

A
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TILAK MAHARASHTRA VIDYAPEETH, PUNE
For the **Degree of Vidyavachaspati (Ph.D.)**
(Doctor of Philosophy)
in the
A STUDY OF
CORRELATION BETWEEN EMPLOYEE
INVOLVEMENT AND ORGANISATIONAL
EFFECTIVENESS IN THE SELECT COMPANIES
OF MIDC AHMEDNAGAR
FOR A PERIOD OF 2007-2012

under the
Faculty of Management

by
Padle Anand Daulat

Under the guidance of
Dr. Rajashree Shinde

September 2014

DECLARATION

I hereby declare that the thesis entitled “**A study of correlation between employee involvement and organisational effectiveness in the select companies of midc, ahmednagar for the period of 2007-2012**” is completed and written by me has not previously formed the basis for the award of any Degree or other similar title upon me of this or any other Vidyapeeth or examining body.

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CERTIFICATE

This is to certify that the thesis entitled “**A study of correlation between employee involvement and organisational effectiveness in the select companies of midc, ahmednagar for the period of 2007-2012**” which is being submitted herewith for the award of the Degree of Philosophy (Ph.D.) in Management Department of Tilak Maharashtra Vidyapeeth, Pune is the result of original research work completed by **Padle Anand Daulat** under my supervision and guidance. To the best of my knowledge and belief the work incorporated in this thesis has not formed the basis for the award of any Degree or similar title of this or any other University or examining body upon him.

Dr. Rajashree Shinde
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Finally, I would like to acknowledge the support of my family particularly my parents, wife and sisters. Their understanding, love and patience helped me throughout the research.

ABSTRACT

It is generally believed that the large scale companies or multinational corporations contribute largely to the economy of the nation. But statistics tell different story and according to well-known research agencies, it has been found that more than 90% of businesses across the country accounted by Small and Medium scale companies. These companies also provide more employment compare to large or multinational companies. In the present research study also it was observed by the researcher that most of the employment generation in the area happens in the medium and small scale companies rather than large scale or multinational companies. So it can be said that the Small and Medium scale companies play a pivotal role in ensuring overall development of a country.

The MIDC in Ahmednagar was established in the year 1972. But even after more than 40 years of existence the progress of companies of this area is very low when compared with the companies of adjoining Aurangabad or Pune MIDC. In Ahmednagar the companies started with lot of promise but slowly many companies had to close down their business and one of the reason for these closures was poor industrial relations which lead to strikes and lockouts and closing down of many large, medium and small scale companies in the due course.

The researcher selected this topic because employee involvement helps to harmonise industrial relations, improves employee productivity and job satisfaction. It was also observed that only some large scale companies in the area were implementing employee involvement practices resulting in better organisational performance. The researcher could not get much information related to employee involvement in medium scale companies as most of the previous researches were concentrated on large or multinational companies.

The concept of employee involvement is creating an environment in which people have an impact on decisions and actions that affect their jobs. Employee involvement is not the goal nor is it a tool, as practiced in many organizations. Rather, it is a management and leadership philosophy about how people are most enabled to contribute to continuous improvement and the ongoing success of their organization.

Employee involvement is an old idea constantly being revitalized by organizations and new generations of practitioners throughout the world. For instance, the oldest documented system of formal employee involvement is a document called “employee suggestion system”, established by Eastman Kodak in 1898.

To carry out the research study on the correlation between employee involvement and organisational effectiveness the researcher constructed a questionnaire after studying the concept from books, journals, magazines, internet and newspapers and to know whether questionnaire prepared fulfils the purpose of the study and covers all the desired aspects the researcher took a pilot survey in five companies from MIDC, Ahmednagar which helped the researcher to include certain aspects missing in the pilot questionnaire and exclude some aspects which were beyond the purview of the study. Furthermore, with the help of experts from industries and academics, the questionnaire was refined to ensure its relevance and reliability.

To collect the primary data, the researcher had approached 18 companies of MIDC, Ahmednagar. In spite of pertinent efforts made by the researcher, only 14 companies could respond to the study and allowed to collect the data from their respective organization. Therefore, employees of 14 medium scale companies were taken for the study. For this study, the primary data was collected from managers, officers/executives, supervisors and workers/operators from these 14 companies by using Random Sampling Method. Research instrument was the questionnaire. Relevant information was also collected with the help of observation and the interviews with these employees.

The information related to the employee involvement was collected from different books available in various libraries of Ahmednagar and Pune. The researcher surfed various sites on internet to collect relevant information on the subject matter. Secondary data was also collected from national and international journals, magazines, newspapers etc.

