

Moderating Role of Perception towards Poaching in the Relationship between Way of Recruitment and Employee's Commitment and Satisfaction

Ddr. Ella Mittal *, Harpreet Singh, **

ABSTRACT

This study examined the relationship between the way of recruitment and employee's job satisfaction as well as organizational commitment, and also analyzed the moderating effect of employee's perception towards employee poaching between way of recruitment and job satisfaction as well as employee's commitment in IT sector, India. The study has been based on the major 10 IT companies operating in India with a sample size of 400 IT professionals. It has been found that, the way of recruitment does not have significant effect on IT employee's job satisfaction and organizational commitment; however, perception towards poaching on employees do have significant moderating influence in the relationship between way of recruitment and continuance commitment of employees working in IT sector.

Keywords: *Human Resource Management, Recruitment, Employee Poaching, Job Satisfaction, Organizational Commitment*

Introduction

In this globalized era, emphasis over the organizational efficiency and effectiveness has been increased, in which the human resources of a business entity play a very crucial role. The quantity and quality of human resource have a major impact and decides the competitive ability of the organization. Therefore, recruiters have to make important decisions which include, whom to target, what message to convey and how to staff recruitment efforts. And, understanding the awareness and satisfaction among the staff about the recruitment procedure will help in better planning (Nair Aishwarya, 2011). Thus, human resource management has been emerged as a major field of research, which includes process of hiring skilled

employees and training of existing ones.

Recruitment is the first step in human resource management, which directly effects the growth and development of organizations. It is a kind of image display of the organization, and involves attracting, screening and selecting potential and qualified individuals who might join an organization. Without the right person, at the right position neither a company nor an individual can achieve optimum performance and success. 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 organization; recruitment is one of major human resource management practice these days. Organizations are putting in lots of efforts, time and money for the recruitment and retention of talent with them.

Employee 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 (NASSCOM). Poaching of employees is highly used by telecommunication firms as a strategy for recruiting best employees (Edoho A. A., 2015). In general, employee poaching is the tactic adopted by the firm to sweep away or raid the trained and experienced employees of the competing firms. In could also be defined as the act of luring of the talented staff of the competitor, generally in the same industry, to save the training cost and gaining the competitive advantage.

IT Sector in India:

Information and technology sector consists of two major components, i.e. IT services and Business

*Assistant Professor, Punjabi University, Patiala, ellamittal12@gmail.com

**Research Scholar, Punjabi University, Patiala, harpreetsingh_24@ymail.com

process Outsourcing (BPO). Information Technology industry is among the fastest growing industries in the country and the projects like Digital India, have also assisted in boosting this Industry. The major Information Technology hubs in India are Bangalore- Silicon Valley of India, Hyderabad-Cyberabad, Chennai- IT Infrastructure, Mumbai-Financial Capital, NCR- Delhi, Noida and Gurgaon, Pune- IT Park, Kolkata- Salt Lake and Ahmedabad and Gandhinagar- GIFT City. And, some of the largest IT companies operating in these areas are Tata Consultancy Service, Infosys, Wipro, HCL Technologies, Tech Mahindra, Oracle Financial Services Software, Larsen & Toubro Infotech, Mphasis, Mindtree and Hexaware Technologies.

Review of Literature:

Recruitment is one of the dynamics of manpower systems that can usually be most effectively controlled, always assuming that there is at any time an adequate supply of recruits to a system (Leeson G. W., 1984). Recruitment is considered as most important function of organisation because unless the appropriate people are hired, even the best plans, organisational charts and control systems would not yield favourable outcomes (Deshmukh T. R., 2012). Employees recruited through recruitment agency and internal employee recommendation enables the organisation to recruit committed and productive employees (Oaya Zirra C. T. & Ogbu O. J., 2017).

Recruitment and selection strategies have a substantial impact on performance when indicators are more business flow oriented like deposits and advances in banking sector. However, there is no impact on profitability, soundness and efficiency indicators (Arya Ashish, 2017). E-recruitment leads to cost reduction and efficiency gain, improved service to clients, enhance global orientation and also allows recruiters to spend more time on value added tasks, such as communication and employer branding (Holm Anna B., 2012).

