



THE IMPACT OF RECRUITMENT AND SELECTION, REWARD AND RECOGNITION, TRAINING AND DEVELOPMENT, PERFORMANCE APPRAISAL, AND CAREER DEVELOPMENT ON EMPLOYEE ENGAGEMENT: A CASE STUDY OF PROJECT-BASED EMPLOYEES AT ABC ENGINEERING AND CONSTRUCTION COMPANY, SRI LANKA

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Employee engagement is highly recognized as an important factor that influences the performance of an organization, particularly in the engineering and construction field, which is a project-driven industry in enhancing productivity, and improving collaboration while reducing turnover. At ABC Engineering and Construction Company in Sri Lanka, the decline in employee engagement has caused a reduction in employee motivation and project delays. Understanding how Human Resource Management (HRM) practices contribute to employee engagement is essential to address these challenges. The study aims to evaluate how employee engagement at ABC Engineering and Construction Company is affected by HRM procedures, encompassing recruitment and selection, performance appraisal, rewards and recognition, training and development, and career development. A positivist, quantitative explanatory research design was used. A structured questionnaire based on a five-point Likert scale was distributed to 150 randomly selected employees through systematic random sampling within a total population of 300 in the company's Western Province division. SPSS software was used to analyse collected data through descriptive statistics, Pearson's correlation, and multiple regression analysis. According to the correlation data ($r = 0.877$ to 0.918 ; $p < 0.05$), Strong positive correlations can be found between each HRM practice and employee engagement, showing the strongest correlation by reward and recognition ($r = 0.918$). Descriptive analysis states the most valued practice as training and development. The regression model states that the HRM practices account for 89.1% of the diversity in employee engagement ($R^2 = 0.891$, $p < 0.05$), with each practice having a considerable and favourable effect. Findings of the study show that enhancing HRM practices can improve employee engagement, widely boosting the organisational performance, especially in training and development, as well as recognition areas. The study also recommends improving performance evaluation, career development as well and reward systems. According to the study, consistent utilisation of HRM practices in the company is required to increase employee engagement.

Keywords: human resource management, employee engagement, recruitment, reward and recognition, training and development

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INTRODUCTION

Employee engagement is crucial to organizational productivity, competitiveness, and long-term success—particularly in engineering and construction, where people drive project outcomes. As Kahn (1990) defines, engagement is the psychological presence at work, and it is a common consensus that HRM (Human Resource Management) Practices impact it greatly. Engagement increases productivity, satisfaction, retention, innovation, and teamwork. The challenge lies in sustaining it. At the ABC Engineering and Construction Company in Sri Lanka, low engagement has resulted in widespread employee disaffection and project delays. Kawshalya (2022), a project engineer, reported that ABC Engineering & Construction saw 2–4 days of task delays throughout June to August. Gallup (2022) likewise reports 21% worldwide employee engagement in relation to an 18% decrease in productivity. This study examines the impact of five HRM practices, which include recruitment and selection, reward and recognition, performance appraisal, training and development, and career development, on employee engagement at ABC with the aim of identifying areas for strategic improvement.

Research Objectives, Questions, and Hypotheses

This study aims to (1) examine how HRM practices are implemented in the Organization, (2) research how the engagement of employees and HRM practices relate to one another, and (3) identify effective HRM strategies that can enhance employee engagement within ABC Engineering and Construction Company. Accordingly, the research addresses the following questions: (1) How are HRM practices implemented at ABC Engineering and Construction Company? (2) What connection is made between employee engagement and each HRM practice? (3) What HRM-based strategies can be recommended to enhance employee engagement in the company? To test these, five hypotheses were proposed:

- H1: Recruitment and selection significantly influence employee engagement.
- H2: Reward and employee recognition significantly influence employee engagement.
- H3: Performance appraisal significantly influences employee engagement.
- H4: Training and employee development significantly influence employee engagement.



- H5: Career development significantly influences employee engagement.

LITERATURE REVIEW

Employee engagement is a major driver of organizational performance, guided by HRM practices such as recruitment, training, performance review, incentives, and career development (Jiang et al., 2012). From Social Exchange Theory, employees will pay back favourable HRM practices with increased engagement, subsequently job satisfaction, motivation, and retention, and eventually overall organizational performance (Schaufeli et al., 2006). Based on these observations, the conceptual framework of this study places HRM strategies as independent variables and employee engagement as the dependent variable with an accentuation on their direct positive relation.

