal mining under the name of Shan Yoma, Nilar Yoma and Jain-Phaw-Aung rubies, jade and precious metal mining companies. Most of the precious metal mines are located in Mineshu, Mogoke, Phakhant, and Kanti townships in the eastern and northern reaches of the country. The legally earned monetary assets were then invested in what is now publicly known as Kanbawza Bank. Moreover, there are many other diversified businesses under our group.

The official name of the Company is designated as IKBZ Insurance Company. It is a sister concern of the Kanbawza Group of Companies catering solely for their insurance business. The IKBZ Insurance Company is established under the umbrella of the KBZ Group of Companies. With the broad nature of economic reforms in

Myanmar since 2011, the insurance sector has opened its arms to the private sector for effective participation and involvement. The Myanmar government initiated its first acceptance of applications for establishment of private insurance companies in June, 2012. Along with the formal application, the IKBZ Insurance Co., Ltd was granted to start operating in September, 2012.

IKBZ Insurance Co., Ltd became the first private insurance company to exist in Myanmar on the 12th September, 2012. The paid-up capital is (46) billion Kyats which is equivalent to (55) million US Dollars. The insurance license (001) was issued on 5th June, 2013. The opening ceremony was held on the 12th June, 2013. The company is head quartered in Yangon. It is situated at No. (53), Strand Square, Corner of Merchant Road and Bosoonpat Street, Pabedan Township, Yangon. We take immense pride that IKBZ is the leading private insurance company with the largest market shares and highest premium payments among other domestic insurers. In such a short span of time, we have made our presence amongst the masses of Myanmar by rapidly expanding our branches within the length and breadth of the country.

Aspirations for the IKBZ Insurance Co., Ltd

Our Mission

“IKBZ Insurance Co., Ltd. is dedicated to providing insurance products that provide quality process with value pricing. We wish to establish a successful partnership with our clients, our staff members, and companies in industries that respect the interests and goals of each party.”

Our Vision

“Providing effective services for everyone, standing as a Leading Insurance Company and contributing towards strengthening the economic growth of the country”

Our Commitments

Our fundamental commitments to deliver sustainable excellence in our business performance lie in:

-Providing quality services that satisfy the needs of our.

Clients

- Constantly striving for operational distinction in claim-handling
- Administering accurate policies and endorsements on time

-Maintaining the integrity of our corporate reputation through honesty

Our People

IKBZ conducts its business through sixteen operating divisions: Yangon, Mandalay, Taungyi, Mawlamyine, Moywa, Magwe, Pathein, Lashio, Nay Pyi Taw, Myeik, MyintKyi Nar, Bago, Meikhtilar, Pyay, Pakokku and Sittwe. Each division is managed by talented underwriters and staffed by skilled pricing professionals, claims professionals, auditors, and energetic sales staff, all with local expertise and the technical resources to assess and underwrite risk. We offer products with the capacity to listen, understand the need and design the appropriate solution for our business partners. Our diverse platform and strong capitalization provide a stable market to our business partners across all lines of business.

Our Products

“Our clients and partners benefit from extensive knowledge and experience that enables us to develop creative, tailored solutions to meet their needs.”

IKBZ offers

Altogether twelve service products in the insurance market. Generally, it falls into two categories:

- (1) Life Assurance: Public life, Group life, Health, Sportsman life, Snake-bite life.
- (2) Non-Life Insurance: Fire & Allied Peril, Comprehensive Motor, Cargo, Special Travel, Cash-in-Safe; Cash-in-Transit, Fidelity.

3.4 Organization Structure of IKBZ Insurance Co., Ltd

Total workforce in IKBZ Insurance Company are (663) employees. Organization Structure is basically divided into Board of Directors (BOD), Managing Directors, Executive Committee, Chief Executive Officers, Dy CEO/ CFO (Deputy Chief Executive Officer/ Chief Financial Officer), Business Development Committee, Compliance Committee, Risk Committee, General Manager (GM).

IKBZ Insurance Co., Ltd includes the following departments; internal audit department, operation-admin department, underwriting department, claims department, risk management department, Re-insurance department, Commercial-admin department, sales department, marketing department, customer service department, business development department, general accounting, operation

accounting (non-life), operation accounting (life), admin department, human resource department, IT department (information technology department), Legal & Compliance department. Internal audit department is concerning with the audit committee, Dy. CEO/CFO, Executive Committee, Managing Directors, Board of Directors.

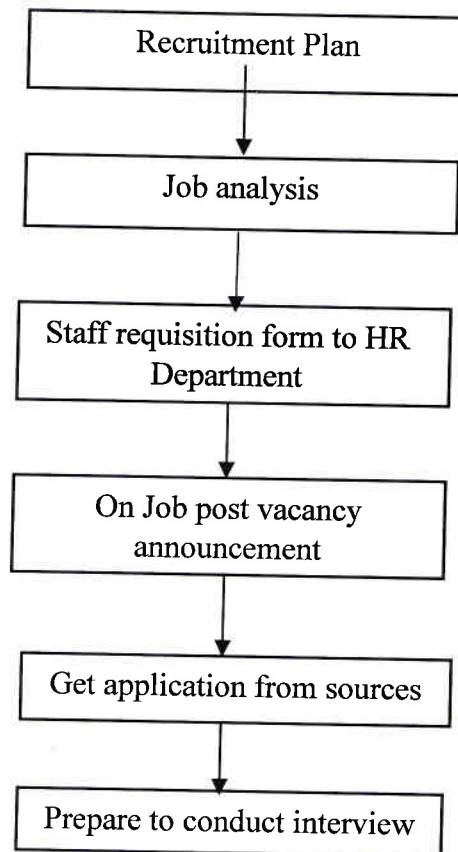
Operation division is under comprised of operation-admin department, underwriting department, claims department, risk management department, re-insurance department. Commercial division is under comprised of commercial-admin department, sales department, marketing department, customer service department, business development department. Finance division is under comprised of general accounting, operation accounting (non- life), operation accounting (life). Corporp.service division is under comprised of admin department, Human Resource department, IT department (information technology department), Legal and Compliance department.

3.5 Recruitment process of IKBZ Insurance Co., Ltd

Before conducting the hiring, and retaining the employees, the human resource manager has to prepare recruitment and manpower plan and submit to board of directors (BOD). It has to be considered business extension and increased of service type or corporation with other organization. A comprehensive recruitment plan can support hiring departments' efforts to identify and recruit a highly qualified, talented and diverse faculty. A recruitment plan should include all recruiting resources that the hiring department intends to use including publication, websites personal contacts, etc. In case of vacancy because of staff resign or other thing, department head has to submit staff requisition form to human resource manager with job description, job specification and last date to recruit. Human resource manager will perform accordingly if the vacant is really need to be fulfilled.

Human resource department has to implement the recruitment plan by combining with the related department head under the guidance and supervision of GM (general manager). The preparation shall take about 4 months to submit at the annual meeting to BOD (board of directors). To reduce time and cost, IKBZ insurance prefers well planned and systematic system. The recruitment process of IKBZ insurance Co., Ltd shall be viewed as follow:

Figure 3.2 Recruitment Process of IKBZ Insurance Co., Ltd



Source: IKBZ Insurance Co., Ltd (2018)

Once the employee requisition is sent BOD, human resource department to look for the suitable applicants to fill up the position. The just submit CV from email or via employment agent. Short listed candidates shall have to pass computer skill test, communication test, personality test, English language ability test to assign as probation staff. The successful applicant shall be approved by the BOD and GM to perform in managerial role. Human resource department make vacancy announcement in notice board and open to all internal and external applicants. If staff is qualified, promotion shall be given to fill up the vacant. Only shortlisted candidates shall be call for interview. The successful candidates shall have to pass written test and practical tests.

