

Does Designation Moderates the Relationship between Employee Recruitment and Psychological Outcomes?

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Abstract

Purpose: The study investigates moderating effect of job position of employee working in IT organisation in relationship between recruitment method i.e. usual recruitment or employee poaching and job satisfaction and commitment.

Methodology: The data has been collected from 400 IT professionals, which have been selected from the 10 largest (basis of number of employees) IT companies using standardised questionnaire.

Findings: The results revealed that the method of recruitment has significant impact on employee's normative commitment, whereas, it is insignificant in case of affective commitment, continuance commitment and job satisfaction. Moreover, job position acts as moderator between the relation of recruitment practice and job satisfaction, however, it is not moderating between recruitment method as independent variable and types of commitments as dependent variable.

Practical Implications: The results of research can help the HR executives and policy makers to understand the importance of recruitment strategy and approach in the organisation especially the effect of employee poaching.

Keywords: Employee Poaching, Job Satisfaction, Affective Commitment, Continuance Commitment, Normative Commitment.

1. Introduction:

In today's globalized and competitive environment, there is a considerable increase in competition in all the sectors of the economy. The emphasis on organisational efficiency and effectiveness has been increased, in which the human resources of organisation play a very crucial role. So, these days human resource has become the first and most important resource of any organization, the quantity and quality of human resource has major impact and decides the competitive ability of the organization. Therefore, human resource management has emerged as a major field of research, which includes process of hiring skilled employees and training existing employees, so that they become valuable for organization. Recruitment is the first step in human resource management, which directly effects the development of organisations. It is a kind of image display of the organisation. It involves attracting, screening and selecting potential and qualified individuals who might join an organization (Jha Sumi and Bhattacharaya S. S., 2012)..

The organizations have found many innovative ways in recruiting and staffing practices to adjust themselves to peaks and troughs in man power planning. Since it has become very difficult to find and sustain talented people in an organisation, recruitment is one of major human resource management practice these days. High Employee turnover is a prominent challenge that most of the organisations are facing, and lack of job satisfaction and career growth opportunities across the industries may be attributed with employee turnover (Paul A. K. and Ananthraman R. N., 2003). Organisations are putting in lots of efforts, time and money for the recruitment and retention of talent with them.

Thus, due to the increasing level of competition, increasing importance of human resource, advancements in the technology and need of skilled and experienced work force many companies have adopted various strategies. Out of which, one strategy cum policy that has gained high level of concern is the poaching strategy, especially in IT and retail sector. According to NASSCOM, poaching is a wide practice and it accounts for 30%, of the movement of employees and it will increase by ten-fold in the near future. The employee poaching in general is an act of changing the employer against the will of training firm.

1.2. IT Sector in India:

India is in the list of top countries for the Information & Technology industry, which accounts for approximately US\$ 124-130 billion market. Currently, it provides employment to about 10 million work force including software engineers, developers, testers along with support functions such as HR, marketing and operations. The industry as a whole has transformed the economic condition of the country and altered the perception of India in global economy. The cost competitiveness of India in providing IT services, which is almost 3-4 times cheaper than United States helps in maintaining Unique Selling Proposition in the global market. The industry has also created demand in Indian education sector, especially for engineering, computer science, human resource and marketing. Information Technology industry is among the fastest growing industries in the country and the projects like Digital India, implemented by present government has also helped in boosting this Industry. The largest IT companies in India are TCS, Infosys, Wipro, HCL Technologies, Tech Mahindra, Cognizant Technology Solutions Corporation, IBM, L & T Infotech, iGate Computer System and Accenture.

2. Literature and Theoretical Background:

This section shows various relationships that different researches covered over the major variables under this study i.e. job satisfaction and organisational commitment. Moreover, the factors having direct and moderating impact on the concerned variables.