The main objective of the present research was to examine the correlation between employee involvement and organizational effectiveness in select Companies of MIDC, Ahmednagar and to prepare a model of employee involvement that can be implemented in medium scale companies. The data collected was presented with the help of tables, pie charts and descriptive statistics. The researcher has applied

quantitative methods to analyse the collected data. Descriptive and inferential statistics was used in analysis of data. Descriptive statistics involves the use of frequencies, mean, and percentages. Inferential statistics was used to measure the relationship between variables with the aid of Statistical Packages for Social Scientists (SPSS). Correlation analysis Pearson's correlation mean ranks and Freidman Chi-Square Test were used to examine the relationship between Employee Involvement and Organizational Effectiveness, while regression analysis is employed to examine the cause and effect relationship between contextual variables and business performance. Policy implications were drawn from the results obtained from the study. Lastly, the impartial results were drawn after thorough study of data and proper conclusion is made to sum up the research study.

CONTENTS

CHAPTER NO.	PARTICULARS	PAGE NO.
CHAPTER-1	INTRODUCTION AND DESIGN OF THE STUDY	1-15
1.1	Introduction	1-5
1.2	Employee Involvement	5-6
1.2.1	Evolution and Development of Employee Involvement	6-8
1.2.2	Importance of Employee Involvement	8-9
1.3	Organizational Effectiveness	9
1.4	Statement of the problem	9-10
1.5	Scope and Limitations of the study	10
1.6	Objectives of the Study	10-11
1.7	Hypothesis	11
1.8	Methodology	11-12
1.9	Construction of tools	12-13
1.10	Scheme of report	13-14
1.11	Operational definition of concepts	14-15
CHAPTER-2	LITERATURE REVIEW	16-44
2.1	Introduction	16-19
2.2	Types of Employee Involvement	19
2.3	Employee Involvement Practices	19-20
2.4	Preconditions for Employee Involvement	20-21
2.5	Employee Involvement and Organizational Performance	21-22
2.6	Employee Involvement and Decision Making	22-27
2.7	Previous studies on Employee Involvement	27-31
2.8	Forms of Employee Involvement	32-38
2.9	International Aspects of Employee Involvement	39
2.9.1	Employee Involvement in Sweden (Co-determination)	39-40
2.9.2	Employee Involvement in Germany (Co-determination)	40-41
2.9.3	Employee Involvement in Japan	41-44
CHAPTER-3	RESEARCH METHODOLOGY	45-49
3.1	Introduction	45-46
3.2	Research Design	47
3.3	Sampling design	47
3.4	Geographical coverage	47
3.5	Period of study	47
3.6	Primary Data	48
3.7	Secondary Data	48
3.8	Processing of Data	48-49
3.9	Statistical methods used to test hypothesis	49
CHAPTER-4	ANALYSIS AND INTERPRETATION OF DATA	50-144
CHAPTER-5	CONCLUSIONS	145-186
CHAPTER-6	SUGGESTIONS AND RECOMMENDATIONS	187-194
CHAPTER-7	BIBLIOGRAPHY	195-200
ANNEXURE	Questionnaire	201-206

LIST OF TABLES

TABLE NO.	PARTICULARS	PAGE NO.
4.1	Organisational physical working conditions	59
4.2	Tools and resources for performing job	60
4.3	Organisational Safe and Healthy Working Conditions	61
4.4	Welfare facilities and amenities provided to employee's family	62
4.5	Employee's Skills and Abilities used in Job	63
4.6	Job that leads to feeling of personal accomplishment	64
4.7	Organisational support for individual development	65
4.8	Top management considers the voice of employees	66
4.9	Recognition to employees for good job	67
4.10	Organisation takes performance appraisals seriously	68
4.11	Organisation give top priority to Quality	69
4.12	Fair religion policy of the organisation	70
4.13	Fair policy related to employee's sexual orientation	71
4.14	Appropriate grievance redressal procedure	72
4.15	Spirit of cooperation within the organisation	73
4.16	There is liking among the employees in the organisation	74
4.17	Organisation has high value for training and development	75
4.18	Training makes employee more efficient	76
4.19	Training as per employee's core competency	77
4.20	Organisation provides opportunities to employees to develop new skills	78
4.21	Organization shares information on job progress with employees	79
4.22	Talent management plan	80
4.23	Organization regularly updates its plan on talent management	81
4.24	Teamwork is encouraged by the organisation	82
4.25	Accountability among team members regarding their decisions	83
4.26	Appropriate distribution of work assignments in the team	84
4.27	Clear communication of organization with the team	85
4.28	Manager cares for employees with humanity	86
4.29	Involvement of employees in important decisions affecting their work	87
4.30	Consideration of employees inputs before important changes or decisions	88
4.31	Freedom of application of knowledge and skills to employees	89
4.32	Opportunities to learn and grow are provided to employees	90
4.33	Committees are created for participation in decision making	91
4.34	Involvement of employees in joint forums for solving day to day meetings	92
4.35	Power and respect is given to employees representatives	93
4.36	Committee representatives are capable and competent	94
4.37	Decisions are not imposed by management or employees representatives on each other	95
4.38	During decision making the conflicts are very less with the committee	96