3.6 Recruitment Methods of IKBZ Insurance Co., Ltd

Recruitment methods are used differently for different type of position. IKBZ Insurance Co., Ltd use both external and internal recruitment method. There is scarcity upper level post and IKBZ Insurance has to get source form employment agency. The recruitment method shall be described as follows.

Table 3.2 Recruitment Methods of IKBZ Insurance Co., ltd

Recruitment Methods	Source	Period
External Recruitment method	Online recruitment	3months
Internal Recruitment method	-Vacancy announcement on notice board -Employees referrals -Promotion	1month

Source: Survey Data (2018)

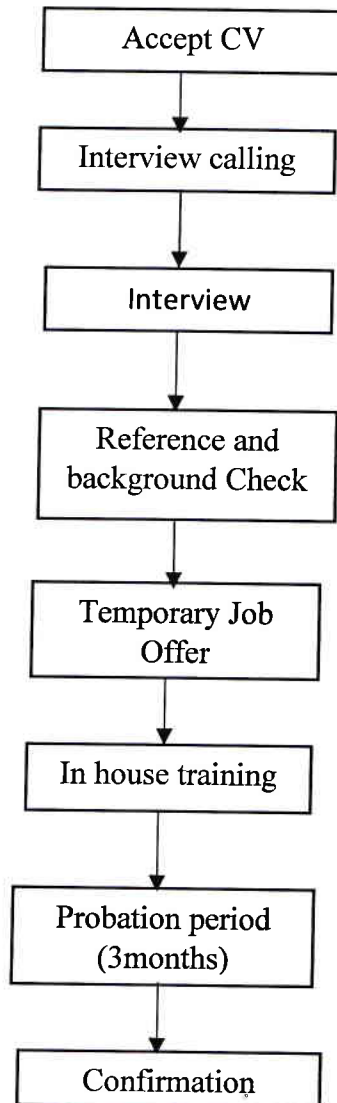
For internal recruitment, human resource put vacancy announcement as a job posting on notice board and give chance to those who want to join. Sometimes, IKBZ insurance uses employee referrals to confirm that the staff is suitable for the vacant post. If the vacant department also agree to accept that employee, recruitment process shall be continued with the verbal or written in formed to the staff.

In external recruitment, IKBZ Insurance mad On-Line recruitment giving the deadline for 1 years. The minimum acceptable qualification, and working experience is described in the announcement.

3.7 Selection Process of IKBZ Insurance Co., Ltd

Human resource department will select the qualified person who is fit for the organization the most. The selection process done step by step as follows:

Figure 3.3 Selection Process of IKBZ insurance Co. Ltd



Source: IKBZ Insurance Co., Ltd (2018)

According to the Figure 3.3, IKBZ insurance Co., Ltd shall accept CV firstly from the applicants. CV can be sent via email or in person to the human resource department. IKBZ Insurance receives the CV both from external or internal sources. Secondly, human resource staff inform to short listed candidate via phone or for 1st interview. Thirdly, structured interview is conducted together with General Manager, Human Resource Manager and related department head. Fourthly, human resource staff check background reference and referrals checking of the applicant. Fifthly, informs the selected applicant to start working. Sixthly, IKBZ Insurance use to give in house training to the probation staff, and evaluate the performance. Seventhly, the

probation period of 3 months will be passed and performance of the applicants shall be evaluated. Eightly, the probation staff shall be confirmed as permanent staff.

(1) Accepting Resume

IKBZ Insurance accepts the CV of the applicants via email or which is submitted in person. Normally, the applicants use to apply even before the vacancy announcement is made. But to get more qualified and skillful staff, IKBZ Insurance makes vacancy announcement in notice board and asks CV from agency. The closing date is mentioned on the announcement letter. Short description of job description and job specification is mentioned. The applicants have to submit will full set of evidence documents like copy of ID card, recommendation letter from past employer and township officer, police station and educational certificates. Once the closing date is due, human resource department shall proceed the selection process.

(2) Interview Calling

IKBZ Insurance to narrow down the field whenever large number applications are received for an advertised position by filtering the CV which involves using the job description and employee specification to compare against CV. Only short listed candidate are called for interview. It makes to spend more time with each candidate for formal interview.

(3) Interview Candidate

Before conducting interview, human resource make sure that the adequate notice is given to the interviewee. Furthermore, interviewees (Department Head, Human Resource) review all the relevant information beforehand such as profile, and job description to identify areas to question. Call for interview with the gap so the interviewee does not have to wait for so long. Written test is done before interview is conducted. Human resource manager and the related Department Head shall be in the interview. Human resource informs to the candidate that they will check reference (recommendation from previous job, police recommendation, list of family tree, township administration and original competence) practical tests and physical tests.

(4) Reference and Background Checking

If the interview results are acceptable, human resource staff starts to investigate background and reference. The applicant had submitted the educational documents and recommendations when they applied. Recommendation from the previous employer shall be asked to make sure that applicant is not in the black is not in the black list of the last company and how he quit the previous employment. The reference and background shall be as follows;

Table 3.3 Reference and Background Checking

Type of Reference and Background	Check
Working Experience	Recommendation from employer
Character	Recommendation from Police Station
Family Background	List of Family
Address	Recommendation from Township Office
Academic Achievement	Original Certificate

Source: Survey data (2018)

(5) Temporary Job Offer

Based on the interview results, interviewers make the decision as to who is the most qualified candidate. Assessment has been done that who is better and what are the good points of the candidate in terms of managerial staff, technical and operational skills.

(6) Probation

When the candidate accepts the job offer, he can start working as probation period. In house training shall be give and performance shall be evaluated. After probation period, the report from immediate supervisor and peer level shall be reviewed to accept candidate as permanent staff. Every employee has be made aware of the rules and regulations IKBZ Insurance.

(7) Confirmation

Employee performance are monitoring as an on-going activity, the qualified applicant shall be confirmed. Permanent job offer shall be given to each personnel as confirmation letter. By selecting the right people for the right place, IKBZ Insurance

tries to address the human resource problems early to prevent unexpected human error because insurance services is very sensitive it is concerned with public issues.

3.8 Selection Tests of IKBZ Insurance CO., Ltd

Every applicants shall have to pass the personality test, English language ability test, written tests, computer skill, IQ (Intelligence quotient) tests, Psychological tests, communication skill to be approved by BOD (board of directors or GM (general manager) as probation staff.

CHAPTER (4)
ANALYSIS OF THE RECRUITMENT AND SELECTION
PRACTICES AND EMPLOYEE RETENTION OF IKBZ
INSURANCE CO., LTD

In this Chapter, there are analysis of recruitment and selection practices and employee retention of IKBZ Insurance Company. The analysis are presented with analyzing on the demographic profile of respondents, analysis of recruitment and selection practices and employee retention.

