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Perception of Fairness in Selection with Resepct to it Industry in Chennai

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Abstract: The aim of this research article is to evaluate the perception of employees with respect to the selection process in IT Industry in Chennai. This is an descriptive research is based mainly on primary data collected through questionnaire. The questionnaire has been personally administered on a sample size of 420 chosen from ten top rated IT firms in Chennai. The results indicate that applicants' reactions to selection procedure in terms of the satisfaction is highest with respect two way communication is highest with respect to feedback, With respect to equal opportunity to perform it is feedback. The results indicate that fairness in selection depends on both two way communication and equal opportunity to perform.

Key Words: Selection process, Applicants' reaction, two-way communication, equal opportunity to perform, fairness in selection

1. INTRODUCTION

People are the most important asset of any organisation, and the success of that organisation depends on having people with the right skills and abilities. To make sure that the right people are recruited in the first place, a fair, structured and professional selection procedure must be used. Effective recruitment and selection are critical to a firm's success in the sense that they are required to ensure that firms have employees who give their best at work. It can also be taken that such high performing would also be satisfied with their jobs, which again works in the interest of the firm. On the contrary, poor recruitment and selection could result in a mismatch between the employee and firm leading to negative consequences for a firm in many ways. An employee who is a misfit and not in line with the firm's goals and expectations could cause huge damage with respect to production, customer satisfaction, lead to strained relationship with suppliers and badly pull down the overall quality of work. Poor selection process could thus ultimately result in increased attrition, increased costs for the firm, lowering of morale of employees and reduction of legal claims against the firm at large.

2. LITERATURE REVIEW

Applicant reactions have been empirically linked to organizational attractiveness, intentions to recommend the employer, and intentions to accept offers (Haus-knecht *et al.,* 2004). Building upon his earlier work (Schuler & Stehle, 1983), Schuler (1993) proposed a social validity model which posited that applicant reactions to selection methods are the result of interaction of four interrelated factors such as information received about the job and the organization, participation of applicants in the process, transparency with respect to the method of selection and last but not the least content and communication of feedback provided. Anderson et al. (2001) offered an explanatory frame work based on a literature review of applicant reactions and decision making, attribution theory, and organizational justice. They have demonstrated that the methods which are considered to be the best by applicants are ones which are perceived by the applicants to be relevant to the job, less personalised, highly consistent with the applicants expectations with respect to justice, and selection process which provides scope for one to one interaction with the selectors.

Gilliland (1993) in uses a justice perspective in the selection process adopted by a firm and his model is developed on the basis of distributive and procedural justice which relates to the applicants perception about the fairness of end result of the selection process and the selection procedure used by a firm to evaluate the out-comes of both distributive justice and procedural justice. Distributive justice refers to a firm ensuring that it hires best qualified applicants. On the other hand procedural justice refers to a firm ensuring that its selection procedures and process are perceived to be fair involving face to face interaction between applicants and members of the firm during the selection process.

MODEL USED IN THE RESEARCH

Gilliland's (1993) "Applicants Reactions Model" which relates to applicants' reaction to the selection process has been used as the basic framework for this research. Gilliland has included ten procedural justice constructs in his "Applicants Reactions Model." He is of the opinion that only if applicants are satisfied with all the ten justice constructs would he or she have a positive opinion with respect to the overall fairness of the selection process of a firm. Any deviation from this procedural justice constructs or requirements would make the applicant perceive the selection process as unfair. The ten justice constructs included in Gilliland's model are job relatedness, opportunity to perform, reconsideration opportunity, consistency of administration, feedback, justification for the decision, honesty, interpersonal effectiveness, two way communication, and propriety of questions, This research considers only five constructs to determine the applicants' perception about the fairness of selection process employed by the chosen IT firms. They constructs considered are job relatedness, consistency of administration, feedback, interpersonal treatment and provision of information.

3. RESEARCH OBJECTIVES

- To map the applicants' reactions to selection procedure in terms of the satisfaction and/or violation of the 5 procedural justice rules namely job relatedness, consistency of administration, feedback, interpersonal treatment and provision of information.

4. RESEARCH DESIGN

4.1. Sample Selection

The main objective of this research is to map the applicants' reactions to selection procedure in terms of the satisfaction and/or violation of the 5 procedural justice rules namely, job relatedness, consistency of administration, feedback, interpersonal treatment and provision of information which in turn influence their perception about the fairness of the selection process. Therefore, the sample for this research was selected from the ten top rated IT firms operating in Chennai. It was ensured that all the 420 were employees who had recently undergone the selection process in their respective firms.

4.2. Reliability and Validity

According to Hair *et al.* (2007) validity refers to the degree to which a measure accurately represents what it is supposed to". A In other words validity could be taken as how accurately a concept is defined by the measures. However it should be remembered that there are three types of validity as given by Fujun *et al.* (2007) which are content validity, predictive validity, and construct validity. In the word of Duggirala *et al.* (2008) content validity refers to the assessment of the correlation between the individual items and concept. Malhotra (2010) has defined as content validity as face validity.

Reliability is different from validity as it refers in the sense that it does not concentrate on what is to be measured should be measured, but on how it is to be measured. Several measures have been used by researchers to establish the reliability of the instrument. In this attempt has been made to check the internal reliability in line with rational given by Hair *et al.* (2007). Hence it is necessary to ensure that the internal consistency of the individual items included in the scale measure the same construct and thus aree highly inter-correlated.

A Cronbach's alpha of 0.70 as pointed out by Fujun *et al.* (2007) would indicate that all attributes included for the research are internally consistent. Since the Cronbach's alpha for this research is 0.7943 it can be taken that the attributes are reliable.

4.3. Confirmatory Factor Analysis

Confirmatory Factor Analysis (CFA) helps in analysing the nature of and relationship among the latent constructs used in any research. It explicitly tests a priori hypotheses about relations between observed variables and latent variables or factors.

The data collected was analysed using SPSS. The researcher next checked the data for incorrect entries and missing data which was then uploaded onto AMOS 18 to carry on with further with the analysis required.

4.4. Data Collection

Data was gathered from IT professionals in Chennai with the help of a non- standardised questionnaire. The questionnaire contained two parts. The first part included the demographics of the sample and the latter part dealt with the constructs identified for the research.

4.5. Structural Equation Modelling (SEM): Model Fit Assessment

The structural equation model (SEM) is a useful tool which help in assessing the casual relationship between variables as well as verifying the compatibility of the model used (Peter,2011). It also helps in analysing whether the data fit a theoretical model. In order to evaluate the model, Chi-square, P Value, CFI, GFI, AGFI, and RMSEA were calculated to evaluate the model. Common model-fit measures like Chi-Square, the comparative fit index (CFI), root mean square error of approximation (RMSEA), the table given below depicts the estimates of the model fit indices from AMOS structural modelling

The constructs used in the Structural Equation Model are

I. Observed, Endogenous Variables

1. Two Way Communication
2. Equal Opportunity to Perform
3. Fairness in Selection

II. Unobserved, exogenous variables

1. Job Relatedness
2. Consistency of Administration
3. Interpersonal Treatment
4. Provision of Information
5. Feedback

III. Unobserved, exogenous variables

1. e1: Error term in Two Way Communication
2. e2: Error term in Equal Opportunity to Perform
3. e3: Error term in Fairness in Selection

Hence number of variable in the SEM is

Number of variables in your model:	11
Number of observed variables:	8
Number of unobserved variables:	3
Number of exogenous variables:	8
Number of endogenous variables:	3

The coefficient of Job Relatedness which is 0.217 represents the partial effect of Job Relatedness on Two Way Communication, holding the other variables as constant. The estimated positive sign implies that such effect is positive such that Two Way Communication would increase by 0.217 for every unit increase in Job Relatedness and this coefficient value is significant at 1% level.

The coefficient of Consistency of Administration which is 0.232 represents the partial effect of Consistency of Administration on Two Way Communication, holding the other variables as constant. The estimated positive sign implies that such effect is positive such that Two Way Communication would

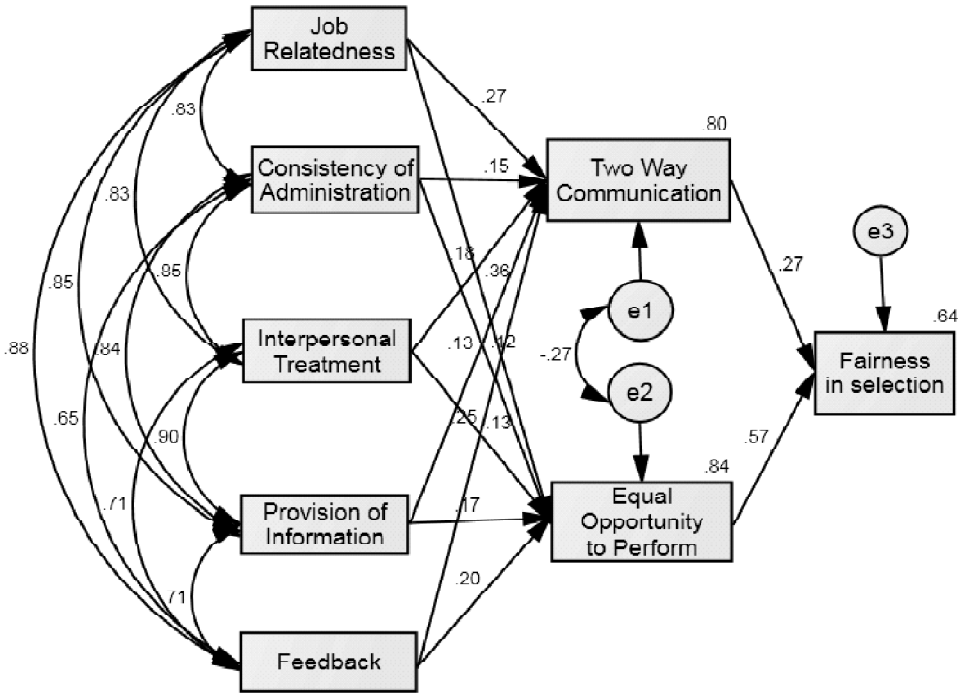

Figure 1: Structural Equation Model

Table 1
Constructs used in the Structural Equation Model Analysis

Variables			*Un Standard-ised Coefficient*	*S.E*	*Standar-dised Coeffi-cient*	*t value*	*P Value*
Two Way Communication	<—-	Job Relatedness	.217	.055	.273	3.961	<.000***
Two Way Communication	<—-	Consistency of Administration	.232	.076	.147	3.048	.002**
Two Way Communication	<—-	Interpersonal Treatment	.267	.085	.178	3.131	.002**
Two Way Communication	<—-	Provision of Information	.077	.035	.126	2.179	.029**
Two Way Communication	<—-	Feedback	.626	.120	.249	5.228	<.000***
Equal Opportunity to Perform	<—-	Job Relatedness	.092	.016	.364	5.934	<.000***
Equal Opportunity to Perform	<—-	Consistency of Administration	.063	.022	.124	2.895	.004**
Equal Opportunity to Perform	<—-	Interpersonal Treatment	.062	.024	.131	2.579	.010**
Equal Opportunity to Perform	<—-	Provision of Information	.033	.010	.166	3.237	.001**
Equal Opportunity to Perform	<—-	Feedback	.163	.034	.203	4.798	<.000***
Fairness in Selection	<—-	Two Way Communication	.242	.041	.272	5.843	<.000***
Fairness in Selection	<—-	Equal Opportunity to Perform	1.588	.130	.569	12.245	<.000***

Note: ** denotes significant at 1% level

increase by 0.232 for every unit increase in Consistency of Administration and this coefficient value is significant at 1% level.

The coefficient of Interpersonal Treatment which is 0.267 represents the partial effect of Interpersonal Treatment on Two Way Communication, holding the other variables as constant. The estimated positive sign implies that such effect is positive such that Two Way Communication would increase by 0.267 for every unit increase in Interpersonal Treatment and this coefficient value is significant at 1% level.

The coefficient of Provision of Information which is 0.077 represents the partial effect of Provision of Information on Two Way Communication, holding the other variables as constant. The estimated positive sign implies that such effect is positive such that Two Way Communication would increase by 0.077 for every unit increase in Provision of Information and this coefficient value is significant at 1% level.

The coefficient of Feedback which is 0.626 represents the partial effect of Feedback on Two Way Communication, holding the other variables as constant. The estimated positive sign implies that such effect is positive such that Two Way Communication would increase by 0.626 for every unit increase in Feedback and this coefficient value is significant at 1% level.

The coefficient of Job Relatedness which is 0.092 represents the partial effect of Job Relatedness on Equal Opportunity to Perform, holding the other variables as constant. The estimated positive sign implies that such effect is positive such that Equal Opportunity to Perform would increase by 0.092 for every unit increase in Job Relatedness and this coefficient value is significant at 1% level.

The coefficient of Consistency of Administration which is 0.063 represents the partial effect of Consistency of Administration on Equal Opportunity to Perform, holding the other variables as constant. The estimated positive sign implies that such effect is positive such that Equal Opportunity to Perform would increase by 0.063 for every unit increase in Consistency of Administration and this coefficient value is significant at 1% level.

The coefficient of Interpersonal Treatment which is 0.062 represents the partial effect of Interpersonal Treatment on Equal Opportunity to Perform, holding the other variables as constant. The estimated positive sign implies that such effect is positive such that Equal Opportunity to Perform would increase by 0.062 for every unit increase in Interpersonal Treatment and this coefficient value is significant at 1% level.

The coefficient of Provision of Information which is 0.033 represents the partial effect of Provision of Information on Equal Opportunity to Perform, holding the other variables as constant. The estimated positive sign implies that such effect is positive such that Equal Opportunity to Perform would increase by 0.033 for every unit increase in Provision of Information and this coefficient value is significant at 1% level.

The coefficient of Feedback which is 0.163 represents the partial effect of Feedbackon Equal Opportunity to Perform, holding the other variables as constant. The estimated positive sign implies that such effect is positive such that Equal Opportunity to Perform would increase by 0.163 for every unit increase in Feedback and this coefficient value is significant at 1% level.

The coefficient of Two Way Communication which is 0.242 represents the partial effect of Two Way Communication on Fairness in Selection, holding the other variables as constant. The estimated positive

sign implies that such effect is positive such that Fairness in Selection would increase by 0.242 for every unit increase in Two Way Communication and this coefficient value is significant at 1% level.

The coefficient of Equal Opportunity to Perform which is 1.588 represents the partial effect of Equal Opportunity to Perform on Fairness in Selection, holding the other variables as constant. The estimated positive sign implies that such effect is positive such that Fairness in Selection would increase by 1.588 for every unit increase in Equal Opportunity to Perform and this coefficient value is significant at 1% level.

Table 2
Model fit summary of Structural Equation Model

Indices	*Value*	*Suggested value*
Chi-square value	10.528	-
P value	0.062	>0.05 (Hair *et al.,* 1998)
GFI	0.978	>0.90 (Hu and Bentler, 1999)
AGFI	0.924	>0.90 (Hair *et al.* 2006)
CFI	0.936	> 0.90 (Daire *et al.,* 2008)
RMR	0.076	< 0.08 (Hair *et al.* 2006)
RMSEA	0.069	< 0.08 (Hair *et al.* 2006)

From the above table it is found that the calculated P value is 0.062 which is greater than 0.05 which indicates perfectly fit. Here GFI (Goodness of Fit Index) value and AGFI (Adjusted Goodness of Fit Index) value is greater than 0.90 which represent it is a good fit. The calculated CFI (Comparative Fit Index) value is 0.936 which means that it is a perfect fit and also it is found that RMR (Root Mean Square Residuals) is 0.076 and RMSEA (Root Mean Square Error of Approximation) value is 0.069 which is less than 0.08 which indicates it is perfect fit.

6. CONCLUSION

This research aimed at undertaking an empirical analysis of the constructs influencing applicants" perception about fairness in selection process as adopted by IT firms in Chennai with the help of structural equation modelling. The research has confirmed the relationship between constructs influencing applicants' perception about fairness in selection process in the context of two way communication and provision of equal opportunity to perform.

Based on the viability and statistical significance of the constructs and the relative good fit of the model (CFI, GFI, AGFI, RMSEA), it is concluded that the three factor model shown in figure 1 represents an adequate description of fairness in selection process of IT firms and these are within the acceptability of structural model.

It is hoped that this research would serve to be useful to IT firms to ascertain the importance given by applicants to the various constructs of the selection process.

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