4.39	Organization's leaders have clear vision and mission	97
4.40	Leaders guide employees to solve job related problems	98
4.41	Leaders pay attention to employees by listening carefully to their problems	99
4.42	Leaders are available whenever employees require them	100
4.43	Departmental policies and goals are shared with the employees	101
4.44	Existing leaders identify and groom new leaders	102
4.45	Appropriate salary is given to the employees	103
4.46	Salary is competitive and similar to the other organisations	104
4.47	Benefits are comparable to the other organisations	105
4.48	Open sharing of information and knowledge	106
4.49	Exchange of information between departments of the organisation	107
4.50	Better communication between senior management and rest of the organisation	108
4.51	Organization's reporting system is clearly defined	109
4.52	Organization maintains appropriate reports	110
4.53	Company treats everybody appropriately	111
4.54	Policies for promotion and advancement are appropriate	112
4.55	No favouritism for raises and promotions	113
4.56	Ability and performance is the selection criteria of the organisation	114
4.57	No biasness in salary and benefits with the employees	115
4.58	Rules of personal conduct are formed by the organisation	116
4.59	Uniform application of disciplinary system	117
4.60	Positive relationship with the union	118
4.61	Union initiatives resulting in performance improvement are supported by the organisation	119
4.62	Involvement of top management in employee welfare programs	120
4.63	Strategic plan of the organisation	121
4.64	Every year long term plans are updated	122
4.65	Employees know organizational plans	123
4.66	Involvement of employees in developing plans at their level	124
4.67	Performance standards set by the organization are high	125
4.68	Performance measurement results are shared regularly with staff	126
4.69	Incentive plans are linked to achievement of goals	127
4.70	Suggestions for the company to increase employee involvement	128
4.71	Issues not included in this survey need to be addressed in the organization	130
4.72	Mean rating scale	131
4.73	Rating results	131-134
4.74	Test statistics	135
4.75	Ranks organizational effectiveness	136
4.76	Test statistics	137
4.77	Ranks employee involvement	138
4.78	Hypothesis 1 testing	139-140
4.79	Hypothesis 2 testing	141-142

LIST OF FIGURES

FIGURE NO.	PARTICULARS	PAGE NO.
4A	No. of employees	51
4B	No. of shifts	52
4C	Gender	53
4D	Designation	54
4E	Education	55
4F	Total work experience	56
4G	Salary	57
4H	Experience in current organisation	58
4.1	Physical working conditions	59
4.2	Resources and tools	60
4.3	Safe and healthy working condition	61
4.4	Welfare facilities to employees and family	62
4.5	Skills and abilities of employees	63
4.6	Feeling of personal accomplishment	64
4.7	Support for individual development	65
4.8	Voice of employee	66
4.9	Recognition given to employees	67
4.10	Performance appraisals	68
4.11	Quality is top priority	69
4.12	Fair treatment regardless of religion	70
4.13	Fair treatment regardless of sexual orientation	71
4.14	Grievance redressal procedure	72
4.15	Spirit of cooperation within the organization	73
4.16	Employees like people they work with	74
4.17	Value given to training and development	75
4.18	Efficiency of employees after training	76
4.19	Training related to core competencies	77
4.20	Opportunities to develop new skills	78
4.21	Recognition and sharing of information about job progress	79
4.22	Talent management plan	80
4.23	Talent management plan is updated regularly	81
4.24	Teamwork encouragement	82
4.25	Accountability for decisions	83
4.26	Distribution of work assignments	84
4.27	Communication with team	85
4.28	Care of employees	86
4.29	Involvement in decision making	87
4.30	Consideration of employee inputs in important decisions	88
4.31	Application of knowledge and skills	89
4.32	Opportunity to learn and grow	90
4.33	Formation of committees decision making	91
4.34	Solution to day to day problems through joint forums	92
4.35	Power and respect to employee representatives	93
4.36	Capability and competency of committee members	94

