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Abstract
this study aims to present recent research and development in the field of Business process Improvement (BPI) and in the Human Resource Management processes across the multinational organization around the globe. The basic and fundamental purpose of this study is to explore important yet unexplored matters of Human Resource Management practices in MCB Bank, Pakistan. Literature provides the strong evidence to lay a platform which provides the most authenticated and authorized practices that have been adopted by successful organizations. Traditional BPI methodologies have been used by several manufacturing and service industries in order to make their business processes successful than before. Strategic HRM has significantly changed the way of organizations deal with their human capital by adopting such processes which could increase the process efficiency, employee job satisfaction and give a comprehensive structure for HR department. Over the years, it has been accepted by all goal-oriented organizations, to have the best human capital or HR, they must have structured process improvement strategies to be implemented. Business Process Improvement Strategies aligned with strategic objectives provide a strong platform for organizations to deal in the best way regarding HR activities. This study specifically explores the alignment issues of strategies in the HR process of a well-known Bank. Both interviews and survey of managers, employees provide a strong insight of the problem covering the effectiveness issues of Recruitment/Selection process and performance measurements of the employees. Moreover, Simulation using Arena has been done to analyze the model in a broader perspective. Statistical verification through Paired-T-test further validates the significance of model having two different plans. Results of these two plans explore the benefits of applying BPI. It is clearly shown that the lack of implementation of process improvement techniques leads to poor performance and effectiveness as a whole.


Introduction

Background
After effects of World War II influenced the whole business world including Management Science and Business Planning around the globe. It primarily influenced the competition among organizations by differentiating their core competencies. As we moved towards the 21st century, the global competition proved to be the critical factor that needs to be considered while it comes to business planning and people management. People are directly responsible for the success of their organization. Wrong hiring can be the reason of failure in achieving strategic goals. Therefore, it is of great importance that the human capital, organization going to install in their system is compatible and is according to their system requirements.

Recently, one of the most important developments in the field of human resources has been made. More and more attention with the motivational aspects of the human personality, self-esteem, and group is being paid to the need for belonging and self-realization, in particular. These new awakenings of humanism and humanization in organizations have been increased all over the world in the human resources management policies. Human development, a total of human competencies and process development in the organization's human resources management are the main concerns.

Recruitment and selection is the ongoing and comprehensive procedure of hiring actual persons with sufficient qualification. Thus recruitment is the process of identifying and evaluating potential candidates to begin to employ them both inside and outside the organization. After the selection is defined by the right caliber of candidates begins next step is selection, so who's going to be the active part of an organization or the person organization allowed to participate in the process of making big decisions.
Recruitment and selection process of an organization varies country to country. Some include procedures of collecting and scanning applications, testing and reviewing those applications, reviewing working samples, interviews, references and background check.

Implementation of effective policies proves to be fruitful for organizations. More you put emphasize on right selection more likely it will increase the productivity of your business. Therefore, investment in the right direction will surely be worth enough to pay you back in terms of success.

Recruitment and Selection process play a vital role for those organizations who want to compete with other business on the basis of skilled manpower. Researchers challenge is to demonstrate both the scientific and derived set of the choice of methods to add to the effectiveness of the work for the organization. On the other hand, Recruitment and selection process can be very expensive for organizations who don’t follow the basic principles of achieving success through competitive advantage. Organizations not only want to be in the market but also they want to have profits, for this, they not only have to create a good image of their business in the eyes of their stakeholders but also they must get a sustainable competitive advantage to keep themselves always alive.

**Literature Survey**

**Business Process research and Process improvement projects**

Later, in 1997, two more areas of interest were uncovered in research; culture management & personal credibility. First, it should be defined clearly that what the basic goal of these process improvement projects is.[6]. A process improvement project team emphasizes on improving one or more aspects of the process under consideration, for example, improvement in cycle time, quality and cost.[7].

Sidorova and Isik examined Business Process research from multiple perspectives. They analyzed the abstracts of more than 2700 articles, and after that, they emphasized the importance of BPI in achieving the organizational goals. They recommended that different aspects of BPI should be recognized and developed in an integrated manner so that they yield longer lasting results [8].

**Multiple BPI methodologies techniques in practice today**

Simulation is referred as a meaningful and useful tool for identifying the other substitutes for process improvement [9]. It is basically used to model the business process plans, resource and other financial constraints involved in a process [10]. Already established BPI approaches like TQM, BPR, Lean and Six Sigma were successfully adopted by manufacturing industries many years ago and more recently have gained significant importance in the service industry. There is also some literature available in this area [11]. But the recent research related to BPI adoption remains relatively limited, and it lacks the consideration of employees and customer perspectives [12].

