



## A Study of Employee Involvement and Commonly Followed Practices in the IT Sector in India

Sonali Vaghani

Symbiosis Center for Management Studies, Affiliated to Symbiosis International University, INDIA

### ABSTRACT

Employee involvement means that every employee is regarded as a unique human being, not just a cog in a machine. It is when employees are involved in helping the organization meet its goals in a positive work environment that is highly based on trust, collaborative teamwork and the employees, being the organization's most valuable assets are solicited by his/her management. It is important to study the attrition rate in the IT sector as India houses a large number of them. Voluntary turnover has reached an alarming state. Attrition affects the organization on the whole as every employee handles a different set of tasks. Research has shown that employee involvement practices in an organization can help to curb the problem of attrition. In this study the researcher has adopted a qualitative method of studying existing literature from sources such as JStor, Ebsco host, Emerald, etc to understand the various practices adopted by IT industries for encouraging employee involvement in the IT sector. Information technology is one of the most developing sectors in India and has seen success for itself in the global market by building valuable brand equity. It emerged under hostile Government policies and local markets were absent. The first firm was set up in 1947. The study will help to identify commonly followed practices which can then be applied to different other sectors.

**Keywords--** Attrition, Employee involvement, IT Sector

such as money, effort and time on its employees. In return, the organization expects elevated levels of production, efficiency and quality output from the employees. For this, it is necessary to keep employees motivated in order to improve their job performance levels. This will in turn help to increase the output of an organization. However, in recent times, employee demotivation and attrition is a painful and serious issue that organizations are facing. (Atanu Adhikari, 2009). Employee Involvement includes bringing in such policies and methods for retaining the employees in the organization, which means being able to showcase leadership qualities while managing the set of employees, to motivate them to achieve goals for the organization.

### 1.1 Theories of employee involvement

Speaking about theories of employee involvement, we must look into why employees come to work everyday, or what drives them to continue working at the workplace. Do they come for the monetary benefits or do they actually derive satisfaction from their jobs? In the IT industry, it's almost impossible that the manager can retain the employees if provided a mundane work environment.

Even today, the 'Theory X' and 'Theory Y', developed by Douglas Mc Gregors in the 1960's, which speaks about motivation and management, is valid to understand attrition and it's causes in the workplace.

According to this theory, the manager's perspective of what motivates the employee, shapes his management style. Theory X speaks about authoritarian style of management and on the other hand, Theory Y is about participative management.

Authoritarian style of management is adopted when the manager feels that the employees need to be supervised at every step or perhaps dislike their work and have only little motivation therefore they tend to avoid responsibility and are required to be provided direction. Employees are given rewards and performance appraisals based on tangible results, which keeps a 'tab' on their

## I. INTRODUCTION

Human Resources Management (HRM) is an important function of the organization that helps to add to the success of an organizations performance. The HR practices that are adopted by the management affect an employees' attitude and behavior towards the organization. (Tandung, J. C., 2016). Employees are an important asset of an organization. Every employee is employed because they are required in the organization. If one employee goes, it means a loss to the organization – after all, why would anyone recruit an 'extra' employee. An organization invests a large amount of its resources

work. Delegation of authority is seldom delegated and the control is centralized. Therefore, in the IT industry, where there are numerous millennial's or white collared employees, a style of management such as this, is probably out-dated. However, large organizations may find it unavoidable due to the huge number of people they have to employ.

On the flip side, participative management takes place when the managers feel the need to involve even the lower level employees, at every stage of decision making. Their outlook is positive and they encourage a trust-based relation between the supervisors and the workers. In comparison to the previous theory, appraisals are more regular and are used to initiate open and free communication. Whilst the prediction of the future workforce being comprised of 75% of millennial's remains, Theory Y should play an important role in controlling the attrition rate in the IT sector. The increasing desires of employees for meaningful careers, for more than just money along with psychological satisfaction is reflected in this style of management.

Another theory, known as the two-factor theory was developed in 1959, by Frederick Herzberg which spoke about factors that caused satisfaction to employees and factors that caused dissatisfaction. The factors were classified into two categories, Hygiene and Motivational factors.

The hygiene factors are those, if avoided leads to dissatisfaction of employees but there is no direct relation to the satisfaction gained by them. On the other hand, the motivational factors which includes psychological needs such as recognition, involvement and meaningfulness to work, is what motivates employees and increases satisfaction. The employees should be given adequate growth and advancement opportunities that induce them to perform well. Alternatively, the hygiene factors include factors extrinsic to work such as fringe benefits, job security, status quo, pay and compensation policies.

With respect to the IT sector therefore, one can conclude that Theory Y (participative management) from McGregor's theory and Motivational Factors from Herzberg's two factor theory, are ideal forms of management and motivation respectively that must prevail today.

### **1.2 Objectives of the study**

The study is based on the following objectives

1. To understand the concept of employee involvement
2. To identify employee involvement practices followed in the IT sector

## **II. LITERATURE REVIEW**

### **2.1 Attrition**

Attrition refers to the movement of workers/employees out of the organization. It is commonly referred to as the churn rate – a term used by HR

Professionals. Attrition is the reduction or decrease in the size of the work force. Attrition rate represents the number of employees that leave an organization over a particular time frame. It is an important determining factor to measure organizational effectiveness (Park et al. 1996). In today's competitive environment employees are provided with the most attractive salaries, social security and welfare facilities. However, in spite of these benefits employees have the tendency to quit their jobs. (Pandey, N., & Kaur, G., 2011). There is a need to understand the reasons for attrition. For the past century, worker attrition has been an area of keen interest for both managers and researchers. (Lambert, E. G., Hogan, N. L., & Barton, S. M., 2001) Nowadays, money is not the only thing that drives employees to remain in a company – skill sets and job satisfaction also equates to some of the major factors. There may be other reasons like death, retirement or resignation. An employee may leave for personal as well as professional reasons like getting a higher salary elsewhere, retiring for family needs, higher studies etc. It is also noted that the turnover rate has increased and it is not so common to see employees grow with their employment life; rather we have employees changing jobs every few years. They demand a work-life balance. The attrition costs for the organizations are high and it can even affect the financial position of the respective companies.

### **2.2 Employee Involvement**

From work by Tannenbaum and Schmidt (1958) and Sadler & Hofstede (1976), we can say that they provide a continuum for leadership and involvement that includes an increasing role for employees and a decreasing role for supervisors in the decision process. Employee involvement has been linked to many different management concepts and behaviors, such as, management styles, total quality management, employee empowerment, job satisfaction, and job performance. Cohen's (1999) research argued employee involvement as an antecedent to organizational commitment. It goes without saying that employees with high level of involvement are expected to work harder than those with low level of involvement. Employee with high level of involvement could be described as one whose job is the center of his/her life. As such, many theorists have hypothesized that an employee with high level of involvement will put forth substantial effort towards the achievement of organizational objectives and be less likely to turnover (Kahn, 1990; Lawler, 1986).

Mahfuz Judeh (2009) noted that the results of Blau's (1986) study indicated that interactions between employee involvement and organizational commitment were significant predictors for unjustified lateness and absence. Organizations often rely on teamwork for continuous improvement of their products and services, and also of all other organizational functions. For example, some estimates claim 80% of companies with 100 or more employees rely on teams and groups for their everyday

work (Cohen & Bailey, 1997). All of this is prevalent even today, with the growing amount of competition among companies in the IT sector. The IT sector is one of the largest of the industries in India and every company sees its competitor company as a threat. Employee involvement is the key to achieve goals of the individuals and the organization that they belong to. Especially in the IT Sector, where employees are tied up with work for hours and work for long hours in a day. Today employee involvement is about mixing with different cultures and knowing how to communicate effectively to sustain employee development. The IT sector in India is seeing rapid growth and there is no single option for employee involvement.

It includes suggestion systems, quality groups, surveys, self-directed work groups, incentive programs and more.

The following are essential to be kept in mind while forming strategies:

- Training employees and giving employees the responsibility
- Communicating and giving feedback
- Giving rewards and recognition
- Showing concern towards their work-life balance

### III. RESEARCH METHODOLOGY

The study is a qualitative study based on data collected from secondary sources such as Ebsco, Emerald, Scopus, Jstor, Thomson Reuters and Google Scholar. Information has also been gathered from books, articles that aid the study of sustainable development. Researcher also looked at articles published by companies to understand their HR practices.

### IV. FINDINGS

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Something Intel does is calculating each employee's annual bonus according to sustainability results. By

challenging all departments to improve their processes and products with sustainability in mind, Intel celebrates the diversity of its professionals while increasing accountability for multiple dimensions of value creation and impact.

This could be termed as making it strategic.

Another example is of Google - a company already known for employee perks like free laundry and locally sourced meals—educates associates about the impact of simple actions like turning off their computers at night. Micro-kitchens built throughout the workplace are designed to encourage the use of reusable dishes and flatware. Employees may also leave their dirty/used dishes in the sink.

At SAP, communication is core to the culture. Employees understand the “why” behind their jobs – what they’re expected to achieve and why it’s important to the greater good of the organization. Leaders listen to employee feedback and encourage it. They commit to open and honest communication.

Some of the oldest employee engagement programmes at Tata Consultancy Services (TCS) are Maitree (which means friendship) and Proactive Employee Engagement Programme (PEEP) launched in the early 2000s. Maitree had started to support the spouses of the TCS employees who often had to settle in other countries outside India in a totally new environment and culture.

Wipro firmly believes that one cannot build a great business without nurturing talent from within. They partner with employees and provide them with opportunities to realize their full potential. Grow Careers, over the past 2 years, is an initiative they have given special focus on, which supports career growth of employees through awareness, enablement, rewards and global exposure.

### V. CONCLUSION

Strategies adopted at organisations are multiple. Business needs to know the growth strategy in different countries. The effect of employee involvement is on culture, talent and revenue of an organisation. It can make or break the brand image of an organisation. Any company needs to have the right people in the company. (Panackal, N & Singh, A, 2016). Companies ensure that they choose people with passion; people who have failed before, but have learnt from their failures; people who have ambitions; people with both tangible and intangible results in life.

Companies around the country have made employee involvement a top priority, and therefore, such activities are marked by a relatively high degree of sophistication. In conclusion, let us add that employee involvement is not only the HR processes and activities, but it is also a way of thinking and decision making, in which the holistic and integrated approaches are used in order to gain a real

competitive advantage for an organization and its employees.

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