4.37	Imposing decision on each other	95
4.38	Conflicts within committee during decision making	96
4.39	Clarity in vision & mission of leaders	97
4.40	Problem solving by leaders	98
4.41	Leader listens and pays attention	99
4.42	Availability of leaders to employees	100
4.43	Sharing of information about departmental policies and goals	101
4.44	Identification and grooming of new leaders	102
4.45	Pay for work	103
4.46	Competitive salary	104
4.47	Benefits comparable to other organizations	105
4.48	Open sharing of information and knowledge	106
4.49	Exchange of useful information between departments	107
4.50	Communication of senior management with rest of the organization	108
4.51	Reporting system	109
4.52	Maintaining appropriate reports	110
4.53	Appropriate treatment	111
4.54	Promotion and advancement policies	112
4.55	Favoritism in promotions	113
4.56	Selection criteria of the organisation	114
4.57	Salary and benefits	115
4.58	Rules for personal conduct	116
4.59	Uniformity in disciplinary system	117
4.60	Relationship with the union	118
4.61	Supporting union for initiatives resulting in performance improvement	119
4.62	Involvement of senior management in welfare programs.	120
4.63	Strategic plan of the organisation	121
4.64	Updating long term plans	122
4.65	Plans known to employees	123
4.66	Engaging employees in development of plans	124
4.67	Performance standards of organisation	125
4.68	Sharing performance management with staff	126
4.69	Linking incentive plans with achievement of objectives	127
4.70	Suggestions by employees to increase employee involvement	129
4.71	Issues not included in this survey need to be addressed in the organization	130
5.1	Model of Employee Involvement	165
5.2	Correlation between employee involvement and organizational effectiveness	169
5.3	Factors of organizational effectiveness	170
5.4	Factors of employee involvement	178
5.5	New trends in HR practices	185

ABBREVIATIONS

CDC	:	Community Development Centers
CIPD	:	Chartered Institute of Personnel and Development
EI	:	Employee Involvement
ESOP	:	Employee Stock Ownership Plans
HCWP	:	High-Commitment Work Practices
HIWP	:	High-Involvement Work Practices
HPWP	:	High-Performance Work Practices
HPWS	:	High-Performance Work System
HRM	:	Human Resource Management
IBM	:	International Business Machine
MBO	:	Management by Objectives
MIDC	:	Maharashtra Industrial Development Corporation
OE	:	Organisational Effectiveness
PDM	:	Participative Decision Making
QC	:	Quality Circle
QWL	:	Quality of Work Life
RP	:	Representative Participation
SDWT	:	Self-Directed Work Teams
SME	:	Small and Medium Enterprise
SPSS	:	Statistical Package for Social Sciences

Chapter-1

Introduction

1.1	Introduction
1.2	Employee Involvement
1.2.1	Evolution and Development of Employee Involvement
1.2.2	Importance of Employee Involvement
1.3	Organizational Effectiveness
1.4	Statement of the Problem
1.5	Scope and Limitations of the Study
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1.9	Construction of Tools
1.10	Scheme of Report
1.11	Operational definition of concepts

“There are only three measurements that tell you nearly everything you need to know about your organization’s overall performance: employee engagement, customer satisfaction, and cash flow. It goes without saying that no company, small or large, can win over the long run without energized employees who believe in the mission and understand how to achieve it.” - **Jack Welch, former CEO of GE**

1.1 Introduction

It is generally believed that the large scale companies or multinational corporations contribute largely to the economy of the nation. But statistics tell different story and according to well-known research agencies, it has been found that more than 90% of businesses across the country accounted by Small and Medium scale companies. These companies also provide more employment compare to large or multinational companies. In the present research study also it was observed by the researcher that most of the employment generation in the area happens in the medium and small scale companies rather than large scale or multinational companies. So it can be said that the Small and Medium scale companies play a pivotal role in ensuring overall development of a country.

Ahmednagar is popularly known as ‘Nagar’ and is one of the important districts of Western Maharashtra, which is situated partly in upper Godavari basin and partly in the Bhima basin. It lies between 18.2° to 19.9° north latitude and 73.9° to 75.5° East longitude. It is bounded on the north by Nashik district, on the north-east by Aurangabad district, on the north by Beed and Osmanabad districts, on the south by Solapur district and in the west by Pune and Thane district.

The MIDC in Ahmednagar was established in the year 1972. But even after more than 40 years of existence the progress of companies of this area is very low when compared with the Companies of adjoining Aurangabad or Pune MIDC. In Ahmednagar the companies started with lot of promise but slowly many companies had to close down their business and one of the reason for these closures was poor industrial relations which lead to strikes and lockouts and closing down of many large, medium and small scale companies in the due course.

The researcher selected this topic because employee involvement helps to harmonise industrial relations, improves employee productivity and job satisfaction. It was also observed that only some large scale companies in the area were implementing employee involvement practices resulting in better organisational performance. The

researcher could not get much information related to employee involvement in medium scale companies as most of the previous researches were concentrated on large or multinational companies.

