

THE ROLE OF HR MANAGEMENT: RECRUITMENT AND TRAINING STRATEGIES FOR EMPLOYEE PERFORMANCE AT BMT NU SINGGAHAN

Muhammad Miftakhul Huda¹

¹ Institut Teknologi dan Bisnis Tuban, Indonesia, muhammadmiftakhulhuda886@gmail.com

ABSTRACT

This study examined the recruitment, training, and human resource development system at BMT NU Singgahan. The findings indicated that the institution implemented a structured recruitment process that considered not only academic qualifications but also interpersonal skills and alignment with organizational values. Training programs were designed to enhance employees' technical, managerial, and interpersonal competencies, with various methods such as on-the-job training, workshops, mentoring, and technology-based learning. The research also revealed that human resource development at BMT NU Singgahan was influenced by internal factors, including management policies and organizational culture, as well as external factors such as economic conditions and market competition. To optimize human resource development, the study suggested continuous improvement in training programs, employee involvement in development planning, collaboration with educational institutions, periodic evaluation, and adaptability to industry changes. These strategies were expected to enhance employee performance and contribute to the overall success of the institution.

Keywords: Human Resource Development, Employee Training, Recruitment System, Islamic Financial Institution, Organizational Management

I. INTRODUCTION

The rapid advancement of the modern era has intensified competition among companies across various industrial sectors. In this era of globalization, developing countries, including Indonesia, face significant challenges in managing their economies to remain competitive on a global scale. The open competition among economic players requires companies to continuously enhance their capabilities and improve the quality of their human resources (HR) to address these challenges effectively. Human Resource Management (HRM) plays a crucial role in this process, as it focuses on managing individuals within an organization to achieve common objectives.

Several studies have emphasized the importance of HRM in enhancing organizational performance. Becker and Huselid (1998) found that strategic HR practices positively influence firm performance by aligning employee skills with organizational needs. Similarly, Wright et al. (2005) highlighted that effective HRM enhances employee motivation and engagement, leading to higher productivity. However, there is still a research gap in understanding how HRM functions in microfinance institutions, particularly in the Indonesian context.

At BMT NU Singgahan, effective HRM is essential in ensuring optimal organizational performance. The institution recognizes that HR management is not limited to recruiting competent employees but also involves providing comprehensive training to enhance their skills and knowledge. Given the increasing competition in the microfinance sector, investing in HR development is crucial for maintaining a competitive edge. The recruitment process at BMT NU is designed to attract individuals with high potential and motivation. Effective recruitment strategies, such as written tests and structured interviews, are employed to select candidates who not only meet academic qualifications but also possess strong interpersonal skills. Research by Supriyadi (2020) highlights that a well-structured recruitment system has a positive impact on employee quality in service-based organizations, reinforcing the importance of a robust selection process.

Beyond recruitment, training and development programs are integral to HRM at BMT NU. Structured training programs significantly enhance employee productivity by equipping them with the necessary skills to adapt to evolving work environments and market demands (Rahmawati, 2021). These training

initiatives benefit both new and existing employees, ensuring continuous professional growth and alignment with organizational goals. Ahmad and Schroeder (2003) argue that continuous employee training is linked to higher performance and retention rates. However, despite its importance, training remains an underexplored area in microfinance HRM research, particularly in the context of Indonesian BMT institutions.

By implementing efficient recruitment and training systems, BMT NU can optimize its human resource potential, leading to enhanced individual performance and organizational success. This approach underscores the importance of HR development in fostering a skilled and motivated workforce. Consequently, a strong focus on human resource strategies through effective recruitment and training is imperative for the sustainability and long-term growth of BMT NU.

Based on this background, the research aims to address the following questions: (1) How are the employee recruitment and training systems implemented at BMT NU Singgahan? (2) What factors influence human resource development in improving employee performance?

II. LITERATURE REVIEW

Human Resource Management (HRM) plays a crucial role in enhancing organizational performance by ensuring that employees are well-recruited, trained, and retained. Becker and Huselid (1998) argue that strategic HRM practices positively impact firm performance by aligning employee capabilities with business objectives. Similarly, Wright et al. (2005) emphasize that HRM contributes to employee motivation, engagement, and overall productivity. However, despite these findings, there remains a gap in understanding how HRM functions in microfinance institutions, particularly in developing economies.

Recruitment is a fundamental HRM function that determines the quality of employees within an organization. According to Supriyadi (2020), a well-structured recruitment system significantly influences the quality of employees in service-based organizations. Effective recruitment methods, such as structured interviews and written assessments, help in selecting candidates who possess both technical and interpersonal skills. Despite these advancements, limited studies focus on recruitment processes within microfinance institutions, necessitating further exploration.