Recruitment had an inverse and insignificant impact on employee commitment, but selection had a significant moderate positive influence on employee commitment in case of academic staff of a private university in Uganda. The study also suggested for improvement in implementation of the recruitment and selection process (Mugizi W. and Nuwatuhaire, 2018). Moreover, recruitment and selection practices have positive and significant relation with job pleasure and job satisfaction. The study also revealed that absence of job discontent assists in having higher job pleasure (Jha Sumi and Bhattacharaya S. S., 2012). Further, job satisfaction regarding direct supervisor, pressure at work, peer relation and health significantly affect employee's innovation commitment. And, employee's perception of responsible downsizing strategy moderates the impact of these variables (Tsai Cheng-Fei and Yen Yu-Fang, 2018).

There was significant moderating effect of age on the relationship within job satisfaction and organisational commitment in case of teachers employed in central university, India (Khan, M. A. and et. al., 2018). A survey performed in various departments of Diesel Locomotive Works revealed that organisational commitment was positively associated with job satisfaction, but job involvement negatively moderates the relation between job satisfaction and organisational commitment which was weak (Tiwari V. and Singh S. K., 2014). Additionally, in a relationship between change leadership and commitment to change, job satisfaction was a mediation variable among Indonesia's State Owned Companies (Wulandari, Permata, 2015). In case of nurses working in a large hospital in Taiwan, organisational commitment showed significant positive influence in organisational citizenship behaviour and that job satisfaction significantly moderate the interaction between organisational commitment and OCB (Lin, Chia-Tzu and Chang, Ching-Sheng, 2015).

Affective Commitment and job satisfaction was moderated by supportive and innovative culture; however, bureaucratic culture did not play a significant as moderator in a interaction between organisational commitment and job satisfaction among employees working in Indian central public sector enterprises (Saha Shilpi and Kumar S. P., 2018). A study revealed that in private sector organisation job satisfaction and organisational commitment were positively correlated and trust as well as locus of control moderated the relationship between them (Srivastava S., 2013). The job autonomy and managerial roles negatively influence the relationship between job autonomy and satisfaction. Further, the moderating effect of job stress as well as managerial roles differ by employment type i.e. regular or irregular (Kim Kwan-Woo and Cho Yoon-Ho, 2020),

The job involvement partially mediates the relationship between job satisfaction and organisational commitment. Job satisfaction is affected by work characteristics; however, company's policies and procedure do not affect job satisfaction significantly in Serbia (Culibrk J. and et. al., 2018). Job rotation has direct impact on job satisfaction and organisational commitment among nurses. Further, role stress has negative relation with job satisfaction and organisational commitment, and job satisfaction is a determinant of organisational commitment in case of nurses working in southern Taiwan (Ho, Wen-Hsien and et. al., 2009). The job characteristics, interaction, feedback and autonomy had significant influence on job satisfaction as well as affective commitment of hotel workers in Turkey (Ozturk A. B. and et. al., 2014).

3. Objectives (Research Model) and Hypotheses

The study has been conducted with the following objectives:

1. To determine if recruitment method i.e. regular recruitment method or poaching have impact on job satisfaction and employee commitment.
2. To determine whether job position of employee moderates the relation between recruitment method and job satisfaction.
3. To determine whether job position of employee moderates the relation between recruitment method and level of commitment.

3.1. Proposed Model:

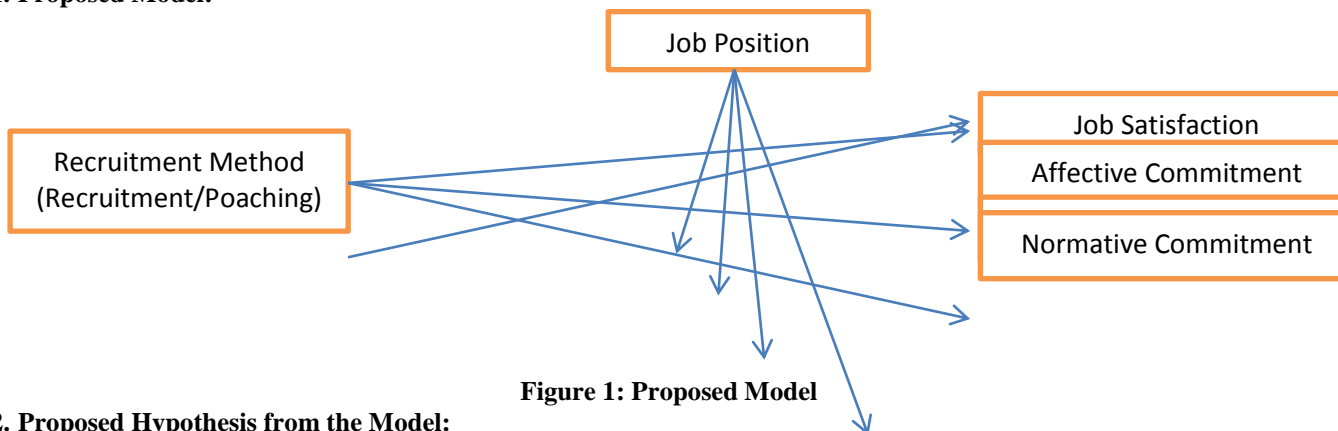


Figure 1: Proposed Model

3.2. Proposed Hypothesis from the Model:

According to the proposed model, following hypotheses have been framed:

- H1: Job position significantly moderates the relationship between recruitment method and employee’s job satisfaction in Indian IT sector.
- H2: Job position significantly moderates the relationship between recruitment method and affective commitment among employees in Indian IT sector.
- H3: Job position significantly moderates the relationship between recruitment method and continuous commitment among employees in Indian IT sector.
- H4: Job position significantly moderates the relationship between recruitment method and normative commitment among employees in Indian IT sector.

4. Research Methodology:

The study covered the 10 major IT companies of the Delhi NCR region i.e. Delhi, Guru Gram and Noida which includes TCS, Infosys, Wipro, HCL Technologies, Tech Mahindra, Cognizant Technology Solutions Corporation, IBM, L & T Infotech, iGate Computer System and Accenture. The primary data has been collected through a structured questionnaire. For determining the satisfaction level of employees the standardised scale developed by Scott Macdonald and Peter MacIntyre (1997) has been used. Moreover, for commitment a standardised scale developed by Natalie Allen and John Meyer (1990) has been used which includes the affective, continuance and normative commitments. The recruitment methods have been divided into two categories i.e. usual internal and external methods as one and poaching as second category, so study is mainly analysing the impact of poaching over the job satisfaction and commitment.

4.1. Data Collection:

The sample frame consists of the major IT companies of Delhi NCR region. The sample size is 400 IT professionals, which have been selected from the 10 largest (on the basis of number of employees) IT companies. Equal number of IT professionals has been selected from each organisation for IT professionals as respondents for the study i.e. 40 each. The convenience sampling method has been used to select the respondents of the concerned organisations. The collected data has been analysed using hierarchical regression.

5. Respondent Characteristics:

Table 1: Respondents Profile

		Frequency	Per cent
Age	21-25	170	42.5
	25-30	170	42.5
	30-35	48	12.0
	35 and Above	12	3.0
Gender	Male	226	56.5
	Female	174	43.5
Qualification	intermediate/ diploma	21	5.3
	Graduation	249	62.3

	Post-Graduation	118	29.5
	Above post-graduation	12	3.0
Job Position	Senior	86	21.5
	Middle	205	51.3
	Junior	109	27.3

Table 1 show that, out of various age categories most of the respondents are from 21-25 years and 25-30 years age group i.e. 42.5%, and 56.5% of respondents are male. As qualification, 62.3% of respondents are graduates followed by post graduates i.e. 29.5%. Further, 51.3% of respondents are working at middle level, 27.3 at junior level and 21.5% at senior level in the organisations.

6. Data Analysis and Results:

Table 2: Collinearity Analysis

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Recruitment Method	.967	1.034
	Recruitment Method × Job Position	.967	1.034

Table 1 shows the collinearity analysis where tolerance for both the recruitment method and interaction of recruitment method and job position is 0.967. The VIF for both the recruitment method and its interaction with job position is 1.034. This indicates that there is no multicollinearity exist between the variables as VIF values lies between acceptable limit of 1-10.

6.1. Analysis of moderating effect of job position in the relationship between recruitment method and employee’s job satisfaction:

The Model-1 is used to determine the moderating effect in which independent variable is recruitment method i.e. recruitment or poaching, dependent variable in job satisfaction and moderator is job position.

Table-3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.111 ^a	.012	.007	.71190

Table-4: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.906	.205		19.027	.000
	Recruitment Method	.077	.185	.021	.414	.679
	Recruitment Method × Job Position	-.113	.051	-.113	-2.220	.027

a. Dependent Variable: Job Satisfaction

Table 2 shows the model summary where R-square is 0.012 and adjusted R-square (0.007). Further, the regression coefficients indicates that both the beta coefficient and T-value are negative i.e. -0.113 and -2.220 respectively. Overall, the significance value for the interaction of recruitment method and job position is less than 0.05 i.e. 0.027, implies that moderating variable i.e. job position significantly influence the relationship among dependent and independent variables. However, the significant value for

only recruitment method in insignificant at 5% level of significance. Thus, in this model the alternative hypothesis is accepted i.e. H1.

6.2. Analysis of moderating effect of job position in the relationship between recruitment method and affective commitment among employees:

Model-2 is used to test the moderating effect in which independent variable is recruitment method i.e. recruitment or poaching, dependent variable is affective commitment among employees and moderator is job position.

Table-5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
2	.076 ^a	.006	.001	1.44741

Table-6: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
2	(Constant)	5.438	.417		13.027	.000
	Recruitment Method	-.486	.376	-.066	-1.293	.197
	Recruitment Method × Job Position	-.056	.103	-.028	-.544	.586

a. Dependent Variable: Affective Commitment

The summary table for Model 2 indicates that R-Square is equal to 0.006 and Adjusted R-Square is 0.001. The regression coefficients are showing negative beta coefficient and T-value both in case of recruitment method and interaction of recruitment method with job position i.e. -0.486 and -1.293 respectively in case of recruitment method, whereas -0.056 and -0.544 respectively in case of interaction. Further, the significance values are 0.197 and 0.586 for recruitment method and interaction respectively which are insignificant at 5% level of significance. Therefore, alternative hypothesis 2 (H2) is rejected and null hypothesis is accepted after the analysis of Model 2.

6.3. Analysis of moderating effect of job position in the relationship between recruitment method and continuance commitment among employees:

Model-3 analyse the moderating effect of relationship in which independent variable id recruitment method i.e. recruitment or poaching, dependent variable is continuance commitment and moderator is job position.

Table-7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
3	.034 ^a	.001	-.004	1.45259

Table-8: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
3	(Constant)	4.721	.419		11.269	.000
	Recruitment Method	-.243	.377	-.033	-.645	.519
	Recruitment Method × Job Position	-.008	.103	-.004	-.077	.939

a. Dependent Variable: Continuance Commitment

Based on the calculations of Model-3, the model summary indicates R-Square equal to 0.001 and negative adjusted R-Square i.e. -0.004. The regression analysis shows that beta coefficients and T-values are negative both in case of recruitment method and

interaction between recruitment method and job position i.e. -0.243 and -0.645 respectively for recruitment method and -0.008 and -0.077 for interaction. Moreover, the significance value for both are greater than 0.05 i.e. 0.519 and 0.939 which implies that the moderating effect job position in a relationship among recruitment method and continuance commitment of employees is insignificant at 5% level of significance. Hence, alternative hypothesis 3 (H3) is rejected and null hypothesis is accepted in case of Model-3.

6.4. Analysis of moderating effect of job position in the relationship between recruitment method and normative commitment among employees:

Model-4 is utilized to test the moderating effect where independent variable is recruitment method i.e. recruitment or poaching, dependent variable is normative commitment and moderator is the job position of employees.

Table-9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
4	.163 ^a	.027	.022	1.40127

Table-10: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
4	(Constant)	6.027	.404		14.915	.000
	Recruitment Method	-1.168	.364	-.162	-3.213	.001
	Recruitment Method × Job Position	-.015	.100	-.007	-.149	.882

a. Dependent Variable: Normative Commitment

The analysis of model-4 provides the R-Square equal to 0.027 and adjusted R-Square as 0.022. Moreover, the regression coefficients indicate that beta and T-value are negative for recruitment method i.e. -1.168 and -3.213 respectively. And, significance value for recruitment method is 0.001 which reveals that recruitment method has significant effect over employee’s normative commitment at 5% level of significance. Further, the beta and T-value for interaction between recruitment method and job position are also negative i.e. -0.015 and -0.149 respectively. The significance value for interaction is 0.882 which is insignificant at 5% level of significance this implies that job position do not moderates the relationship between recruitment method and normative commitment among employees. Thus, the alternative hypothesis 4 (H4) is rejected and null hypothesis is accepted in case of model-4.

7. Findings:

- Analysis revealed that the method of recruitment i.e. whether an employee is recruited or poached have insignificant impact at the satisfaction level of IT employees. However, the job position of an employee working in IT companies is significantly moderating the relationship among recruitment method and employee’s job satisfaction.
- The result showed that the way of recruitment especially poaching does not have any significant influence over the affective commitment of employees. Further, job position of the IT professionals is not a moderator in the relationship between recruitment method and affective commitment among employees.
- In case of continuance commitment, recruitment method has no effect on employee’s perception. Moreover, the position at which an employee is working not has any moderating effect between the recruitment method and continuance commitment as variables.
- Recruitment method that is whether an employee is recruited through genuine method or poached from other organisation has a significant impact on normative commitment of employees. However, job position of employee does not play any moderating role in the relationship between recruitment method and normative commitment.

8. Implications for Theory and Practice:

The results of the research can help the HR executives and policy makers to understand the importance of recruitment strategy and approach in the organisation especially the effect of employee poaching. The recruiter and higher management can frame the recruitment strategy and adopt the best method of recruitment that can enhance job satisfaction among employees and organisational commitment. Further, they can also decide that which method is effective to recruit professionals at different level

i.e. senior, middle and junior in organisation. As, these factors are crucial for every organisation because satisfied and committed staff is vital for organisation's growth and success.

9. Conclusion:

The organizations have found many innovative ways to find and sustain talented people in an organisation. Out of which, one strategy cum policy that has gained high level of concern is the poaching strategy, especially in IT and retail sector. According to the results of study, hiring strategy i.e. whether recruitment or poaching plays a vital role in the affective commitment of employee. However, for affective and continuance commitment as well as job satisfaction the way of recruitment does not has significant influence. Moreover, the job position of employee working in IT companies is significantly moderating the relationship among recruitment method and employee's job satisfaction.

10. Limitations and Further Research:

1. In this research, recruitment methods have been divided into two categories i.e. usual internal and external recruitment methods as one category and poaching as second one. Other researches carried out in future can assess the impact of all the methods or any of two on the job satisfaction and employee's commitment.
2. This study has analysed the moderating effect of job position in the relationship between recruitment method as independent variable and job satisfaction as well as employee's commitment as dependent variables. In future, researchers can investigate the role of other factors on job satisfaction and commitment.
3. Instead of job satisfaction and commitment as resulting variables, future researches may concentrate on other pivotal factors such as organisational performance, organisational citizenship behaviour, employee's involvement or attitude towards change.
4. The research is only limited to IT sector in India. In future, the survey can be conducted in other sectors such as financial services, automobile, particular public sector undertakings or the mix of all private sectors or all public sector departments.

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