Business process improvement methodologies tend to analyze the current business environment and organizational objectives. If the current process is not delivering the desired results, it is either eliminated or re-engineered. The final outcome of the process being re-engineered must be the increased organizational success.

**Purpose of BPI**

In terms of business process, improvement usually refers to advancement in effectiveness and efficiency [13]. Pourshahid [14] suggested that this advancement in effectiveness and efficiency could be described in terms of cost, quality, and flexibility. There are several goals of BPI, for example bringing the change through better process implementation [15]. Another important goal of BPI is gaining a competitive advantage through the implementation of the better process [16].

A Gartner survey [17] conducted in 2009, covering more than 1526 CIOs, by whom BPI was regarded as the most prior among top ten world businesses. Because of this reason, BPI has gained a lot of importance in the eyes of top management over the years. And it is not surprising to say that now BPI has gained a significant
place in the business literature and business applications [18]. Moreover, it is not wrong to say that process improvement is now part of the everyday task and a part of processes’ lifecycle [19].

**Critical success factors involved in BPI and HRM implementation**

Before going towards the process improvement, it is important to list the success factors and performance indicators first, as it will give the direction to understand the critical processes needed to be improved. Common success factors are usually cost, time, flexibility, staff and customer satisfaction [20].

**Human Resource Management**

**Strategic Importance of HRM**

Human Resource Management possesses strategic importance in all organizations [23]. Human Resource Management is comprehensively responsible for creating a flexible environment to implement change in the organization and also plays major role in protecting the employees from some unhealthy and unwelcome side effects of change [24]. HRM participates directly in formulating the policies related to human capital acquisition and management.

**Considering Human Capital a competitive advantage:**

Different researchers gave different views of HRM. Employees are regarded as the most valuable gadgets of whole organization’s system, and they are sources which enable the organization to gain competitive advantage. These resources must be managed well in order to accomplish benefits for the organization [26].

The way HRM policies and practices are designed they affect the employee work experience and the employee relationship [27]. Wright and McMahan [28] suggested that HRM creates a competitive advantage for an organization. Firm-specific HRM processes are developed by creating dynamic information flow throughout the organization. This is named as “organizational learning” which plays a role in increasing firm’s adaptability. (Snell et al., 1996). Most of the HRM literature emphasizes that HR policies should be integrated with both strategic named vertical integration and with each other named horizontal integration [29].

**Uprooting the SHRM in Leadership blood**

It is a proven fact that HR policies and process function more effectively when they are uprooted in the leadership blood. True leaders focus on overall benefits rather than just personal ones [30]. Adoption of appropriate HRM practices is important because it ensures more effective strategy implementation [31]. HRM practices establish a platform which enhances the employee’s skills, knowledge and potential which is required for creating competitive advantage. Firms want HRM to help in developing managerial and other necessary skills. Unique characteristics of HRM strategies and policies possess the capacity of implanting those policies which must be aligned with basic HR principles and strategic phenomenon, thus reinforcing the more demanded results and workforce behaviors [32].

Human Resource Management helps in creating deeply embedded, firm-specific dynamic characteristics which not only attract but also trains, motivates, socializes its human capital. It creates an evolutionary aspect of HRM legitimacy and credibility. The impact of HRM on firm performance is relatively a new concept. Recent two decades showed rapid developments in the business world which not only gave the concept of emphasizing the critical role of HRM function but also it introduced the concept of adding Economic value to the business through HRM function. [27].

HR policies which are designed often to depict the organizational values are usually referred as intended policies; the basic purpose of these intended policies is to contribute to a business strategy for achieving social legitimacy. [33]

Knowledge of both employees and managers regarding HR practices is of great concern, moreover, the alignment of both managers and employees having knowledge of HR practices is of great significance. Recent studies of World great economies like China has shown the evidence of such parameters which not only affect the business strategies but also the management practices. [34]
Evolution of SHRM

The idea of SHRM generated about 3 decades. It says that HR principles have to be integrated with the strategic vision and mission. These HR objectives lay the strong foundation for future organizational development. Cultural concerns, values, and organizational resources, processes all influence the overall organizational performance. HR issues and all processes are thus intertwined [35][36] provided a definition which defines HRM in a broader context. They presented it as aligned set of principles and policies by which an organization tends to manage its human capital which is both influenced and influences the organization as a whole.[36][37]. Marler has introduced two other concepts regarding SHRM. One is emphasize on external positioning that how the external environment shapes and the second is emphasize on internal resources which directly impact the firm internal capacity[38].