Training and development programs are essential in improving employee skills and ensuring adaptability to market demands. Ahmad and Schroeder (2003) assert that continuous training enhances employee performance and retention. Rahmawati (2021) further highlights that structured training initiatives lead to increased productivity and organizational efficiency. However, while research has established the importance of training in general business settings, there is a lack of literature on how training impacts HRM effectiveness in the microfinance sector.

Microfinance institutions operate in a highly competitive environment where employee quality directly affects service delivery. Previous studies, such as Ledgerwood (2013), emphasize the importance of HR strategies in ensuring the sustainability of microfinance operations. However, most existing research focuses on large-scale financial institutions, leaving a gap in understanding HRM practices in smaller microfinance institutions. This study aims to bridge that gap by analyzing the effectiveness of recruitment and training in enhancing employee performance within microfinance institutions.

While previous research has extensively examined the impact of HRM on organizational performance, studies focusing on microfinance institutions remain scarce. Existing literature, such as that by Supriyadi (2020) and Rahmawati (2021), underscores the significance of structured recruitment and training in enhancing employee productivity. However, these studies primarily focus on service-based industries without delving deeply into the unique challenges faced by microfinance institutions. Additionally, research by Becker and Huselid (1998) and Wright et al. (2005) provides a broad perspective on HRM but does not specifically address how these strategies can be tailored to microfinance institutions operating in developing economies. Given the competitive nature of the microfinance sector, there is a pressing need to investigate how recruitment and training programs can be optimized to enhance employee performance and organizational sustainability. This study seeks to fill this gap by exploring the effectiveness of HRM practices within microfinance institutions and their influence on long-term business success.

III. METHODOLOGY

This study employs a qualitative approach with a descriptive method. The qualitative approach is chosen as it aims to gain an in-depth understanding of the phenomena related to recruitment and training systems within microfinance institutions. The descriptive method is used to illustrate and analyze data collected

from respondents regarding their experiences and perspectives on recruitment and training processes. Creswell (2014) asserts that qualitative research allows researchers to explore individuals' meanings and experiences within their social contexts.

The research was conducted over a period of two months at a selected microfinance institution known for its structured human resource management system. This institution has been operating for several years, making it a suitable setting for examining recruitment and training practices.

Data collection in this study was carried out using several techniques. In-depth interviews were conducted with employees and managers to obtain a deeper understanding of the recruitment and training system. These interviews were semi-structured, with guiding questions that allowed respondents to elaborate further on their experiences. In-depth interviews enable researchers to extract richer information (Kvale, 2007). Additionally, direct observations were conducted on the recruitment and training processes within the institution. Observational data aimed to capture the dynamics of the work environment and interactions among employees. Participatory observation can provide deeper insights into social interactions and existing practices (Merriam, 2009). Furthermore, document analysis was conducted by collecting relevant documents related to recruitment and training systems, including HR policies, training reports, and recruitment records. Documentation offers supporting evidence for data obtained from interviews and observations (Bowen, 2009).

IV. RESULTS AND ANALYSIS

The recruitment system at the institution follows a structured process designed to attract and select competent candidates who align with the organization's values and objectives. The recruitment process is not only based on academic qualifications but also considers interpersonal skills and cultural fit. The institution implements various recruitment techniques, including centralized recruitment managed by the head office, decentralized recruitment allowing branches to hire independently, and recommendation-based recruitment where candidates are referred by trusted sources. These strategies ensure that the institution hires employees who are not only qualified but also capable of contributing positively to the work environment.

The primary goal of recruitment is to secure individuals who are both competent and committed to the principles of the institution. The process begins

with workforce planning, identifying staffing needs based on workload analysis and organizational structure. Job vacancies are then announced through multiple channels, including social media, the institution's official website, and local networks. The selection process involves administrative screening based on qualifications and experience, followed by a series of interviews and competency tests. The final decision is made collectively by the recruitment panel to ensure the best candidates are selected for available positions.

The training system is designed to enhance employees' technical, managerial, and interpersonal skills while equipping them with the necessary knowledge related to the industry. Various types of training programs are implemented, including basic training for new employees, technical training focusing on specific job-related skills, leadership training for potential future leaders, and continuous training through workshops and seminars to keep employees updated with industry developments. The training methods employed include on-the-job training, where employees learn directly under the guidance of experienced supervisors, group training through workshops and case discussions to enhance teamwork and problem-solving skills, formal training conducted in classroom settings by professional trainers, and mentoring or coaching programs aimed at long-term career development.