There is a relationship between human resource processes viz. manpower planning, job information and job selection with job discontent and job pleasure (Jha Sumi & Bhattacharyya S. S., 2012). The

companies use sources of recruitment like reference and consultancies to lower the cost and improve employee retention and motivation. Better recruitment and selection strategies result into improved organizational outcomes. As, the more effective is recruitment and selection of candidates, the more likely, they are to hire and retain satisfied employees (Gugesh J. N. & Rani S. S., 2013).

Shifting to a more financially tempting job through employee poaching gives the risk of having an image of disloyal and lack of professionalism for employee (Nimisha M.N., 2019). There is a negative correlation between employee poaching and human capital development. Moreover, employee poaching practices and philosophies are opposed to the ideals and requirements of succession management and non-material aspects of organizational culture such as value, vision and philosophy that may have to bear considerable harm by the practice of employee poaching especially in long run (Okafor Lawrence Chima, 2016).

The companies who engaged in poaching are competitive, but, were perceived negatively, than the companies that do not poach (Kumar S., Savani K., et. al., 2015). There is no negative and significant relationship between turnover and CVT spending. The poaching problem may not necessarily become manifested from the relationship between turnover and training. And, the payback clause goes along with higher employer-spending on CVT (Mueller Normann, 2014).

Objectives of the Study:

1. To examine the relationship between the way of recruitment and employee's organizational commitment as well as job satisfaction.
2. To know the influence of employee's perception towards poaching over their organizational commitment and job satisfaction.
3. To determine the moderating effect of perception towards employee poaching in the relationship between way of recruitment and employee's organizational commitment as well as job satisfaction.

Research Methodology:

The study covers the major IT companies operating in India. The perception of employees towards poaching has been considered along with their organizational commitment and job satisfaction.

Collection of Data:

The sample frame for the study is the 10 largest IT companies operating in India. The sample size of the employees as the respondents for research is 400, which are selected by utilizing the purposive sampling method. And, equal number of respondents

is selected from each organization i.e. 40 each. The study is based on primary data that has been collected through a questionnaire from the employees of selected companies in India i.e. Tata Consultancy Service, Infosys, Wipro, HCL Technologies, Tech Mahindra, Oracle Financial Services Software, Larsen & Toubro Infotech, Mphasis, Mindtree and Hexaware Technologies.

Measurement Instruments:

To determine the adequacy and sphericity of sample, the Kaiser-Meyer-Olkin's measure and Bartlett's test values have been calculated.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.734	
Bartlett's Test of Sphericity	Approx. Chi-Square	514.924
	Df	6
	Sig.	0.0000

The Kaiser-Meyer-Olkin value greater than 0.7 implies that, the sample selected for the research is adequate. And, the Bartlett's test significance value i.e. 0.000 means that, the factors forming the

variables are adequate and enough satisfactory. The internal consistency of the scales used for the study has been ensured by calculating the Cronbach's Alpha both for the whole and individual items.

Reliability Statistics for Commitment Scale	
Cronbach's Alpha	No. of Items
0.907	14

Based on the reliability analysis, only the positive statements of Natalie Allen and John Meyer's scale for measuring employee's commitment, which do not require reverse scoring have been used, The

reliability coefficient greater than 0.7 is in acceptable limits which shows that, the scale used for measuring organisational commitment of employees is reliable or internally consistent.

Table 3
Item Wise Statistics for Commitment Scale

S.No.	Statements	Factor Loadings	Cronbach's Alpha if Item Deleted
Affective Commitment			
1	I would be very happy to spend the rest of my career with this organization.	0.843	0.899
2	I enjoy discussing my organization with people outside it.	0.757	0.902
3	I really feel as if this organization's problems are my own.	0.795	0.9
4	This organization has a great deal of personal meaning for me.	0.818	0.9

Continuance Commitment			
1	It would be very hard for me to leave my organization right now, even if I wanted to.	0.809	0.899
2	Too much in my life would be disrupted if I decided I wanted to leave my organization now.	0.846	0.897
3	Right now, staying with my organization is a matter of necessity as much as desire.	0.741	0.901
4	One of the few serious consequences of leaving this organization would be the scarcity of available alternatives.	0.782	0.901
5	One of the major reasons I continue to work for this organization is that leaving would require considerable personal sacrifice—another organization may not match the overall benefits I have.	0.785	0.901
Normative Commitment			
1	I think that people these days move from company to company too often.	0.776	0.904
2	One of the major reasons I continue to work for this organization is that I believe that loyalty is important and therefore feel a sense of moral obligation to remain.	0.841	0.898
3	If I got another offer for a better job elsewhere I would not feel it was right to leave my organization.	0.743	0.9
4	I was taught to believe in the value of remaining loyal to one organization.	0.863	0.899
5	Things were better in the days when people stayed with one organization for most of their careers.	0.764	0.898

Table 4
Reliability Statistics for Job Satisfaction Scale

Cronbach's Alpha	No. of Items
0.897	10

The Cronbach's Alpha (reliability coefficient) 0.897 (greater than 0.7) for Scott Macdonald and Peter MacIntyre's job satisfaction scale indicates that, the

measuring instrument is enough reliable and internally consistent.

Table 5
Item Wise Statistics for Job Satisfaction Scale

S.No.	Statement	Factor Loadings	Cronbach's Alpha if Item Deleted
1	I receive recognition for a job well done	0.762	0.892
2	I feel close to the people at work	0.774	0.893
3	I feel good about working at this company	0.748	0.886
4	I feel secure about my job	0.794	0.895
5	I believe management is concerned about me	0.825	0.878
6	I believe work is good for my physical health	0.806	0.888

7	My pay scale is good	0.774	0.891
8	All my talent and skills are used at work	0.872	0.881
9	I get along with my supervisors	0.821	0.887
10	I feel good about my job	0.818	0.881

Data Analysis and Discussions:

Correlation Matrix for Way of Recruitment, Job Satisfaction, Affective Commitment, Continuance Commitment and Normative Commitment among Employees

		Correlations			
		Job Satisfaction	Affective Commitment	Continuance Commitment	Normative Commitment
Way of Recruitment	Pearson Correlation	0.011	0.002	-0.061	0.015
	Sig. (2-tailed)	0.821	0.963	0.225	0.767
	N	400	400	400	400
	Pearson Correlation	1	.521 **	.270 **	.341 **
	Sig. (2-tailed)		0	0	0
Job Satisfaction	N	400	400	400	400
	Pearson Correlation	.521 **	1	.555 **	.614 **
	Sig. (2-tailed)	0		0	0
Affective Commitment	N	400	400	400	400
	Pearson Correlation	.270 **	.555 **	1	.576 **
	Sig. (2-tailed)	0	0		0
Continuance Commitment	N	400	400	400	400
	Pearson Correlation	.341 **	.614 **	.576 **	1
	Sig. (2-tailed)	0	0	0	
Normative Commitment	N	400	400	400	400
	**. Correlation is significant at the 0.01 level (2-tailed).				

The significance values of Pearson correlation are 0.821, 0.963, 0.225 and 0.767 for job satisfaction, affective commitment, continuance commitment and normative commitment, respectively. It implies that, the way of recruitment does not have significant correlation with job satisfaction, affective commitment, continuance commitment and normative commitment.

Moderating Effect of Perception towards Poaching in the Relationship between Way of Recruitment and Job Satisfaction of Employees.

Model 1 is used to explain the relationship, where way of recruitment is independent variable, job satisfaction is dependent variable and perception towards poaching is moderator.

Table 7
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.039 ^a	0.002	-0.003	0.71575

Table 8
Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.737	0.066		56.32	0.000
	Way of Recruitment	0.021	0.027	0.07	0.755	0.451
	Way of Recruitment *					
	Perception towards Poaching	-0.009	0.012	-0.07	-0.752	0.453

a. Dependent Variable: Job Satisfaction

The regression coefficients show that both the beta coefficient and T value are negative i.e. -0.009 and -0.752 for the interaction between way of recruitment and perception towards employee poaching. Further, the significance value for interaction i.e. 0.453 is greater than 0.05, which implies that the moderating variable i.e. perception towards employee poaching do not has significant effect in the relationship between way of recruitment and job satisfaction. Similarly, the significance value i.e. 0.451 for way of recruitment is also insignificant at 5% level of significance.