Alignment (vertical and horizontal) of SHRM with Organizational Objectives

Liu, Combs, Ketchen and Ireland gave their views that HRM has significant potential that influences the overall firm. This research further explored three factors; one says that when HRM policies were aligned to the strategic decision or vertically aligned to the HRM and firm strategy, it provided the strongest HR added values [39]. Vertical alignment means that the implementation of HRM strategies is backed by business strategy. Another one Liu discussed was the systematic implementation of HRM practices so that they reinforce one another. Third one corresponds to the work importance [39].

While discussing the integration of HR policies especially in decision making, it is observed that different levels of integration are there.[40]. The lowest level constitutes the extremely low-level integration in administration and HRM, in which HRM has no impact on general business strategy. The high-level integration involves the highest connection between HRM and business strategy, where HRM is aligned with organizational strategy, thus influencing the organizational performance [41].

Aligning Human Resource Management Systems with Entrepreneurial intent is another evolutionary phenomenon being introduced in the 2000s. This concept holds a resource based view of HRM strategy which says that the internal resources are means of achieving sustainable competitive advantage. This view says that some things are easily copied by the competitors, but human resource management systems and cultures are difficult to copy. Therefore, it is a way of gaining a sustainable advantage. According to this concept, if entrepreneurial behaviors are instilled in the workforce they will become capable of giving a breakthrough performance. The major feature of this view is the practice of comprehensive training in order to develop such behaviors in the employees. Moreover, appropriate staffing can also be a factor which can drastically change the behaviors, thus contributing towards achieving the sustainable competitive advantage for business success.[42]

HR Department is actively involved in maintaining an immediate and continuous connection with strategic management; it is the responsibility of HR personnel to make sure that their workforce is geared towards new requirements. HR is responsible for maintaining healthy and strong relationships with the heads of other departments as well in order to keep themselves updated about the emerging needs for training of employees. [43]

HR history also demonstrates the development of such traits which not only emphasize on social continuous process improvement but also portrays the importance of profound knowledge required to develop such systems which acknowledge trust, beauruacracy, unionization and implementation of rules and regulations. Over the past 15 years, Human Resource researchers interpreted that HR initiatives usually play a vital role in gaining a competitive advantage by means of utilizing the human and organizational capital as strategic goals. Thus, it is concluded form the previous researchers that HRM has played a significant role in minimizing the social losses by amounting the quality process improvement and integrating equity with other organizational objectives. [44].

Methodology

Information collected through field survey is explained in a comprehensive way. The information being gathered is then further analyzed to explain the respondent’s behavior. Various forms of graphical representations have been used to give a more clear view of the information. Also, this chapter focuses on some
other relative data, which includes sub-headings constituting the questions being asked and the answers of the respondents. The first part focuses on the Human Resource department while the second part focuses on other staff/employees of other departments.

After analyzing the current HR Department of MCB and having detailed survey, it was found that the current Recruitment process is not fulfilling the objectives of strategic policies of the Bank. There is a need to restructure the current Recruitment process in a way that it is aligned with the organizational goals of MCB. Current Recruitment process as shown in Fig lacks systemic flow of a process. It is a single line process that starts from the approval of HR head and then proceeds with the involvement of only one HR personnel who performs various tasks alone depending on his availability. If he is not free, the process is seized thus taking a lot of time. Hence, there is need to develop a systematic flow which not only focuses on time reduction but also makes proper utilization of resources.

Current HR Recruitment Model
BPI Implementation:
Development of New Model using Arena Simulation Tool
Over the last few years Business Process Simulation tools have been evolved and well-integrated with the achievement of major Business goals. Simulation provides Managers with an additional predictive capability to monitor their business processes without affecting their costs and increasing workload. Simulation analysis is often incorporated with continuous BPI programs by various multinational Organizations. There are three Major levels of Simulation
• Sophistication level 1 is primarily adopted for preliminary analysis
• Sophistication level 2 is used by line managers to monitor their staff.
• Sophistication level 3 is used by Executives.

A simulation is an ideal tool for analyzing complex systems. To conclude, it’s a paradigm which helps in developing a simplified representation of a particular system that is under study. With guided patterns, simulation helps in generating parameters, followed by providing improved system designs, reduced cost and reduced timing for a particular process.

Simulation is done by executing a modeled program to produce records and sample histories. Later, these histories and record sets are used to compute statistical analysis for specific performance measures of interest.