The concept of employee involvement is creating an environment in which people have an impact on decisions and actions that affect their jobs. Employee involvement is not the goal nor is it a tool, as practiced in many organizations. Rather, it is a management and leadership philosophy about how people are most enabled to contribute to continuous improvement and the ongoing success of their organization.

To carry out the research study on the correlation between employee involvement and organisational effectiveness the researcher constructed a questionnaire after studying the concept from books, journals, magazines, internet and newspapers and to know whether questionnaire prepared fulfils the purpose of the study and covers all the desired aspects the researcher took a pilot survey in five companies from MIDC, Ahmednagar which helped the researcher to include certain aspects missing in the pilotquestionnaire and exclude some aspects which were beyond the purview of the study. Furthermore, with the help of experts from industries and academics, the questionnaire was refined to ensure its relevance and reliability.

To collect the data, the researcher had approached 18 companies in MIDC, Ahmednagar. In spite of pertinent efforts made by the researcher, only 14 companies could respond to the study and allowed to collect the data from their respective organization. Therefore, employees of 14 medium scale companies are taken for the study. For this study, the primary data was collected from managers, officers/executives, supervisors and workers/operators from these 14 companies by using Random Sampling Method. Research instrument was the questionnaire. Relevant information was also collected with the help of observation and the interviews with these employees.

The information related to the employee involvement was collected from different books available in various libraries of Ahmednagar and Pune. The researcher surfed various sites to collect relevant information on the subject matter. Secondary data was also collected from national and international journals, magazines, newspapers etc.

The main objective of the present research was to examine the correlation between employee involvement and organizational effectiveness in select Companies of MIDC, Ahmednagar. The data collected is presented with the help of tables, charts, pie charts and descriptive statistics and quantitative methods are applied to analyse the collected data. Data collected was analysed by using descriptive and inferential statistics. Descriptive statistics involves the use of frequencies, mean, and percentages. Inferential statistics is used to measure the relationship between variables with the aid of Statistical Packages for Social Scientists (SPSS). Correlation analysis was used to examine the relationship between Employee Involvement and Organizational Effectiveness while regression analysis is employed to examine the cause and effect relationship between contextual variables and business performance. Policy implications were drawn from the results obtained from the study. Lastly, the impartial results were drawn after thorough study of data and proper conclusion is made to sum up the research study.

Human resources have never been more necessary. The competitive forces that we face today and will continue to face in the future demand organizational excellence. To achieve this excellence by focusing on learning, quality, teamwork and reengineering are driven by the way organizations get things done and how employees are treated.

The human resources are assuming increasing significance in modern organizations. Obviously, majority of the problem in organizational setting are human and social rather than physical, technical or economic. The failure to recognize this fact causes immense loss to the nation, enterprise and the individual. It is a truism that productivity is associated markedly with the nature of human resources and their total environment consisting of interrelated, interdependent and interacting economic and non-economic (political, religious, cultural, sociological and psychological) factors. Thus, the significance of human resources can be examined from time to time.

In today's global economy, everyone can have the latest computers and software. They can have identical products. What they cannot have are the same people because of fewer efforts taken by organization to increase employee retention. Each organization is made up of a unique group of people. It becomes the responsibility of human resources to mesh the people with varying backgrounds with its vision and

goals to create a merger that will accomplish the objectives of both the organization and the individual. Management needs to realize that in future, raw materials, finished products and money will not be the keys to organizational success, people will be the key. Future success will depend on how we use the things that do not appear on a balance sheet or a Profit and Loss Statement, the intellectual capital of the organization, the knowledge its people possess. A recent study of U.S. businesses showed that the best way to improve goods and services and become more competitive. Employee Involvement is one of the important topics in human resource management because employees have been recognized as the most important asset by all the organizations. It is a participative process that uses the full capacity of an employee and is designed to promote increased commitment to the organization's growth which will ultimately lead to success. The main idea behind this process is that by involving workers in the decisions that affect them and by increasing their autonomy and control over their work-lives, they will become more motivated, more committed to the organization, more productive, and more satisfied with their jobs.

1.2 Employee Involvement

All the organizations are the sum of its people. Every policy or strategy made by the organization is implemented through and by the people working in it. Therefore every organization which wants to survive in the present era of cut throat competition has to value employee involvement.

McGregor's Theory Y first brought the idea of a participative management style for the managers. The conclusion of his theory that employees can have positive attitude and they will strive for the growth of the organization if their efforts are recognized and they are given authority and a say in decision making. Since then employee involvement has taken many forms, including the job design approaches and improvement in quality of work life. It is a process for empowering employees to participate in managerial decision-making.

According to the Chartered Institute of Personnel and Development (CIPD): Employee involvement is '*a range of processes designed to engage the support, understanding and optimum contribution of all employees in an organization and their commitment to its objectives*'

Employee involvement means that every employee is regarded as a unique human being, not just a cog in a machine. Each employee is involved in helping the organization meet its goals. Every employee's input is solicited and valued by the management.

1.2.1 Evolution and Development of Employee Involvement

The idea of involving the workforce may seem self-evident, as employees must be involved in order to do their job. Employee involvement is an old idea constantly being revitalized by organizations and new generations of practitioners throughout the world. For instance, the oldest documented system of formal employee involvement is a document called "employee suggestion system", established by Eastman Kodak in 1898.

The school of human relations promoted by thinkers in the field such as Mayo, Vroom, Likert and Maslow, among others has drawn conclusions from their various studies that positive motivational factors engendered by such methods as employee involvement may develop amore creative, interested and therefore more productive workforce. Even though employee involvement is just one aspect of organizational communication it is, nevertheless, wide ranging and diverse in its forms. Types of EI also evolve and change with managerial vogues, which are governed by political, economic and social pressures. For example, the First World War witnessed a considerable growth in worker militancy together with an increased popularity of left-wing ideologies, many of which espoused various forms of workers' control, one example being Guild Socialism (Cole,1917)¹. The Bolshevik revolution in Russia in 1917 also had a significant impact on work relationships, as Marxist ideology is based on an analysis of how capitalism exploits the proletariat in the workplace. These influences had, and still have, a considerable impact on arguments surrounding work-related issues. One attempt to mollify these forces in Britain was to acknowledge legally, in the form of Whitley Councils, that employees and their representatives (trade unions) had some say in negotiations over pay and working conditions. Despite good intentions from some

1. Cole, G.D.H. (1917) *Self Government in Industry*. London: Bell and Sons; 1972 edn, London: Hutchinson

parties on both sides of industry, these arrangements largely fell into disuse once recession hit the British economy after 1921 and the threat of workforce militancy receded.

It was not until the Second World War that a popular revival occurred in EI schemes. The need for huge productivity increases to meet the war effort led workers to demand something in return - a greater say in the operation of the workplace. Works committees or joint consultative committees were set up in many factories. Some continued in existence after the war, but management and unions lost interest in them in the 1950s, and many fell into decline when there was a preference for direct collective bargaining via unions, employer organizations and employers. Nevertheless, there was a considerable revival in the atmosphere of industrial democracy in the 1960s and 1970s, and shop stewards were to be found filling delegational positions (Marchington *et al.*, 1992)² Debates concerning the extent to which these committees existed, and the real power they afforded the workforce, still engage social and economic historians. In the 1970s the Bullock Committee Report (1977) echoed an increased interest in industrial democracy. There was a growing consciousness that, while politics and society were increasingly being 'democratized', the world of work did not reflect this trend. In addition, British membership of the European Community influenced the Bullock Committee to examine forms of industrial democracy among its European partners, such as co-determination in Germany and Sweden, and some societies where more radical forms of employee involvement were being undertaken, such as the worker self-management practised in Yugoslavia and at Mondragon in Spain.

These practices attracted considerable interest, as did worker-director schemes and the formation of workers' cooperatives, which often happened in UK companies under threat of liquidation Brannen *et al.*, (1976)³ and Thomas and Logan, (1982)⁴. The political climate that had engendered industrial democracy swiftly changed under Thatcher's Conservative government, which tarred such policies with the brush of

2. Marchington, M., Goodman, L., Wilkinson, A. and Ackers, P. (1992) *New Developments in Employee Involvement*. Employment Department Research Series No.2

3. Brannen, P., Batstone, E., Fatchett, D. and White, P (1976) *The Worker Directors: A Sociology of Participation*. London: Hutchinson.

4. 4 Thomas, H and Logan, C. (1982) *Mondragon: An Economic Analysis*. London: George

Left-wing ideology, and in the economic and political climate of the 1980s managerial EI schemes associated with HRM became popular.

1.2.1 Importance of Employee Involvement

➤ Innovation

Employee Involvement encourages the employees to come up with more ideas and problem-solving solutions when obstacles arise. It promotes growth, critical and imaginative thinking. Employees may see a particular issue differently than a manager and be able to think of a creative solution, which may not be considered in a closed circle of managerial staff.

➤ Improved Morale

When the organization treats its employees as assets and their input is given due consideration, confidence increases among them and the company gains in different facets such as productivity and loyalty. It also improves the morale of the employees and controls employee turnover. The longer the employee is associated with the company, the more experienced they become, making them mentors to new employees and indispensable to managerial staff.