Moderating Effect of Perception towards Poaching in the Relationship between Way of Recruitment and Affective Commitment of Employees.

Model 2 indicates the relationship between way of recruitment as an independent variable and affective commitment among employees as dependent variable, where moderator is perception of employees towards poaching.

Table 9
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
2	.005 ^a	0	-0.005	1.45158

Table 10
Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
2	(Constant)	4.809	0.135	
	Way of Recruitment	0.005	0.055	0.008
	Way of Recruitment *			
	Perception towards Poaching	-0.002	0.024	-0.007

a. Dependent Variable: Affective Commitment

Table shows the model summary, where R Square is 0.000 and Adjusted R Square is -0.005. Further, beta coefficient and T value of regression coefficients are negative i.e. -0.002 and -0.077, respectively. The significance value for the interaction between way of recruitment and perception towards employee poaching is 0.939 (greater than 0.05), which reveals that the perception towards poaching do not have significant moderating effect between way of recruitment and affective commitment of employees. And, significance value for way of recruitment (0.928) is also insignificant at 5% level of

significance.

Moderating Effect of Perception towards Poaching in the Relationship between Way of Recruitment and Continuance Commitment of Employees

Model 3 explains the relationship between way of recruitment as an independent variable and continuance commitment of employees as dependent variable, where moderator is perception towards employee poaching.

**Table 11
Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
3	.116 ^a	0.013	0.008	1.44369

**Table 12
Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	4.593	0.134		34.325	0
Way of Recruitment	0.055	0.055	0.093	1.001	0.317
3 Way of Recruitment * Perception towards Poaching	-0.048	0.024	-0.182	-1.971	0.049

a. Dependent Variable: Continuance Commitment

The beta coefficient and T value are negative i.e. -0.048 and -1.971, respectively for the interaction of way of recruitment and perception towards poaching. The significance value for the interaction between way of recruitment and perception towards poaching is 0.049 (less than 0.05), which implies that the perception towards poaching significantly moderates the relationship between way of recruitment and continuance commitment of employees. However, the significance value for way of recruitment (0.317) is insignificant at 5% level of significance.

Moderating Effect of Perception towards Poaching in the Relationship between Way of Recruitment and Normative Commitment of Employees

Model 4 implies the relationship between way of recruitment (independent variable) and normative commitment of employees (dependent variable), and perception towards employee poaching as a moderator.

**Table 13
Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
4	.017 ^a	0	-0.005	1.42015

Table shows the regression coefficients, where beta coefficient and T value is positive i.e. 0.004 and 0.147, respectively. The significant value for interaction between way of recruitment and perception towards employee poaching is 0.883 (greater than 0.05), which indicates that the perception towards poaching do not have significant moderating influence between way of recruitment and normative commitment of employees. Moreover, significance value for way of recruitment (0.972) is also insignificant at 5% level of significance.

Findings:

- The results indicate that the way of recruitment does not have significant effect on the level of job satisfaction of employees working in IT sector. Moreover, perception of employees towards poaching does not significantly moderates the relationship between way of recruitment and job satisfaction among employees.
- The analysis also revealed that, the way of recruitment does not have significant impact on affective commitment of employees in IT companies. And, the perception of employees towards poaching does not moderates the relationship between way of recruitment and affective commitment among employees, significantly.
- In the same way, the way of recruitment does not have much influence over the continuance commitment of employees working in IT sector. However, the relationship between way of recruitment and continuance commitment of employees is significantly moderated by employee's perception towards poaching.
- The way of recruitment does not affect the level of normative commitment among IT employees, significantly. As well as, the employee's perception towards poaching does not have significant moderating impact in the relationship between way of recruitment and normative commitment of employees.

Conclusion:

It has become very difficult to find and sustain

talented people in an organization; recruitment is one of major human resource management practice these days. Organizations are putting in lots of efforts, time and money for the recruitment and retention of talent with them. There is a relationship between human resource processes viz. manpower planning, job information and job selection with job discontent and job pleasure. And, this study shows that, the perception of employees towards poaching of employees have a significant moderating effect in a relationship between way of recruitment and continuous commitment among employees. However, the way of recruitment does not have much effect on employee's job satisfaction, affective commitment, continuance commitment and normative commitment.

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