METHODOLOGY

A positivist approach supported this explanatory, quantitative research, with the aim of examining quantifiable aspects of employee engagement and HRM practices systematically through objective data collection and analysis. A deductive approach was employed to allow a priori hypothesis testing, allowing correlations between variables to be identified. The approach let have the generation of unbiased, generalizable findings that can inform broader organizational decision-making. The study population was 300 employees of ABC Engineering and Construction Company, Western Province branch. Stratified systematic random sampling was used, stratifying employees by department initially—engineering, operations, finance, and administration—then selecting every second employee proportionally to constitute a final sample of 150 (50% of the population), which was sufficient for precise analysis and representative balance. Follow-up reminders and confidentiality assurances were used to reduce non-response bias, although some bias remains a study limitation.

Data were collected using a systematic questionnaire titled “Employee Engagement and HRM Practices Survey” on a five-point Likert scale (1=strongly disagree, 5=strongly agree). Developed for the study, it consists of 44 questions across the following sections:

1. Demographic Data (9 questions) on Gender, Age, Educational qualifications, Work experience, Job status, Job category, Position status, Income level, and Marital status.
2. HRM Procedures (25 questions, 5 for each) on Recruitment and Selection (Boxall & Purcell, 2016), Reward and Recognition (Armstrong, 2012), Performance Appraisal (DeNisi & Pritchard, 2006), Training and Development (Noe, 2017), Career Development (Greenhaus et al., 2010). (Rated statements like “I think that the company’s hiring procedure is fair and transparent.”)
3. Employee Engagement Measures (10 questions) (Schaufeli et al., 2006). (Rated statements like “I feel enthusiastic about my work.”)

The survey was distributed via Google Forms through email, SMS, and WhatsApp to enhance accessibility, with consent information and clear instructions provided at the start.

50 respondents participated in a pilot study in order to improve the questionnaire. Expert examination by HR professionals and supervisors guaranteed the validity of



the content. Adjustments were made in order to guarantee that the points were appropriate and easily understood. Assessment of the validity and reliability was done with Cronbach's Alpha. According to the results, the Cronbach's Alpha Coefficient for the variables of recruitment and selection is 0.942, reward and recognition is 0.964, performance appraisal is 0.963, training and development is 0.963, career development is 0.958, and employee engagement is 0.968. If the Cronbach's Alpha value is more than 0.7 ($\alpha > 0.7$), it can be considered as reliable. Accordingly, all variables are acceptable as reliable in this study.

The analysis of the data collected was done by SPSS software. Identification of the pattern and the study's hypotheses regarding the strength and direction of relationships between HRM practices and employee engagement was tested using the techniques: Descriptive Statistics (means, standard deviations), Pearson's Correlation Coefficient, and Multiple Regression Analysis.

RESULTS AND DISCUSSION

Descriptive Statistics

Employee opinions of HRM procedures inside the company were analyzed using Descriptive statistics. The mean values of all HRM indicators were higher than 2.5. This indicates that participants of the survey are more likely to respond positively to these HR functions. All the standard deviations were higher than 1.0, indicating that the responses were highly varied, which might have been affected by variables like income level, job description, and tenure. Inconsistency in the application of HRM practices in the organization, and inadequate communication across roles or departments, are implied by these findings.

HRM Practice	Mean Range	Std. Deviation Range	Interpretation
Recruitment & Selection	2.63–2.75	1.177–1.292	Moderate agreement with variability
Reward & Recognition	2.51–2.70	1.223–1.310	Mixed views but generally positive
Performance Appraisal	2.63–2.80	1.187–1.390	Slightly stronger agreement
Training & Development	2.57–2.83	1.170–1.432	Highest variability in perceptions
Career Development	2.61–2.73	1.189–1.390	Generally positive, some variation

Table 1: Descriptive Analysis

Source: Survey data

Descriptive statistics show generally positive attitudes toward HRM practices. Variability in training and development represents the differences in employee experiences and perceptions regarding the adequacy, quality, and effectiveness of these programs.



Correlation Analysis

Pearson correlation coefficients help in examining the relationship between employee engagement with each HRM practice. All correlations were strongly positive and statistically significant ($p < 0.05$). It indicates that improvements in HRM practices are associated with higher levels of employee engagement. This shows that every HRM strategy had an impact on employee engagement, where the null hypothesis (H_0) was rejected according to the hypothesis testing.

HRM Practice	Correlation (r)	Sig. (p)	N	Result
Recruitment & Selection	0.903	0.000	150	Strong positive, significant
Reward & Recognition	0.918	0.000	150	Strongest positive correlation
Performance Appraisal	0.880	0.000	150	Strong positive, significant
Training & Development	0.882	0.000	150	Strong positive, significant
Career Development	0.877	0.000	150	Strong positive, significant

Table 2: Correlation Analysis

Source: Survey data

The correlation results demonstrate a strong and significant positive relationship between all examined HRM practices and employee engagement. Reward and recognition showed the strongest correlation to employee engagement.

Multiple Regression Analysis

Multiple regression analysis ascertains the collective impact of HRM practices on the engagement of employees. The $R=0.944$ shows a strong relationship, and good explanatory power is reflected in $R^2=0.891$. This finding indicates that all five HRM practices account for 89.1% of the variation in the engagement of employees. The overall validity of the model is indicated by significant ANOVA test results, $p=0.000$. The coefficient table indicates that all five HRM strategies have a significant contribution towards the explanation of employee engagement, as shown by the positive beta values and statistically significant p-values ($p < 0.05$).

Predictor (HRM Practice)	Unstandardized Coefficient (B)	Standardized Coefficient (Beta)	t-value	Sig. (p)
Recruitment & Selection	0.238	0.238	5.108	0.000
Training & Development	0.201	0.201	4.430	0.000
Performance Appraisal	0.212	0.212	4.803	0.000
Reward & Recognition	0.187	0.187	4.242	0.000
Career Development	0.179	0.179	4.082	0.000

Table 3: Multiple regression analysis

Source: Survey data



Regression analysis shows all five HRM practices, recruitment and selection, training and development, performance appraisal, reward and recognition, and career development, significantly predict employee engagement, with recruitment and selection having the strongest impact.

Five hypotheses (H1–H5) were developed each one proposing a strong correlation between HRM practices within the engagement of employees. Based on the p-values, where all of the values are less than 0.05 (all < 0.05), all the alternative hypotheses were accepted, rejecting the null hypotheses. Training and development ranked the best in employee engagement in ABC Engineering and Construction Company, followed by career development and performance appraisal. This aligns with Noe (2017) and Greenhaus et al. (2010), who recognize opportunities for growth as effective engagement drivers. Inequitable reward and recognition practices, however, detracted from engagement, especially among long-serving employees, in support of Armstrong's (2012) evidence on fair rewards. Founded on Social Exchange Theory (Blau, 1964), employees reciprocate support with commitment, highlighting the need for enhanced HRM practices to help boost morale and performance (Schaufeli et al., 2006).

CONCLUSIONS AND RECOMMENDATIONS

The study faced limited participation due to busy schedules of participants, resource constraints, as well as the country's economic crisis. Notification emails and anonymous surveys were used to minimize bias in the responses. Findings may be limited by the use of a closed-ended questionnaire. Ethical standards were followed strictly, ensuring anonymity, confidentiality, informed consent, and protection from any harm. Employee engagement of ABC Engineering and Construction Company is greatly enhanced by HRM practices. Training and development received the highest level of appreciation, even though all five HRM practices impact on the employee engagement of the company. On the other hand, reward and recognition, which were rated lowest, had a major effect. This demonstrates that the recognition systems of the company need to be improved. The results emphasize that systematic and effective HRM practices play a key role in project-based organizations. The research is aligned with Social Exchange Theory by demonstrating how employee commitment is explained through equitable treatment and the potential to develop. Enhanced HRM practices assist the company in developing an effective and better-motivated workforce. The long-term impact of rewards and recognition on job performance and employee retention in project environments can be explored in further research. Qualitative research and industry research can also provide additional guidelines, while HR analytics can be used for tracking and refining HRM practices for sustained engagement.

Recommendations

To develop a high-engagement culture that will lead to long-term growth and success in projects, ABC Engineering and Construction Company needs to introduce clear, performance-based reward systems (e.g., bonuses and awards), promote career progress through structured promotion paths and rotation of jobs,



enhance recruitment through competency-based interviews and psychometric assessments, expand training in leadership, soft, and technical skills, and Implement 360-degree feedback mechanisms to enhance performance appraisal objectivity and structured KPIs.

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