4.1 Demographic Characteristics of Respondents

Descriptive statistics such as frequencies and percentages relating to the demographic characteristics of respondents are presented as follow:

4.1.1 Gender of Respondents

The respondents are males and female. Table (4.1) and figure (4.1) show the gender of respondents.

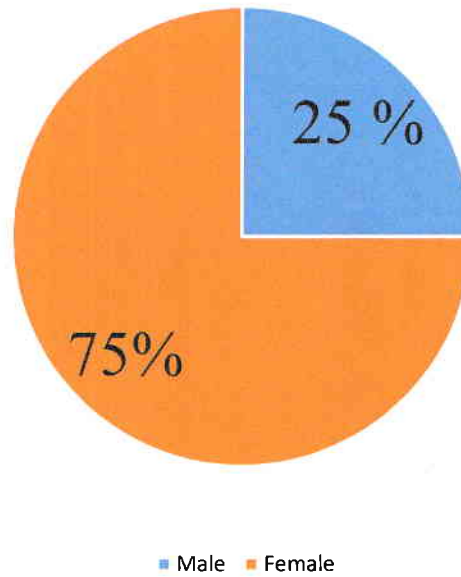
Table (4.1) Gender of respondents

Gender	Number of Respondents	Percent (%)
Male	30	25.0
Female	90	75.0
Total	120	100.0

Source: Survey Data (2018)

As Show in Table 4.1 and Figure 4.1, the sample consists of 30 males and 90 females. In terms of the percentage, male respondents share 25 percent of the sample while female respondents share 75 percent of the sample. It shows that the number of female employees is higher than male in IKBZ Insurance Co., Ltd.

Figure (4.1) Gender of Respondents



Source: Survey Data (2018)

4.1.2 Age of Respondents

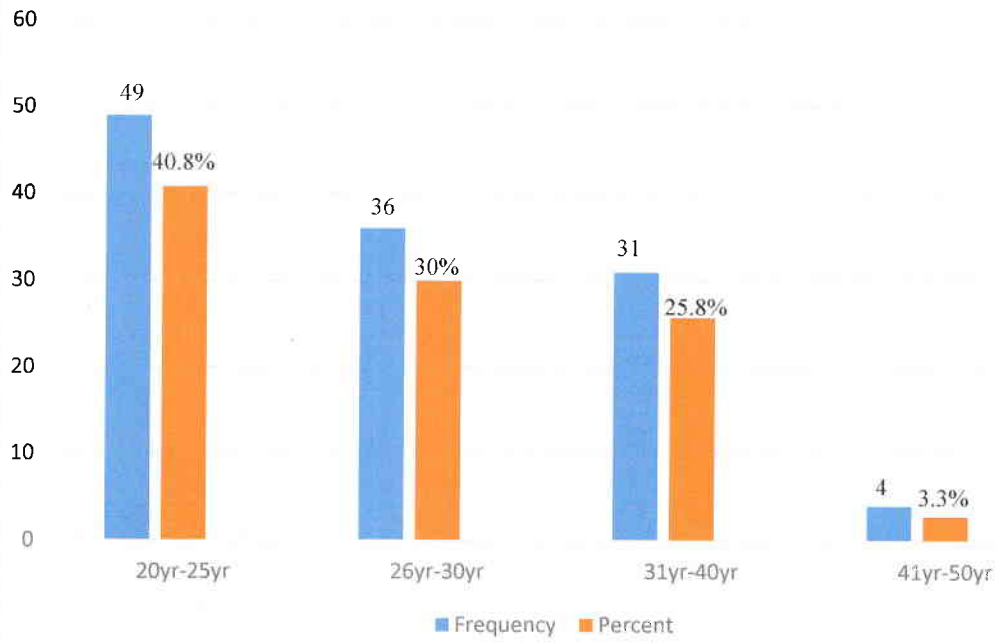
The age of groups respondents are divided into four groups. These four groups are between 20-25 years, between 26-30 years, between 31-40 years and 41-50 years. The numbers of respondents according to each group are shown in Table (4.2) and Figure (4.2).

Table (4.2) Age of Respondents

Age	Number of Respondents	Percent (%)
20yr-25yr	49	40.8
26yr-30yr	36	30.0
31yr-40yr	31	25.8
41yr-50yr	4	3.3
Total	120	100

Source: Survey Data (2018)

Figure (4.2) Age of Respondents



Source: Survey Data (2018)

According to the Table (4.2) and Figure (4.2), 40.8% of respondents are between 20 and 25, 30% of respondents are between 26 and 30, 25.8% of respondents are between 31 and 40 and 3.3% of respondents are between 41 and 50 respectively. It shows that most of the employees in IKBZ Insurance Co., Ltd are between 20 and 25.

4.1.3 Education Level of Respondents

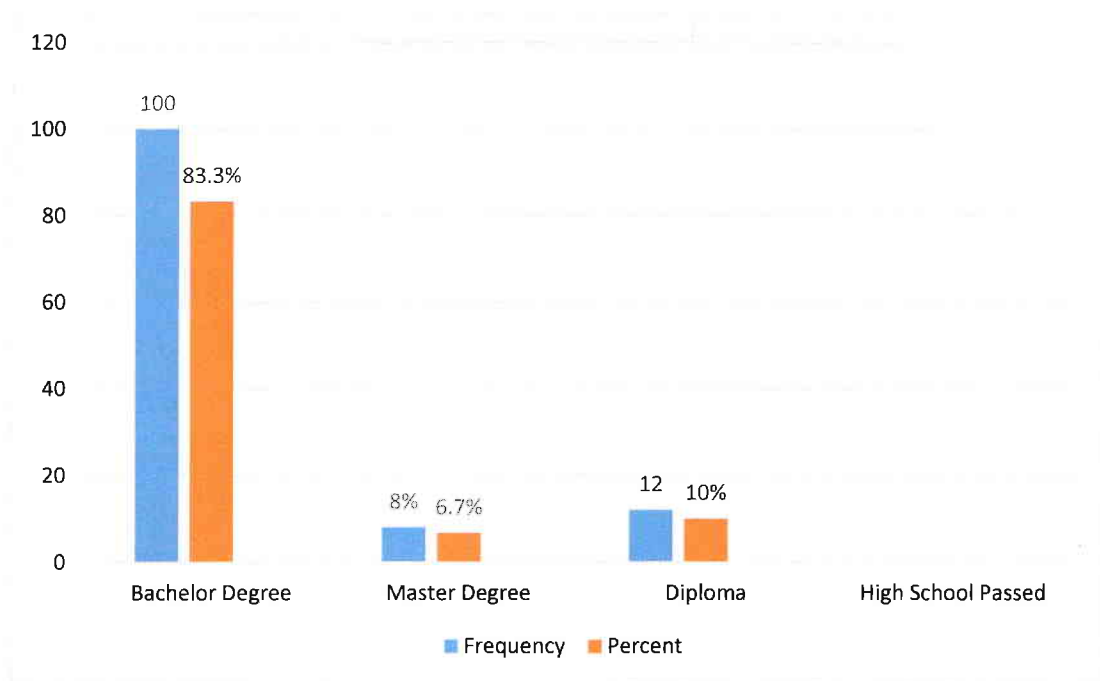
Education level of respondents is divided into four groups such as diploma level, bachelor degree level, master degree level and high school passed level. These groups are described in Table (4.3) and Figure (4.3).

