

## **The Impact of Recruitment and Service Quality on Retail Business Growth Amid Market Competition**

Muhammad Basri<sup>1</sup>, Putri Gita Cahyani<sup>2</sup>

<sup>1,2</sup> Universitas Pamulang, Indonesia

Email: mbasri666@gmail.com; crushwear162@gmail.com

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### **Abstract**

This study aims to analyze the impact of recruitment and service quality on retail business growth amid market competition. Effective recruitment is believed to produce competent human resources, while high-quality service is key to maintaining customer loyalty. This research applies a quantitative method. The sample consists of 100 respondents including employees, supervisors, and customers from retail and service businesses in West Jakarta, South Tangerang, and Tangerang City. Data were analyzed using multiple linear regression assisted by SPSS version 27. The results indicate that recruitment and service quality have a positive and significant effect on business growth. The coefficient of determination ( $R^2$ ) of 0.307 shows that both independent variables explain 30,7% of business growth variation. These findings emphasize the importance of HR strategies and service quality as key factors in achieving competitive advantage.

**Keywords:** *Recruitment, Service Quality, Business Growth, Market Competition*

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### **1. Introduction**

In the current era of global competition, every company is required to continuously improve its performance in order to achieve sustainable business growth. One of the key determinants of business progress lies in the human resource management process, especially in the aspect of recruitment. Effective recruitment ensures that organizations are able to select and place qualified employees who fit the company's needs and culture. The right recruitment process not only improves work productivity but also supports the creation of superior service quality.

Furthermore, service quality plays a vital role in determining the success of a business, particularly in highly competitive markets. Service quality reflects how well a company meets or exceeds customer expectations. High service quality leads to

increased customer satisfaction, loyalty, and positive word-of-mouth, which in turn drive business growth and profitability.

The relationship between recruitment and service quality is closely interconnected. Competent and well-selected employees are more likely to deliver excellent service, handle customer needs effectively, and represent the company's values professionally. When recruitment is managed strategically and service quality is maintained consistently, both factors contribute significantly to business advancement—enhancing reputation, competitiveness, and long-term sustainability.

Therefore, this study aims to analyze the influence of recruitment and service quality on business progress, to understand how human resource management practices and customer service performance together shape organizational success in the modern business environment.

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## 2. Literature Review and Theoretical Framework

### 2.1 Recruitment

Recruitment is the process of searching, attracting, and selecting individuals with the qualifications required for specific organizational positions (Dessler, 2020). Effective recruitment focuses not only on technical skills but also on cultural fit and development potential. The main indicators include workforce planning, objective selection and placement, competence matching, and recruitment performance evaluation. Proper recruitment enhances productivity and innovation, leading to business growth.

### 2.2 Service Quality

Service quality refers to the degree of excellence expected and the control over that excellence to meet customer needs (Parasuraman et al., 1988). The SERVQUAL model categorizes service quality into five dimensions: tangibles, reliability, responsiveness, assurance, and empathy. High-quality service fosters customer satisfaction, strengthens loyalty, and enhances market positioning (Tjiptono, 2021).

### 2.3 Business Growth

Business growth can be measured through revenue increase, customer expansion, market penetration, and operational efficiency. Successful businesses typically possess superior human resources and effective service systems (Porter, 2019).

### 2.4 Conceptual Framework

Conceptually, recruitment ( $X_1$ ) and service quality ( $X_2$ ) are hypothesized to have a positive influence on business growth ( $Y$ ). The relationship is illustrated as follows:

$X_1 \rightarrow Y$   
 $X_2 \rightarrow Y$

Hypotheses:

$H_1$ : Recruitment positively affects business growth.

$H_2$ : Service quality positively affects business growth.

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### 3. Research Methodology

This study employs a quantitative approach using a survey method. Respondents consist of 100 participants representing employees and customers in the retail and service sectors in West Jakarta, South Tangerang, and Tangerang City. The research instrument uses a Likert scale questionnaire (1-5).

#### 3.1 Variables and Indicators

Recruitment ( $X_1$ ): planning, selection, placement, evaluation.

Service Quality ( $X_2$ ): reliability, responsiveness, assurance, empathy, tangibles.

Business Growth ( $Y$ ): sales growth, customer satisfaction, productivity, market expansion.

#### 3.2 Data Analysis Technique

Data were analyzed using multiple linear regression with the model:

$$Y = a + b_1 X_1 + b_2 X_2 + e$$

$Y$  = Business Growth.

$X_1$  = Recruitment.

$X_2$  = Service Quality.

$a$  = constant.

$b_1$  &  $b_2$  = regression coefficients.

$e$  = error term.

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## 4. Results and Discussion

### 4.1 Interpretasi Result T test

Model	Coefficients <sup>a</sup>					
	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1	(Constant)	7.762	2.280		3.405	<.001
	Recruitment	.284	.097	.255	2.924	.004
	Service Quality	.334	.068	.431	4.938	<.001

a. Dependent Variable: Business Progress

It is known that the significance value (sig) for the effect of  $X_1$  (Recruitment) on  $Y$  (Business Growth) is  $0.04 < 0.05$ , which indicates that  $H_1$  is accepted, meaning there is a significant effect of recruitment on business growth.

Furthermore, the significance value (sig) for the effect of  $X_2$  (Service Quality) on  $Y$  (Business Growth) is  $0.01 < 0.05$ , which also indicates that  $H_2$  is accepted, meaning there is a significant effect of service quality on business growth.

### 4.2 Interpretasi Result Multiple Regression

Model	Coefficients <sup>a</sup>					
	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1	(Constant)	7.762	2.280		3.405	<.001
	Recruitment	.284	.097	.255	2.924	.004
	Service Quality	.334	.068	.431	4.938	<.001

a. Dependent Variable: Business Progress

Based on the results of the calculation, the multiple linear regression equation is obtained as follows:

$$Y = 7.762 + 0.284X_1 + 0.334X_2$$

a. The constant value of 7.762 indicates that if all independent variables namely the recruitment process and service quality are considered constant, business growth will remain positive.

b. The Recruitment variable ( $X_1$ ) has a positive regression coefficient of 0.284, meaning that an improvement in the recruitment process will increase business growth by 0.284, assuming the Service Quality variable ( $X_2$ ) remains constant.

c. The Service Quality variable ( $X_2$ ) has a positive regression coefficient of 0.334, meaning that an increase in service quality will improve business growth by 0.334, assuming the Recruitment variable ( $X_1$ ) remains constant.

#### 4.3 Interpretasi Result F test

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	191.050	2	95.525	21.509	<.001 <sup>b</sup>
	Residual	430.790	97	4.441		
	Total	621.840	99			

a. Dependent Variable: Business Progress

b. Predictors: (Constant), Service Quality, Recruitment

Based on the table above, the calculated F value ( $F_{count} = 21.509$ ) is greater than the F table value ( $F_{table} = 3.09$ ) with a significance level of  $0.001 < 0.05$ . Therefore,  $H_0$  is rejected and  $H_a$  is accepted, indicating that the recruitment process and service quality simultaneously have a positive and significant effect on business growth.

#### 4.4 Interpretasi Result CD test

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.365 <sup>a</sup>	.133	.124	2.345

a. Predictors: (Constant), Recruitment

Based on the table, it can be seen that the correlation value for the Recruitment Process variable is 0.365, which falls within the interpretation range of 0.20–0.399, indicating

a low level of relationship. This means that the relationship between recruitment and business growth is relatively weak.

Furthermore, the coefficient of determination (R Square) value is 0.133, which means that Recruitment ( $X_1$ ) contributes 13.3% to Business Growth (Y), while the remaining 86.7% is influenced by other variables not examined in this study.

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.496 <sup>a</sup>	.246	.238	2.187

a. Predictors: (Constant), Service Quality

Based on the table above, the correlation value for the Service Quality variable is 0.496, which falls within the interpretation range of 0.40–0.599, indicating a moderate (fairly strong) relationship. This means that the relationship between service quality and business growth is fairly strong.

Furthermore, the coefficient of determination (R Square) value is 0.246, which indicates that Service Quality ( $X_2$ ) contributes 24.6% to Business Growth (Y), while the remaining 75.4% is influenced by other variables not examined in this study.

#### Coefficient of impact of variable on business



#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.554 <sup>a</sup>	.307	.293	2.107

a. Predictors: (Constant), Recruitment, Service Quality

Based on the table, it can be seen that the correlation value between the Recruitment Process and Service Quality variables is 0.554, which falls within the interpretation

range of 0.40–0.599, indicating a moderate or fairly strong relationship. This means that the combined relationship between recruitment and service quality with business growth is fairly strong.

Furthermore, the coefficient of determination (R Square) value is 0.307 or 30.7%, which means that the recruitment process and service quality together contribute 30.7% to Business Growth (Y), while the remaining 69.3% is influenced by other variables not examined in this study.

#### 4.5 Discussion

These findings support prior studies by Priyanto (2022) showing that competency-based recruitment systems enhance company performance. They also reinforce Tjiptono's (2021) assertion that superior service quality strengthens customer trust and loyalty. In a highly competitive market, these two factors serve as a synergistic foundation for achieving sustainable competitiveness.

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### 5. Conclusion and Recommendations

#### Conclusion

This study demonstrates that:

1. Recruitment has a positive and significant effect on business growth.
2. Service quality has a positive and significant effect on business growth.
3. Both factors simultaneously explain 30.7% of business growth, indicating a relatively strong relationship.

These findings confirm that effective human resource strategies and excellent service are key determinants of a company's success in facing market competition.

#### Recommendations

1. Companies should strengthen their competency-based recruitment systems and adopt digital technology to acquire superior human resources.
2. Management should conduct regular training programs to enhance service quality.
3. Future research may include additional variables such as product innovation or leadership to enrich the research model.

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