Development of New Model with Two Plans:
Plan A and Plan B has been developed to check the effects of BPI on Recruitment Process of the Organization.
New developed model using Arena

Plan AVs Plan B

Plan A (Human Resource Usage maximum)
• HR Officer is a major resource for all major process in Plan A.
• HR Officer Utilization as a resource is maximum in Plan A.
• Process CSA (Call for Self-Assessment) is identified as a Bottleneck process as it is consuming much more time than others.
• Process PJO (Prepare Job Outline) is also identified as a Bottleneck process, as it is also the time-consuming process
• Workload pressure because of single resource allocation is high in Plan A.

Plan B (To address issues of Plan A)

• Plan B is formulated to solve problems of Plan A
• Plan B addresses Bottlenecks by reallocating human resource.
• HR Manager along with HR Officer is allocated to a different process in order to get a balanced flow of tasks.
• The workload is balanced also the time consumption is reduced in Plan B.

Resource Usage Plan A

HR Officer instantaneous usage is maxed mum, having 98%, 78%, 99% values for average, minimum average and maximum average respectively.

Bottleneck Process in Plan A

Time Consumption at these process is maximum than another process. If these are reallocated, they can be in completed in less timing. Here is the overview of these processes.
Chapter 5 Development of New Recruitment Process

Figure 46: Bottleneck Process Plan A
Resource Usage Plan B
Results of Simulation (Plan B)
Plan B is presented to solve the problems of Plan A. The bottlenecks identified in Plan A are now reallocated with an additional resource in order to minimize their average time consumption. Summary of Plan B is given below:

Statistical Verification of Plan-A & Plan-B Results
Paired T-test
Statistics is helpful to check whether the information gathered is useful, reliable or not. One of the common statistical tools is T-test or Student’s T-test. One variation of standard T-test is paired T-test also named as within-subjects T-test. It is a T-test which is performed when there is need to analyze data that comes from related or paired samples. The common use of paired T-test is to measure the data coming from the same subject twice, t-value basically presents the difference between two samples of data. Larger t-value means larger difference. Whereas, p-value in a paired T-test presents the dependability of the relative difference. To conclude, a p-value of .05 means that there is 5% chance of no difference in real. Hence, smaller the p-value means bigger the difference between two samples.

Here, in our proposed model we have two plans, and we want to check the reliability of these two plans by measuring their difference. If there difference exits, it means these plans are reliable enough to be implemented.

5.5.2 Hypothesis test:
Plan A has two bottleneck process named CSA (Call for Self-Assessment) and Prepare Job Outline Hypothesis Test is that both the process that has been identified as a bottleneck in Plan-A, are different from the process of Plan-B.
This specified result of paired t-test verifies the significant improvement in HR utilization. Here p-value is 0.00335 which is less than 0.05. Hence Hypothesis proved true.

**Conclusion**

With drastic advancements in the field of Management Science and Engineering, BPI has become inevitable for organizations. Referring to this particular study, HRM has to be aligned and integrated with the BPI basic principles in order to get the capable and eligible manpower for the organization. Manpower directly affects the outcomes, if they are properly selected and allocated; organization gets the desired potential of being competitive.

This particular study focuses on HR functional department and throws light on the importance of Recruitment process revealing how it affects core objectives of overall business. From the study above, it is clear that Human Resource Department plays major and critical role in making a decision regarding hiring human capital. This study will help Managers to develop a significant process plan for allocating manpower in order to achieve organizational objectives. This study also reveals certain factors that really need to be considered while allocating manpower for Recruitment Process. If not done properly, organizations may have to bear the loss of their cost and time consumption as well. If proper resource allocation was done, it will reduce the workload as well as the time consumption.

Firstly, after getting the comprehensive survey of the bank, New Recruitment Model was developed. The questionnaire was designed to ask the employees whether they were satisfied with the current Recruitment Process or not. Based on results, Model was developed and then with the help of simulation using Arena was done for further analysis of the Model.

Model with two different plans of Resource Allocation focuses two major concerns, one is the proper utilization of HR personnel and second is the reducing the workload reduces the timing of major process. Complete Analysis of both plans is done to give a clear view that how these two plans affect the overall process. Verification of these two plans by running a statistical analysis also proves that both processes have their own significance. This research contains the basic theory of implementing BPI in HRM department of a bank.

Following basic and fundamental principles of BPI, an attempt has been made to increase the performance and productivity of HR department by reducing the time consumption of core process through means of proper resource allocation.
However, this study further can be expanded by working on cost and benefit analysis of the model that has been developed using Arena. The impact of Recruitment Model developed on the overall cost of the organization will give another important aid to Managers while making critical decisions.

References:


