Imperativeness of employee participation in it industry: A conceptual model development

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ABSTRACT: *Employee participation is always very imperative for the organization to the success in order to mitigate resistance, adopt change management, reducing supervision and attaining organisational effectiveness. Organisational culture and climate are basically nurtured by employee participation in decision making, job programs, industrial democracy, corporate participation, schemes, industrial relations, democracy, organisational wellness, employee commitment, employee citizenship, higher productivity and effective performance appraisal system. In this study an attempt was made to understand the imperativeness of employee participation in IT industry by tracing, exploring and developing conceptual model.*

Key Words: *Employee Participation, Organisational Culture, Organisational Climate, Conceptual Model*

1.   Introduction

Employee participation is always very imperative for the organisation success in order to mitigate resistance, adopt change management, reducing supervision and attaining organisational effectiveness. Organisational culture and climate are basically nurtured by employee participation in decision making, job programs, industrial democracy, corporate participation, schemes, industrial relations, democracy, organisational wellness, employee commitment, employee citizenship behaviour, higher productivity and effective performance appraisal system. For any organisation leading challenge is always effective human resource management and successfully implementing strategic human development policies. Employee participation act as key force to enhance the employee commitment, engagement and satisfaction towards employment. This participative management will also drive the organisation towards effective team participation and empowerment.

2.   Literature Review

Komal Khalid Bhatti and TahirMasoodQureshi (2007) they stated that employee participation is creating competitive advantage by inducing the job satisfaction, employee productivity, employee commitment. Enhancement in employee participation will increase employee job satisfaction, employee commitment positively. Further they concluded that, employee participation is a very long-time process which requires attention from both management and employee side.

Gary A. Yukl and Gary P. Latham (1978) they examined that employee participation, goal difficulty and acceptance are interrelated and highly correlated. They have conducted a study among the female employees and result indicates that difficult goals are leading to higher employee performance.

Thomas Zwick (2004) according to this creating team working environment, introducing autonomy among work groups are the key factors for the success of the better productivity. Further, reducing number of hierarchies are also plays a vital role in employee participation.

Adrienne E.Eaton and Paula B. Voos (1989) found that Union and collective bargaining are the major factors determining the employee participation in an organisation. Further, the researchers demonstrated that, improved innovations in human resource management practices will also enhance the productivity.

3.   Imperativeness of Employee Participation in IT industry

Humanresourcemanagement is the strategic and logical approach of themanagement and its employee.The peopleworkingintheorganization are mostvaluable assetof anorganization they areindividuallyandcollectively work to achieve the objectivesof the organization.An HR manager's role entails taking key decisions on workforce planning, Recruitment, Induction and Orientation, Skills management, Training and Development, Personnel Administration, Compensation in wage or salary, Time Management, Payroll, Employee Benefits Administration, Personnel Cost Planning and Performance
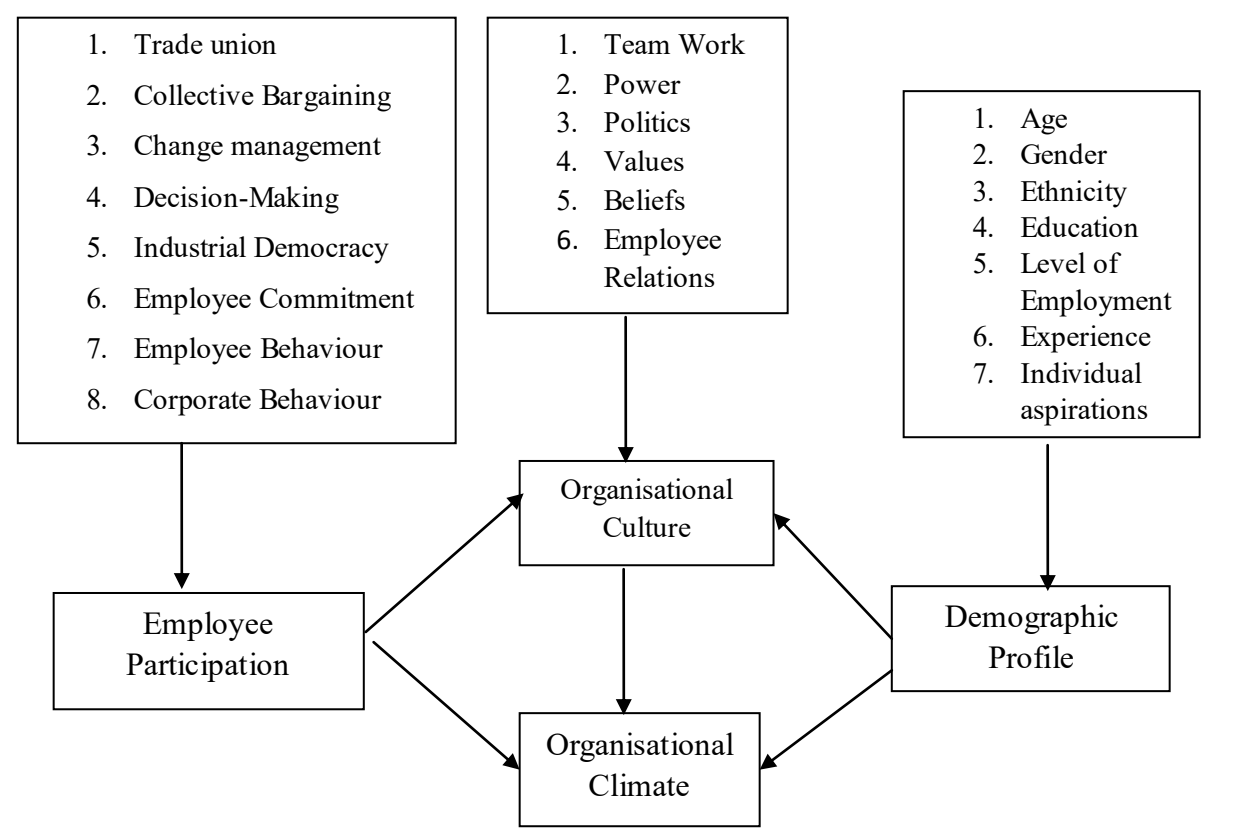
Appraisal. Organizations must provide right number of competent staff to meet clients' needs and for the effective human resource management.