➤ Increased Productivity

Employee involvement and empowerment translates directly into increased productivity. When employees are given independence and expected to be more self-sufficient, they become more efficient over time, as they learn to navigate their responsibilities with minimal interference. They rely less on managerial staff for direction. This allows managerial staff more time to attend to responsibilities other than giving assignments to subordinates and decreases micromanagement, which retards productivity.

➤ Team Cohesion

Employee Involvement fosters better relationships between employees and their managers, because employees that are given more independence tend to form better working relationships. Each sees the other as mutually benefiting from their working

relationship. In addition, more self-governance in the workplace lessens dependence on managers and supervisors and redirects that reliance laterally to coworker.

1.3 Organizational Effectiveness:

Organizational effectiveness is the concept of how effective an organization is in achieving the outcomes the organization intends to produce. Organizational effectiveness is an abstract concept and is basically impossible to measure. Instead of measuring organizational effectiveness, the organization determines proxy measures which will be used to represent effectiveness. We may include such things as efficiency of management, performance of employees, core competencies, number of people served, types and sizes of population segments served and so on . So we focused on the performance of the employees that to what extent this proxy measure contributes in Organizational effectiveness.

1.4 Statement of the problem

The researcher has tried to find out the positive impact of employee involvement on the effectiveness of an organization in the select medium scale companies of MIDC, Ahmednagar. These medium scale companies contribute significantly to economic development through employment, job creation and sustainable livelihood. These companies were selected because all the previous researches on employee involvement and organisational effectiveness are restricted to large companies or Multinational Corporation. No research has been done on topic in mid size companies in India or Ahmednagar.

A fully involved employee is intellectually and emotionally bound with the organization, gives 100 percent, feels passionately about its goals and is committed to live by its values. This employee goes beyond the basic job responsibility to delight the customers and drive the business forward. Moreover, in times of diminishing loyalty, employee involvement is a powerful retention strategy. Involved employees contribute to the bottom line. As their involvement is reflected in their service to customers, they are helping to create more loyal customers.

Today, the linkage between employee involvement and financial performance is undeniable, based on numerous studies that support the correlation. As a result,

companies have a rare opportunity to gain competitive leverage and differentiation by harnessing their greatest asset: their employees. Employees, in fact, are the most critical point of differentiation for any company in today's business environment. The correlations are clear: Involved employees generate satisfied customers, who in turn build long-term relationships—and spend more money.

The trend over the last 10 years has certainly been to moving towards the direction of employee involvement in Ahmednagar MIDC area as some of the organizations especially the large scale manufacturing organizations have understood that the best way to obtain a genuine commitment from people is to involve them in the project from the beginning. Even if the original ideas are not theirs, the process of designing, planning and assessing will automatically pull them into the stream of things. Organizations operating with the involvement of their employees, have evolved beyond merely telling people what is going on, to actively seeking their contribution to the decision making process.

The researcher has taken medium scale companies for this research as majority of the companies fall in the category of small or medium scale. The medium scale companies of this area have not yet understood the benefits of employee involvement.

1.5 Scope and Limitations of the study

The research work is an exploratory investigation into the correlation between Employee Involvement and Organizational Effectiveness in the select Companies of the study area. The geographical scope to the research study is the select medium scale companies of MIDC, Ahmednagar.

The research is limited to the select companies of MIDC, Ahmednagar. Although the researcher has taken precautions to ensure that the information provided by the respondents is objective and transparent. There could be biases, perceptions and attitudes of respondents which have been reflected in their responses.

The study is mainly based on the primary data collected from the employees of 14 medium scale companies of MIDC, Ahmednagar.

1.6 Objectives of Employee Involvement

1. To study the factors of Employees Involvement within the selected companies.
2. To study and find out the correlation between Employee Involvement and organizational effectiveness.
3. To find the factors required for Organisational Effectiveness.

4. To study the work conditions of the organisations selected for the research.
5. To develop a model of Employee Involvement.

1.7 Hypothesis

1. There is no correlation between Employee Involvement and Organisational Effectiveness.
2. Success of Employee Involvement greatly depends on the attitude of the management.
3. New trends in the emerging HR practices give more emphasis on Employee Involvement.

1.8 Methodology

Research Methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. In the current study researcher studies the various steps that are to be adopted to study his research problem along with the logic behind it.

Researcher feels that medium scale companies of the selected area can improve performance by implementing right strategies towards employee involvement. Researcher's interest is to prove that there exist a positive correlation between employee involvement and organizational effectiveness.