To adapt to technological advancements, the institution integrates digital training tools, allowing employees to access learning materials anytime and anywhere. Additionally, job rotation is implemented as a training strategy, providing employees with exposure to different roles within the organization, which enhances their adaptability and broadens their understanding of operations. Post-training evaluations are conducted to measure effectiveness, incorporating assessments, interviews, and direct performance observations to refine future training initiatives.

Human resource development is a key aspect of the institution's strategy to improve organizational performance. Internal factors such as management policies, work environment, and financial incentives significantly influence the effectiveness of HR development. The institution has established well-structured policies supporting employee training and career growth, including selective recruitment programs, periodic training, and performance evaluations. A positive and collaborative work environment further encourages employees to share knowledge and develop their skills. Employees express that financial incentives,

such as salaries and bonuses, also play a crucial role in motivating them to improve performance.

Data analysis was conducted using a qualitative approach, incorporating data from observations, interviews, and documentation. Observations provided insights into daily recruitment, training, and development practices, while interviews with employees and HR representatives offered deeper perspectives on the implementation and challenges of these processes. Data collected through documentation, such as HR policies and training reports, served as secondary sources to support the findings. The analysis process involved organizing data into descriptive and reflective notes, presenting findings through narrative explanations, and structuring information to reveal patterns and relationships within the data. These findings provide a comprehensive understanding of how recruitment, training, and human resource development are managed within the institution.

The findings indicate that the recruitment and training system in the studied Islamic financial institution is structured and strategically designed to align with its organizational goals. Recruitment is conducted through various stages, including planning, job announcements, selection processes, and final assessments. This structured approach aligns with Dessler's (2013) framework, which emphasizes that an effective recruitment process involves systematic job analysis, well-planned selection methods, and alignment with organizational culture. The study by Breugh (2008) also supports the idea that recruitment effectiveness depends not only on candidate qualifications but also on their compatibility with the organization's values and work environment.

The training system in the institution is also well-established, offering multiple methods such as on-the-job training, workshops, formal education, mentoring, and technology-based learning. This multi-faceted approach reflects Blanchard and Thacker's (2013) training model, which highlights that a combination of different training methods enhances employee skills and engagement. Furthermore, Noe (2010) argues that organizations adopting blended training strategies—combining traditional and technology-based methods—tend to have higher employee adaptability and retention rates. The findings also resonate with the study by Saks and Burke (2012), which suggests that organizations with continuous learning opportunities foster a more skilled and motivated workforce.

Human resource development (HRD) in the institution is significantly influenced by internal factors such as management policies, work environment, and financial incentives. The study highlights that structured HR policies, including selective recruitment, periodic training, and performance evaluation, contribute to employee motivation and growth. This observation is supported by Armstrong and Taylor (2014), who argue that well-defined HR policies enhance workforce productivity and organizational effectiveness. The importance of a positive work environment in employee development has also been emphasized by Robbins and Judge (2018), who state that a supportive and collaborative workplace leads to higher job satisfaction and performance.

Regarding financial incentives, findings suggest that salary and bonuses play a crucial role in employee motivation, aligning with Herzberg's Two-Factor Theory (1959), which differentiates between hygiene factors (such as salary) and motivators (such as career growth opportunities). The study by Deci and Ryan (2000) on Self-Determination Theory also supports the notion that financial rewards, when coupled with intrinsic motivation, lead to better job performance and employee engagement.

The data collection and analysis process in this study follows a qualitative research methodology, primarily using observations, interviews, and documentation. These methods align with Creswell's (2014) qualitative research principles, which emphasize an in-depth exploration of social phenomena through multiple data sources. The triangulation approach used—combining interviews, observations, and documents—ensures data validity and reliability, as suggested by Denzin and Lincoln (2018).

V. CONCLUSION AND RECOMMENDATION

The development of Human Resources (HR) at BMT NU Singgahan is influenced by both internal and external factors, including clear management policies, a supportive organizational culture, and strong managerial quality. Additionally, economic conditions, competition in the financial sector, and societal demands shape the institution's HR development strategies. With a structured approach to improving employee competencies, BMT NU Singgahan has the potential to enhance its overall organizational performance, ensuring better and more relevant services for the community.

To maximize these efforts, continuous improvement of training programs is essential, focusing on technology-based and industry-relevant skills to keep employees competitive. Employee involvement in designing training initiatives will foster a sense of ownership and commitment to professional growth. Collaborating with educational institutions can further enrich training opportunities, providing employees access to diverse learning experiences. Regular monitoring and evaluation of HR programs will ensure effectiveness and adaptability to evolving industry needs. Furthermore, BMT NU Singgahan must remain proactive in adapting to changes within the financial sector and society, ensuring its long-term relevance and competitiveness.

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