Table (4.3) Education Level of Respondents

Level of Education	Number of Respondents	Percent (%)
Bachelor Degree	100	83.3
Master Degree	8	6.7
Diploma	12	10
High School Passed	-	-
Total	120	100

Source Survey Data (2018)

Figure (4.3) Education Level of Respondents



Source: Survey Data (2018)

In Table (4.3) and Figure (4.3), 100 employees are bachelor degree level with 83.3% of respondents, 8 employees are master degree level with 6.7% of respondents, 12 employees are diploma level with 10% of respondents. It show that most employees are bachelor degree.

4.1.4 Department of Respondents

Department of respondents are divided into four groups. These four groups are Admin department, Human Resource department, Finance department, other department. These groups are described in Table (4.4).

Table (4.4) Department of Respondents

Department	Number of Respondents	Percent (%)
Admin	3	2.5
HR	7	5.8
Finance	2	1.7
Marketing	2	1.7
Risk Management	10	8.3
Underwriting	8	6.7
Accounting	12	10
IT	8	6.7
Claim	26	21.6
Sales	37	30.8
Re- Insurance	5	4.2
Total	120	100.0

Source: Survey Data (2018)

Table (4.4), 3 employees are admin department with 2.5% of respondents, 7 employees are human resource department with 5.8% of respondents, 2 employees are finance department with 1.7% of respondents and 2 employees are marketing department with 1.7% of respondents, 10 employees are risk management department with 8.3% of respondents, 8 employees are underwriting department with 6.7% of respondents, 12 employees are accounting department with 10% of respondents, 8 employees are IT department with 6.7% of respondents, 26 employees are claim department with 21.6% of respondents, 37 employees are sales department with 30.8% of respondents and 5 employees are Re- insurance department with 4.2% of respondents. It shows that most employees are sale department.

4.1.5 Numbers of Years in Service

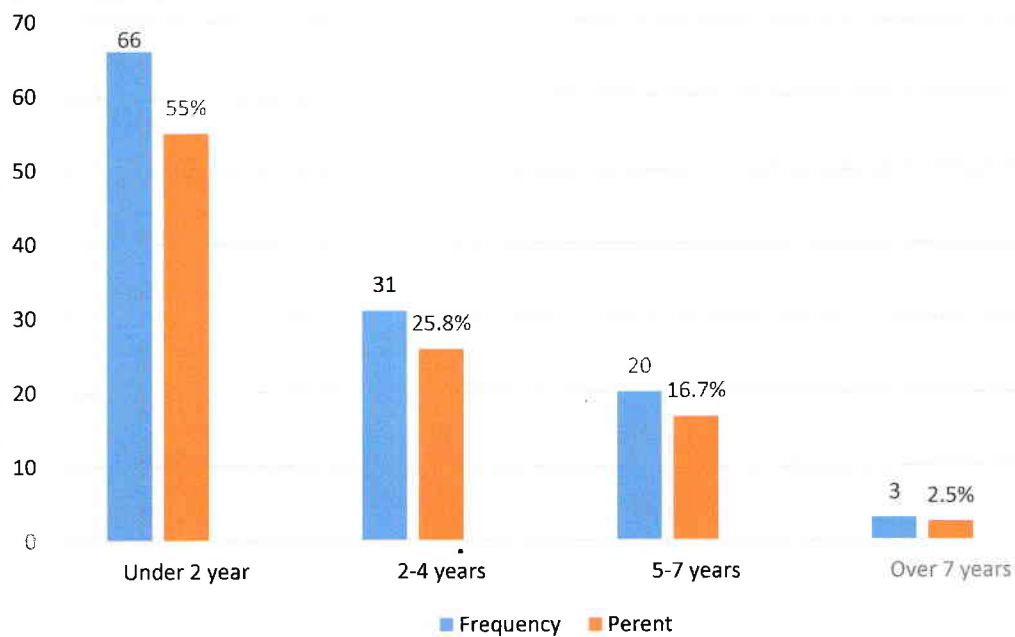
Employees' number of years in service is divided into four groups for the study. These four groups are under 2 years, between 2 and 4 years, between 5 and 7 years, over 7 years. The number of respondents according to each group are shown in Table (4.5) and Figure (4.4).

Table (4.5) Number of Years in Service

Services	Number of Respondents	Percent (%)
Under 2year	66	55.0
2-4 year	31	25.8
5-7 year	20	16.7
Over 7year	3	2.5
Total	120	100.0

Source: Survey Data (2018)

Figure (4.4) Number of Years in Service



Source: Survey Data (2018)

According to Table (4.5) and Figure (4.4), a majority of respondents 55% have worked in the respective organization for under 2years. This was followed by those having worked for between 2 to 4 years, as indicated by 25.8% of the respondents. Only 16.7% and 2.5% of respondents were found to have worked at the respective enterprises for between 5to 7 years and over 7 years respectively.

4.2 Recruitment Practices

The study sought to establish the employees' perception on the effect of recruitment practices on retention of employees in IKBZ Insurance Co. Ltd. To this end, respondents were asked to indicate their level of agreement on the effectiveness of the pertinent recruitment practices in relation their institution, posed on a five Likert scale, where, 1= Strongly disagree, 2=Disagree, 3=Neutral, 4=agree, 5= Strongly agree.

Table (4.6) Recruitments Practices

Statements	Mean	Standard Deviation
Press media (e.g. newspapers or magazines)	4.03	0.628
By institution websites	4.12	0.611
On- Line agents	3.68	0.900
By use of Head-Hunting	3.02	1.104
Personnel connections (e.g. referrals from friends, relatives and current employees, etc.)	3.58	1.009
College recruitment through Internships	3.55	0.868
From Job- Fairs	3.93	0.618
Public agencies	3.42	0.729
Labour Office	3.64	0.742
Promotion from within	4.13	0.697
Job posting	3.98	0.601
Overall mean	3.73	

Source: Survey Data (2018)

According to Table (4.6), a majority of respondents highly agree that Promotion from within (mean score=4.13), institution websites (mean score=4.12), press media (e.g., newspapers or magazines) (mean score=4.03) are major effective channels of recruitment in their institutions. A majority of respondents moderately agree that job posting (mean score=3.98) and job-fairs (mean score=3.93) are effective. A majority of respondents moderately agree the effectiveness of on-line agents (mean score=3.68), labour office (mean score=3.64), personnel connection (e.g., referrals from friends, relatives and current employees, etc.) (mean score=3.58), college recruitment through internships (mean score =3.55). Some little agree on

effectiveness of public agencies (mean score=3.42) and use of head-hunting (mean score=3.02). The best practice of recruitment practices assumed by employees is promotion from within because employees recognizes and understand about their firm and recruitment methods.. The weakest practice of recruitment practices is by use of head-hunting because employees don't accept different culture and unethical recruitment practices.