Outsourcing has been the key driver of growth in IT and other business services. Apart from this, globalization and competitiveness has led to growth in other related sectors such as customer interaction, human resources and finance. The software service industry generated revenue of approximately US $ 50 billion in the fiscal year that ended up in March 2010. In addition, the IT hardware segment generated revenue of approximately US $ 10 billion in the same period, making a grand total of US $ 60 billion contributed by the Indian IT industry to India's GDP. That is approximately 6% of India's GDP, generated by approximately 2.5 million professionals that currently make up this stellar industry. If this may be considered as phenomenal performance so far, the prospects for the next decade are truly mind blogging indeed. It is now believed that the software industry center research US $ 175 billion in revenue by 2020. Focused initiatives and innovation led growth continued to lead to additional revenue and be up to US $185 billion, including domestic software sales- a grand total of US $360 billion.

IT - ITES activity is also being positively influenced by consolidation in key customer verticals like mergers and acquisitions in areas like healthcare, insurance, banking, media and communications. Post-merger integration programmes have resulted in re- engineering of business processes and consolidation of IT infrastructures continue to supplement demand. In this competitive environment it's become very important to encourage employee participation.

Chennai is the third largest exporter of IT and ITES of India. Some of the major companies having operation centres at Chennai such as Accenture, Cognizant, TCS, Syntel, Wipro, Infosys, Verizon, L&T, HCL, Amazon.com, eBay, Paypal, Polaris, Patni, Capgemini and many major global providers. This city has a world class IT infrastructures and many other IT parks promoted by both government and private entities. The city's strong industrial base also favours setting up of many major R&D centers in its vicinity.

Fig. 1 - Conceptual Model: Imperativeness of Employee Participation

This conceptual model clearly depicts that employee participation plays a very vital and imperative role to enhance the employee adoption towards organisational culture and climate particularly in IT industries.

4.   Statement of the Problem

Employee participation is an effective measure to encourage and engage the human resources towards their duties and responsibilities. But, in Information technology industry, it is very minimal compared to other industries. So, in this study an attempt is required to develop conceptual model which enhances the adoption of organisation culture and climate in order to achieve higher job satisfaction.

5.   Objectives of the study

1. To understand the imperativeness of employee participation in IT industry
2. To develop theoretical model by mediating the organizational culture and climate with employee participation.

6.   Scope of the study

The scope of this study is to find out the imperativeness of employee participation in IT industry and make suggestions to the management for the benefits of employee participation.

7.   HYPOTHESIS

H0: There is no significant relationship between employee participation and Organization climate.
H1: There is a significant relationship between employee participation and Organization climate.

8.   METHODOLOGY

50 questionnaires was used for this study, the data was collected from selected IT company employees in Chennai. Secondary data was collected from some other sources such as internet, books, journals and articles. One way ANOVA, one sample test applied for this study.

ANALYSIS AND RESULTS:-

Table 1: Demographic profile of the respondents

Variable	Number	%
Age		
Below 30	19	38
30-40	27	54
Above 40	4	8
Gender		
Male	19	38
Female	31	62
Educational Qualification		
Graduate	27	54
Post graduate	18	36
Other	5	10
Work experience		
Less than 3 years	13	26
3-10 years	28	56
11-15 years	7	14
Above 15 years	2	4
Annual Income		
Less than 3,00,000	17	34
Rs.3,00,000 to Rs.5,00,000	28	56
Above 5,00,000	5	10
Marital status		
Married	29	58
Single	21	42

Interpretation

Table 1 shows demographic profile of the respondents 38% of the respondents are below 30 age group, 54% of the respondents are 30-40 age group, only 8% of the respondents are above 40 age group, based on

this study majority of the respondents are female employees, educational qualification wise distribution more than half of the respondents are graduate, work experience wise distribution 56% of the respondents are 3-10 years' experience, annual income wise distribution more than half of the respondents are 3-5 lakhs income group, under marital status majority of the respondents are married.

Table 2: Respondents based on Imperativeness of employee participation & Organization climate

S.N	Particulars	SA		A		N		DA		SDA	
		No	%	No	%	No	%	No	%	No	%
1	I receive adequate feedback and guidance	28	56	12	24	2	4	5	10	3	6
2	I am treated fairly by my team head	12	24	25	50	4	8	6	12	3	6
3	The decision of my department made through consultation with our team members	7	14	15	30	12	24	9	18	7	14
4	I involved in important decision process	11	22	21	42	7	14	5	10	6	12
5	Company offers reward based on my work	5	10	23	46	2	4	8	16	12	24

Interpretation

Table 2 shows respondents based on Imperativeness of employee participation and organization climate, according to this study we found that majority of the IT companies given enough feedback and guidance to their workers. Respondents based on I am treated fairly by my team head most of the respondents are agreed. The respondents based on decision of my department made through consultation with our team members 14% of the respondents strongly agreed and 30% of the respondents are agreed. Some of the organizations only get suggestions from their employees for decision making process. Respondents based on involved in important decision process 22% of the respondents are strongly agreed and 42% of the respondents are agreed. I observed that majority of the IT companies are allowed their employees in their important decision making process. Under this study majority of the companies offers reward based on their employees work.

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
SA	5	25.20	18.144	8.114
A	5	38.40	10.991	4.915
N	5	10.80	8.438	3.774
DA	5	13.20	3.633	1.625
SDA	5	12.40	7.403	3.311

One-Sample Test

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
SA	3.106	4	.036	25.200	2.67	47.73
A	7.812	4	.001	38.400	24.75	52.05
N	2.862	4	.046	10.800	.32	21.28
DA	8.124	4	.001	13.200	8.69	17.71
SDA	3.746	4	.020	12.400	3.21	21.59

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
I receive adequate feedback and guidance	Between Groups	1864.000	4	466.000	.	.
	Within Groups	.000	0	.		
	Total	1864.000	4			
I am treated fairly by my team head	Between Groups	1320.000	4	330.000	.	.
	Within Groups	.000	0	.		
	Total	1320.000	4			
The decision of my department made through consultation with our team members	Between Groups	192.000	4	48.000	.	.
	Within Groups	.000	0	.		
	Total	192.000	4			
I involved in important decision process	Between Groups	688.000	4	172.000	.	.
	Within Groups	.000	0	.		
	Total	688.000	4			
Company offers reward based on my work	Between Groups	1064.000	4	266.000	.	.
	Within Groups	.000	0	.		
	Total	1064.000	4			

Findings

The finding of this study revealed that majority of the IT companies are giving adequate feedback and guidance to their employees also they are consulting with their team members for department decision. Most of the IT company employees are involved in the management decision making process and they provide rewards based on their work. The findings of this study highlight the significant relationship between employee participation and the decision making of the firm.

Conclusion

Adoptingand implementing policies for employee participation will enhance the organisational effectiveness and its success.All over the world IT companies play vital role in the growth anddevelopment of the economy. Many of the IT companies are allowed their employees in their management process. It is believedthat large number of employees involved in decision making process of the firm.This study also reveals that high level ofemployee involvement indecision making and other management process has to enhance the employee performance and the firm's performance. This study helps the management to know the importance of employee participation in decision making and other management process. Now a day's eemployee participationinmanagementprocess is very difficult, the companies need to be implementedpolicies for workers participation and to improve the work place climate, many organisationsfail toevaluatetheireffectivenessafter their implementation.So the companies has to evaluate the positive and negative impact of employee participation in management process it will help the management to improve the productivity of the organization as well as the employee performance.

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