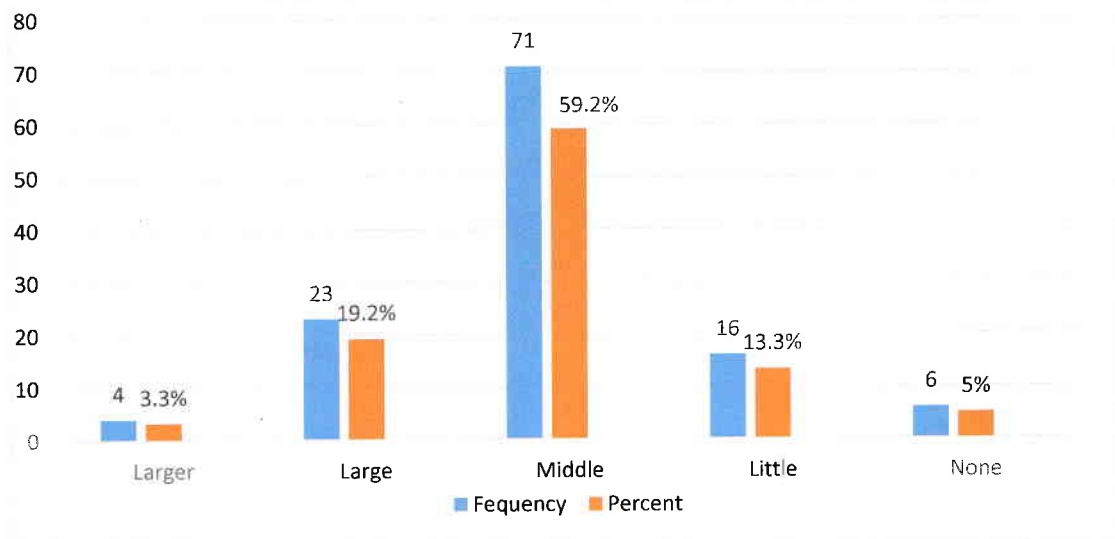
Respondents were further asked to rate the extent to which the recruitment practices employed in their institutions improve employee retention. Table 4.7 and Figure 4.5 below presents the findings.

Table (4.7) Extent to which Recruitment Practices Influence Employee Retention

Perception	Number of Respondents	Percent (%)	Cumulative Percent (%)
Larger	4	3.3	3.3
Large	23	19.2	22.5
Middle	71	59.2	81.7
A little	16	13.3	95
None	6	5.0	100
Total	120	100.0	

Source: Survey Data (2018)

Figure (4.5) Extent to which Recruitment Practices Influence Employee Retention



Source: Survey Data (2018)

According to Table (4.7) and Figure (4.5), a majority of respondents (59.2%), rate the extent to which the recruitment practices employed at their institution influence employee retention as a moderate, closely followed by (19.2%) who rate the extent as great and (13.3%) of rating it as little. (3.3%) of respondents and (5%) of respondents assert that the recruitment practices employed at their institutions do not influence employee retention to very great extent and any extent.

Going by responses by a majority, it can be deduced that recruitment practices influence employee retention to moderate extent. The dimensions retaining employees about recruitment practice in the firm larger, large middle extent. We can conclude that current recruitment practices of the companies are perceived to be effective by employees.

4.3 Selection Practices

The study also sought to assess effect of selection practices on employee retention in IKBZ Insurance Co., Ltd. To this end, respondents, were required to indicate how strongly they agree or disagree with the effectiveness of the apposite selection practices in their institutions using the scale: 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5= strongly agree. Table 4.8 below the findings.

Table (4.8) Selection Practices

Statements	Mean	Standard Deviation
Interviews	4.28	0.638
Work Sample tests and Job Knowledge Tests	3.98	0.565
IQ tests	3.75	0.677
Aptitude tests	3.97	0.593
Personality tests	3.96	0.585
English Language ability tests	3.96	0.556
Team role play	3.61	0.714
Through presentations	3.59	0.772
Written tests	3.54	0.878
Work experience	4.04	0.640
Overall mean	3.87	

Source: Survey Data (2018)

According to Table (4.8), a majority of respondents highly agree that interviews (mean score =4.28), work experiences (mean score =4.04), work sample tests and job knowledge tests (mean score=3.98), aptitude tests (mean score =3.97), personality tests (mean score=3.96), English language ability tests (mean score=3.96), IQ tests (mean score=3.75) are mainly used as selection practices. A majority of respondents moderately agrees that team role play (mean score=3.61), through presentations (mean score=3.59), written tests (mean score=3.54) are used to as practices of employee selection in their institutions. It can thus be deduced that selection practices significantly influence retention of employee in IKBZ Insurance Co., Ltd in Yangon, majorly through such practices as interviews, work experiences, work sample tests and job knowledge tests, aptitude tests, personality tests, English language ability tests.

The best selection practices is interview practice. Interview must be carried out because it is most important among employee selection practices of the firm. Interview questions must be valid and the particular within these questions should concern about the firm. In addition, these questions must cover their job and must highlight their ability and skill.

The best practice among the selection practices is work experience because experienced employees can implement easily without difficulty and worries and can understand concepts and rules of firms quickly. Therefore, they can contribute their efforts into this firm effectively. However, if firm select no experienced employees, these employees must provide training for job. Therefore, firm will spend time and won't get full satisfaction firm these employees.

The use of presentation method of selection practices is rare. Presentation method is important in selection test of only for some departments. Example, employees in marketing department must provide sufficient customer services. If employees can't provide service, customers can't get full satisfaction.

Respondents were further asked to state their level of agreement with relatable statements concerning their interview experience when they applied for their job. Table 4.8 presents the findings.

Table (4.9) Interview Experiences on Job Applications

Interview process	Mean	Standard Deviation
Interview helped me to understand the company and content of job.	3.66	0.815
The information I acquired from job interview influenced my decision to accept the offer.	3.79	0.697
I acquired adequate information about my remuneration package during my job interview.	3.53	0.788
Overall mean	3.66	

Source: Survey Data (2018)

According to Table 4.9, majority of respondents, agree that the information they acquired from their job interview influenced their decision to accept the offers (mean score=3.79). Some moderately agree that the interview helped them to understand the institution and content of job (mean score= 3.66), that they acquired adequate information about their remuneration package during their job interview (mean score=3.79).

If firm will interview employees firm must tell more contents of job. From most ask interview questions carefully because it is more important to select qualified employee. Not only employers but also employees must speak frankly about working conditions of the company.

4.4 Retention Practices

The study sought to establish the influence employee recruitment practices on the retention practices in IKBZ Insurance Co., Ltd. To this end, respondents were required to indicate their level of agreement with attributes of employee retention practices at the institutions. This was also on a five-point Likert scale, where, 1=Strongly disagree, 2=disagree, 3= neutral, 4=agree, 5=strongly agree. Table (4.10) below presents the findings.

Table (4.10) Retention Practices

Retention Practices	Mean	Standard Deviation
Employees are fully satisfied with the recruitment and selection practices in your institution.	3.53	0.820
Nothing makes workers to be disappointed or dissatisfied.	2.87	0.987
Corporate code of the institution lets me feel comfortable at the work place.	3.61	0.748
Unexpected and sudden changes in the institution culture would influence workers positively	3.60	0.726
Each workers shows expected performance and successfully perform all assigned task on schedule.	3.92	0.705
Employees are satisfied with their wages.	3.08	0.936
The institution provides employment benefits.	3.60	0.784
There is a good system of establishing productive communication between employees and senior management.	3.67	0.781
Workers collaborate with each other and share task.	3.93	0.730
Overall mean	3.53	

Source: Survey Data (2018)

According to Table (4.10), majority of respondents were found to highly agree that workers collaborate with each other and share tasks (mean score=3.93), each workers shows expected performance and successfully perform all assigned task on schedule (mean score=3.92). Some moderately agree that there is a good system of establishing productive communications between employees and senior management (mean score=3.67), corporate code of the institution let them feel comfortable at the workplace (mean score=3.61), unexpected and sudden changes in the institution

culture would influence workers positively (mean score=3.60), the institution provides employment benefits (mean score=3.60), employees are fully satisfied with the recruitment and selection practices in your institution (mean score=3.53), employees are satisfied with their wages (mean score= 3.08). The respondents disagreed that nothing makes workers to be disappointed or dissatisfied (mean score=2.87).

The best retention practices are collaboration of workers with each other and share task and, each worker shows expected performance and successfully perform all assigned taken schedule. Therefore, employees become motivated and can reduce turnover rate of the firm.

4.5 Turnover Rate of New Recruits in IKBZ Insurance

IKBZ Insurance also analyzes the recruitment and selection by new employee turnover rate during the probation period. New recruit turnover rates can be measured as follows:

$$\text{Turnover Rate} = \frac{\text{Numberof resignpersonin a probationperiod}}{\text{Numberof recruitedperson}} \times 100$$

These turnover rate can be used to analyze the recruitment and selection of IKLBZ Insurance Co. Ltd. The following Table (4.11) shows the turnover rate of recruits from 2013 to 2017 at IKBZ Insurance Co., Ltd.

Table (4.11) Turnover Rate of New Recruits

Year	Hire	Resign	Turnover Rate (%)
2013	30	5	16
2014	180	23	12.7
2015	96	27	28.1
2016	38	4	10.5
2017	180	86	47.7

Source: IKBZ Insurance Co., Ltd (2018)

Table (4.11) shows 2013 analysis data that the total recruited employees are 30 and total resigned employees during the probation period are 5 employees. Therefore, turnover rate of new recruit during the probation period is 16%.

Table (4.11) shows 2014 analysis data that the total recruited employees are 180 and total resigned employees during the probation period are 23 employees. Therefore, turnover rate of new recruit during the probation period is 12.7%.

Table (4.11) shows 2015 analysis data that the total recruited employees are 96 and total resigned employees during the probation period are 27 employees. Therefore, turnover rate of new recruit during the probation period is 28.1%.

Table (4.11) shows 2016 analysis data that the total recruited employees are 38 and total resigned employees during the probation period are 4 employees. Therefore, turnover rate of new recruit during the probation period is 10.5%.

Table (4.11) shows 2017 analysis data that the total recruited employees are 180 and total resigned employees during the probation period are 86 employees. Therefore, turnover rate of new recruit during the probation period is 47.7%.

It can be concluded that, turnover rate of IKBZ insurance Co., Ltd is quite high. The early departure of an employee may be due to any number of factors, including poor job, organizational fit, a poor understanding of the position. High rates can lead to interruption in service and customer dissatisfaction, and it can be expensive to constantly recruit and train new employees. Company should reconsider recruitment and selection or revise recruitment and selection practices for retain employees.

4.6 Correlation Analysis

According to Table (4.12), the Pearson's Correlation for the relationship between the various constitutes and the retention of employees. From the findings, a positive correlation is seen between the each of aspect constituent. The moderate correlation was obtained between selection practices and retention of employees ($r=0.514$), and the weakest relationship found between recruitment practices and retention of employees ($r=0.372$).

Both the independent variable were found to have a statistically significant association with the dependent variable at 0.05 level of confidence. Stigler (2002) offers that the Pearson product-moment correlation coefficient measure linear correlation between two variables X and Y, giving a value between +1 and -1 inclusive, where 1 is total positive correlation, 0 is no correlation, and -1 is total

negative correlation. He further demonstrates that P value less than 0.05 level of confidence can be considered statistically significant.

Table (4.12) Correlation matrix

		Retention	Selection practices	Recruitment practices
Retention	Pearson Correlation	1	0.514	0.372
	Sig. (2-tailed)		0.000	0.000
	N	120	120	120
Selection Practices	Pearson Correlation	0.514	1	0.328
	Sig. (2-tailed)	0.000		0.000
	N	120	120	120
Recruitment Practices	Pearson Correlation	0.372	0.328	1
	Sig. (2-tailed)	0.000	0.000	
	N	120	120	120

Source: Survey Data (2018)

4.7 Regression Analysis

Inferential statistics was be done to show the nature and magnitude of relationships established between the independent and dependent variables using regression analysis to make inferences from the data collected to more generalized conditions. Regression model was used to predict the effects of recruitment and selection practices on employee retention.

The regression model was as follows;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

Where, Y=Retention of employees, β_0 =Constant, β_1, β_2 = Beta coefficients, X_1 = Recruitment practices, X_2 = Selection practices, ε = Error term.

$$\text{Retention of employees} = \beta_0 + \beta_1 (\text{Recruitment practices}) + \beta_2 (\text{Selection Practices}) + \varepsilon$$

Regression analysis is produced the coefficient of determination and analysis of variance (ANOVA). Analysis of variance was done to show whether there is a significant mean different between dependent and independent variables. The ANOVA was conducted at 95% confidence level.

4.7.1 Model Summary

Regression analysis was used to establish the strength of relationships between Retention of employees (dependent variable) and the constituents, that is, recruitment practices and selection practices (independent variable). The results showed a correlation value(R) of 0.557 which depicts that there is a good linear dependence between the independence between the independent and dependent variable. This is presented in Table 4.13.

Table (4.13) Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.557	.310	.298	.34361

a. Predictors:(Constant), Recruitment practices, Selection practices

b. Dependent Variable: Retention of employees

Source: Survey Data (2018)

With an adjusted R-squared of (0.298), the model shows that recruitment practices, and selection practices explain (31%) of variations in the retention of employees while (69%) of the variations in the retention of employees. R-Square value is weak, should be consider for another independent variables.

4.7.2 Analysis of Variance (ANOVA)

According to Table 4.14, ANOVA statistics was conducted to determine the difference in the means of the dependent and independent variable to show whether a relationship exists between the two.

Table (4.14) Analysis of Variance (ANOVA)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6.214	2	3.107	26.314	.000
	Residual	13.814	117	.118		
	Total	20.028	119			

Source: Survey Data (2018)

- a. Predictors:(Constant), Recruitment practices, Selection practices
- b. Dependent Variable: Retention of employees

The P- value (0.000) of that effects of recruitment practices and selection practices on employee retention is less than significant level of 0.05. It can be concluded that effects of recruitment and selection practices on employee retention have association to each other. This is also depicted the significance of the regression analysis done at (95%) level of confidence level. This is implied that the regression model is significant and can thus be used to assess the association between the dependent and independent variable.

4.7.3 Coefficients of Determination

To determine the relationships between the independent variables and the dependent variable and the respective strengths, the regression analysis produced coefficients of determination as presented in Table (4.15).

Table (4.15) Regression Results

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	Beta	Std. Error	Beta		
1 (Constant)	1.575	.298		5.289	.000
Selection practices	.419	.078	.439	5.403	.000
Recruitment practices	.140	.050	.228	2.805	.006

Dependent Variable: Retention of employees

Source: Survey Data (2018)

Regression model; $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \epsilon$

Retention of employees = 1.575 + 0.140 Recruitment Practices + 0.419 Selection practices

According to the results from Table (4.15), the p-values for both selection practices and recruitment practices are less than 0.05, it can be said that they are statistically significant in the estimated model. Since the estimated coefficients values

are positive, there is a positive relationship between retention of employees and the independent variables (selection practices and recruitment practices).

In the model, it can be concluded that a unit change in the mean score of selection practices would thus lead to 0.419 unit change in the mean score retention of employees while recruitment practice has not been change. Likewise, a unit change in the mean score of recruitment practice would change by 0.140 unit in the mean score of retention of employees whereas there is no change in selection practices.

Furthermore, the value of standardized coefficient for selection practices (0.439) is higher than that for recruitment practices (0.228), it can be said that the effect of selection practices is larger than that of recruitment on retention of employees.

CHAPTER (5)

CONCLUSION

This chapter presents the findings based on the analysis of on the effectiveness of recruitment and selection practices on employee retention of IKBZ Insurance Co., Ltd. In this chapter, findings and discussions, recommendations and suggestions, limitation and need for further research will be discussed.

5.1 Findings

The IKBZ Insurance Company is established under the umbrella of the KBZ Group of Companies. It needs to get the right people in the right place at the right time to achieve its goals. The recruitment process of IKBZ Insurance is systematic and recruiting is based on the current requirement of the company. IKBZ Insurance recruit candidates are used internal and external methods. Employee referrals, vacancy announcement notice boards, promotions are used as internal sources and on-line recruitment is used external sources. IKBZ Insurance believes that is more beneficial for saving the orientation time, increasing the employee retention, and enhancing the motivation of employees.

IKBZ Insurance, selection process including the initial screening, accepting resume, interview calling, interview candidates, reference and background check, written tests, Psycho tests, communication skill, computer skill, English Language ability tests, IQ (Intelligence quotient) tests, personality tests temporary job offers and probation period. IKBZ Insurance uses structured interview, one-on-interview.

IKBZ offer twelve service products in the insurance market. Generally, it falls into two categories: Life insurance and non- life insurance. As a service provider, IKBZ Insurance understands that skillful employees are the most important factor for better service.

This study analyzes effectiveness of recruitment and selection practices on retention of employees in IKBZ Insurance Co. Ltd. There are two main objectives in this study; to identify the effects of recruitment and selection practices on employee retention of IKBZ Insurance Co., Ltd and to explore the effectiveness of recruitment and selection practices on retention of employees in IKBZ Insurance Co., Ltd. This

target population for this study involves random sample 120 of employees from total employees of IKBZ Insurance Company in Yangon.

A total of 120 employees are being quantitative questionnaire. Data is analyzed from demographic characteristics first. From the primary data resulted, by random assembly on the employees, female employees are more involved than male employee in making insurance. According to the data, it showed between twenty to twenty- five years age group is the largest involved than other age groups. In bachelor degree level, employees making their business take largest ratio among others level. A majority of respondents have worked in the respective organization for under 2 years. It was found out that majority of employees have worked in their organization for others department.

This study found to assess effect of recruitment practices on retention of employees in IKBZ Insurance. It was established that recruitment channels mostly used across a majority of the institutions include Promotions from within, institution websites, Press media. This study found to effect of internal recruitment, but moderate influence of internal recruitment method. This study also found to assess effects of selection practices on retention of employees in IKBZ Insurance. It was established in this regard that interviews, work experiences, work sample and job knowledge tests, aptitude tests, personality tests, English language ability tests, IQ tests are the selection practices mostly used across a majority of institutions.

Finally, the study further found to the established the influence employee retention practices on the retention of employees in IKBZ Insurance. In this regard , a majority of respondents were found highly agree that Workers collaborate with each other and share task and each workers shows expected performance and successfully perform all assigned task on schedule. Furthermore, recruitment practices have a significant effect on employee retention. Selection practices have a significant effect on employee retention. This mean that if recruitment and selection practices influence retention of employee have association to each other. The study shows that IKBZ Insurance to increase the turnover rate. It is increasing since 2013 from 16% to 47.7% in 2017.

5.2 Recommendations

In terms of recruitment process, IKBZ Insurance Company needs to recruit more to the people with good education background. This means not only the required professional certificate, but also additional knowledge such as computer skill, Intelligence quotient, communication skill, English. The job description and job specification shall be described fully in the vacancy announcement. Proper format of job description also required. The contact address should mention official address to should mention official email address to save cost time of coming in person to IKBZ Insurance to IKBZ Insurance to submit application form. By describing complete job description, the applicant can prepare necessary training and skills to be qualified. The announcement should mention that only shortlisted candidate shall be called for interviewed. IKBZ Insurance should make better human resource planning and also consider for recruitment alternatives such as outsourcing, contingent workers and so on.

What selection method, should be identify better for effects of the firm. In addition, the best selection practices is interview practice Interview must be carried out because it is most important among employee selection practices of the firm. Interview questions must be valid and the particular within these questions should concern about the firm. In addition, these questions must cover their job and must highlight their ability and skill.

In the selection process, IKBZ Insurance should more emphasize on preliminary interview and also use background investigation that is very important factor to know the history of candidates. Main interview questions shall be listed to structure the most qualified to least qualified applicants, the retention strategy shall be prepare. Exit interview shall be recorded with proper exit interview form. In addition, stress interview and realistic job previews should be more encouraged as employees may get stress and may face many complaints and problems in real situation. Turnover rate up and down all are alternate one another. Therefore, turnover rate is instability need to be retain. To reduce turnover, organizations must focus on retention efforts of current staff, but also not neglect recruitment.

Time management is essential and IKBZ Insurance should have more effective recruitment and selection time to get the talented and qualified persons because competitors can persuade them. Human resource department should give recruitment

and selection training for heads of department (HODs) who include in interview process to choose the right candidates. And company management and human resource department should collaborate and investigation on the human resource requirement of the company and take necessary actions. IKBZ Insurance also more clear job descriptions and job specifications in their organizations. IKBZ Insurance should give full attention to career development opportunities to the employees, interpersonal relationships and formal recruitment and selection policy from time to time.

5.3 Limitation and Needs for Further Research

The effectiveness of recruitment and selection is only perspective of employees, not human resource perspective. Thus, their responses are employee responses. Data collection method is cross-sectional. These limitation, can't tell the effects of recruitment and selection. This study focuses of recruitment and selection practices and employee retention of IKBZ Insurance in Yangon Head Office. Therefore, this study does not present human resource practices of all HR functions in IKBZ Insurance and the objective of this study is to highlight how the recruitment and selection are important for the whole organizations. Further research should be conducted in the area of training and development, employee motivation, performance appraisal, compensation and benefits of IKBZ Insurance. In addition, attitudes of employees of other organizations towards the recruitment and selection should be observed. Moreover, human resource practices of other organizations in Myanmar should be made further research.

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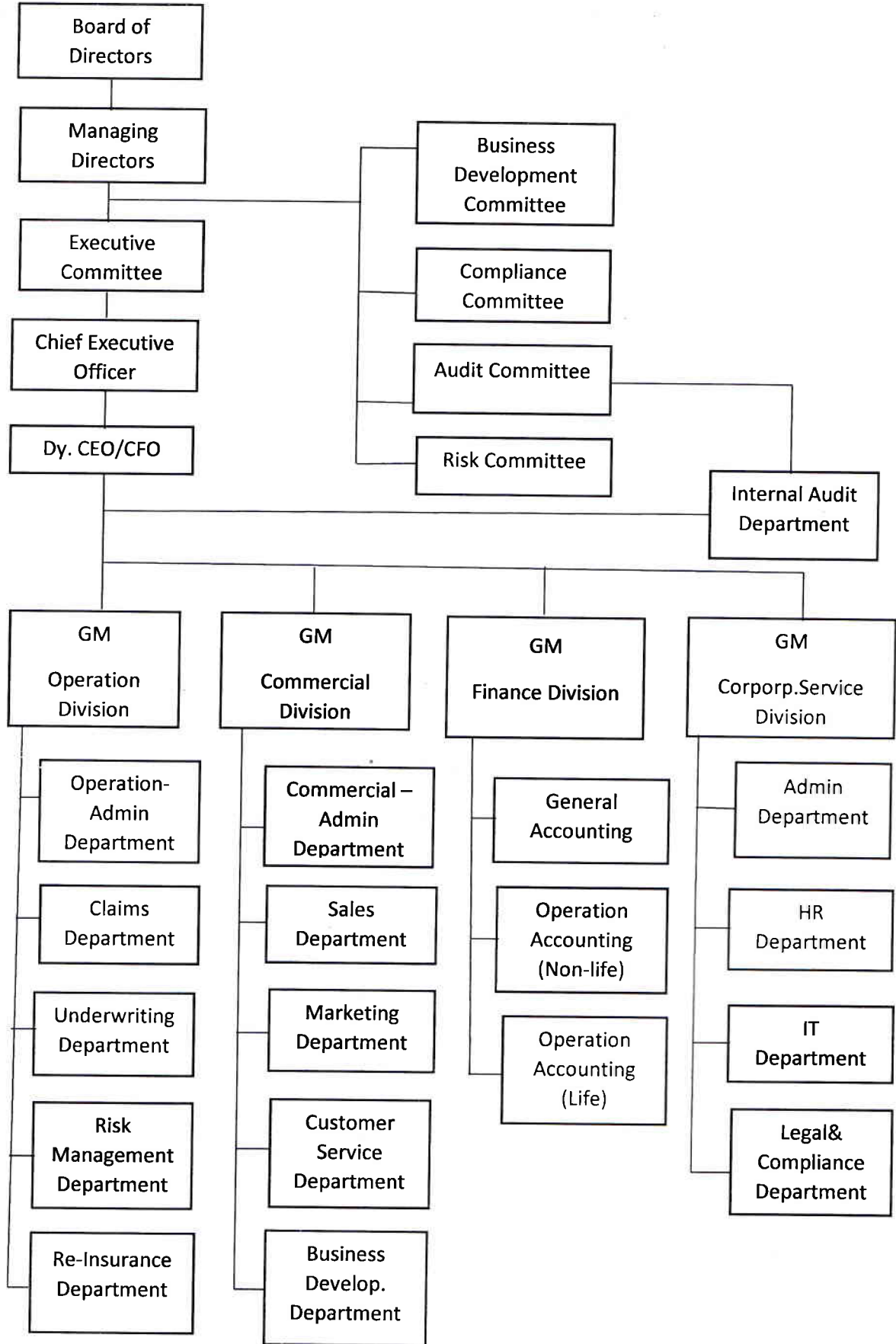
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APPENDIX A

Figure: 3.1 Organization Structure of IKBZ Insurance Co., Ltd



APPENDIX B

For Staff (Questionnaire)

The purpose of this questionnaire is to collect information on the "Recruitment and Selection Practices and Employee Retention of IKBZ Insurance Co., Ltd," as part of the requirements for a master's thesis at the Yangon University of Economics. I would be most grateful if you fill in the questionnaire in order to complete the research process. The information required from the questionnaire will be confidentially used for academic purpose only. Thank you very much.

Section A: Background Information

Genders of Respondents

1. Male 2. Female

Educational Level

1. Bachelor 2. Master degree
3. Diploma 4. High school passed

Age Respondents

1. 20-25 years 2. 26-30 years
3. 31-40 years 4. 41-50 years

Department

1. Administration Department 2. Human Resource Department
3. Finance Department 4. Other Department (Please Specify)

For how long have you been working?

1. Less than 2years 2. 2-4 years
3. 5-7 years 4. 7years and above

Section B: Recruitment Practices

1. The following set of questions is meant to determine the impact of recruitment practices on the retention of employees. Please indicate your level of agreement on the effectiveness of the following recruitment channels in relation to your institution, using the scale: 1= strongly disagree; 2= disagree; 3= neutral; 4 = agree; 5= strongly agree.

Recruitment Practices	5	4	3	2	1
Press media (e.g. newspapers or magazines)					
By institution websites					
On- line agents					
By institution websites					
Personnel connections (e.g. referrals from friends, relatives and current employees, etc.)					
College recruitment through Internships					
From Job- Fairs					
Public agencies					
Labour Office					
Promotion from within					
Job posting					

2. To what extent would you say the recruitment practices employed in your institution improve employee retention?

- 1) Very great extent []
- 2) Great extent []
- 3) Moderate extent []
- 4) Little extent []
- 5) No extent []

Section C: Selection Practices

1. The following set of questions is meant to determine the impact of Selection practices on the retention of employees. Please indicate how strongly you agree or disagree with the effectiveness of the following selection practices/criteria in your institution using the scale: 1= strongly disagree; 2= disagree; 3= neutral; 4 = agree; 5= strongly agree.

SELECTION PRACTICES	5	4	3	2	1
Interviews					
Work sample tests and job knowledge tests					
IQ tests					
Aptitude tests					
Personality tests					
English language ability tests					
Team role play					
Through Presentations					
Written tests					
Work experience					

2. Please indicate how strongly you agree or disagree with the following statements concerning your interview experience when you applied for this job. Using the scale: 1= strongly disagree; 2= disagree; 3= neutral; 4 = agree; 5= strongly agree, indicate the extent to which the statements relate to your institution.

Interview process	5	4	3	2	1
Interview helped me to understand the company and content of job.					
The information I acquired from job interview influenced my decision to accept the offer.					
I acquired adequate information about my remuneration package during my job interview.					

Section D: Retention Practices

Kindly indicate your level of agreement with the following attributes of employee retention at the institution. Use the scale: 1= strongly disagree; 2= disagree; 3= neutral; 4= agree; 5= strongly agree:

I have remained in the company because of ;	5	4	3	2	1
Employees are fully satisfied with the recruitment and selection practices in your institution					
Nothing makes workers to be disappointed or dissatisfied					
Corporate code of the institution lets me feel comfortable at the work place.					
Unexpected and sudden changes in the institution culture would influence workers positively.					
Each workers shows expected performance and successfully perform all assigned task on schedule					
Employees are satisfied with their wages					
The institution provides employment benefits					
There is a good system of establishing productive communication between employees and senior management					
Workers collaborate with each other and share task					