Study Area and Sample

The study is carried out in the 14 select medium scale companies of MIDC area of Ahmednagar. The researcher visited 18 medium scale companies out of which 14 companies gave permission to conduct the study. In this research random sampling is used. An employee who is working with the organization for more than three years is considered as a sample for the research work. Employees from the category of Workers/Operators, Supervisors and Executives or Officers are included as sample size. Questionnaire is the main instrument of the study for collecting data. A questionnaire is a formalised set of questions for obtaining information from respondents.

A total of 450 questionnaires were distributed to the respondents accompanied with cover letter assuring confidentiality of data and results. The Researcher when handed over the questionnaires to the respondents in the organization briefed them about the objective of doing the research and explained them the concept of Employee

Involvement and cleared their doubts relating to certain questions. He requested them to fill the questionnaires on the spot. Some of the participants preferred to fill the questionnaire on the spot while others were given one week to fill the relevant questionnaires. Some structured in depth interviews were also conducted.

Out of the whole distributed questionnaires, 423 were received by the researcher. The researcher cancelled 21 questionnaires because they were not filled properly by the employees. After the deletion of the invalid responses, the researcher obtained 402 valid questionnaires, yielding a response rate of 93.3%.

Secondary data was collected from books, Secondary data was collected by the researcher from books, national and international journals, periodicals, research articles, content from electronic media, research papers and newspapers.

The main objective of the present research is to examine the correlation between employee involvement and organizational effectiveness in select Companies of MIDC, Ahmednagar. The data collected is presented with the help of tables, charts, graphs, bar charts, pie charts and descriptive statistics and quantitative methods are applied to analyse the collected data. Data collected is analysed by using descriptive and inferential statistics. Descriptive statistics involves the use of frequencies, mean, and percentages. Inferential statistics is used to measure the relationship between variables with the aid of Statistical Packages for Social Scientists (SPSS). Correlation analysis is used to examine the relationship between Employee Involvement and Organizational Effectiveness while regression analysis is employed to examine the cause and effect relationship between contextual variables and business performance. Policy implications are drawn from the results obtained from the study. Lastly, the impartial results are drawn after thorough study of data and proper conclusion is made to sum up the research study.

1.9 Construction of tools

To carry out the research study the researcher constructed a questionnaire after going through a relevant data gathered from books, national & international research journals, periodicals, electronic sources and newspapers.

Firstly to testify that the questionnaire prepared fulfils the purpose of the study and covers all the desired aspects the researcher took a pilot survey in five Companies from MIDC, Ahmednagar which helped the researcher to include certain aspects missing in the draft questionnaire and exclude some aspects which were beyond the

purview of the study. Furthermore, with the help of experts the questionnaire was moderated to ensure its relevance and reliability.

Secondly, for collecting the primary data required for the research study, final questionnaire was prepared and it was circulated to the respondents of select companies of MIDC, Ahmednagar. The population constitutes Officers/Executives, Supervisors and Workers/Operators working in the select Companies. Secondary data was collected by the researcher from books, national and international journals, periodicals, research articles, content from electronic media, research papers and newspapers.

1.10 Scheme of report

- Chapter I: It includes introduction, evolution and background to the study and outlines the objectives, hypothesis, importance and scope and limitation of the study.
- Chapter II: It includes the literature review of national and international publications employee involvement and organizational effectiveness. Researcher has done a thorough review of available secondary data and properly mentioned references in bibliography.
- Chapter III: It outlines the research design including the sampling of subjects, the tools employed and the analytical procedures adopted for the analysis of data.
- Chapter IV: It includes the analysis and interpretation of data collected with the help of tables and graphs. Adequate sample and data were collected to draw valid conclusions. Researcher has taken every pain to analyze and interpret the data for the purpose of reaching to the proper conclusions and findings.
- Chapter V: It constitutes conclusions and findings which are based on the data collected, observations made, interviews conducted and discussions carried during the research.
- Chapter VI: This chapter contains the suggestions and recommendations given by the researcher.
- Chapter VII: It includes the details of the books, national and international journals, periodicals, research articles, content from electronic media, research

papers and newspapers. It also includes copy of the questionnaire constructed for the research study.

1.11 Operational definitions of concepts

Employee Involvement- Gibson (2006): Employee involvement or engagement is “a heightened emotional and intellectual connection that an employee has for his or her job, organization, manager, or coworkers that, in turn, influences him or her to apply additional discretionary effort to his or her work.” (Gibbons, 2006). So for any strategy to succeed, organizational leaders need employees who are engaged and connected to their jobs, applying that extra effort willingly to implement change. Employees must be on board and aware of the importance of applying the strategy in their daily work. In this knowledge-based economy, many factors make employee involvement a competitive advantage for an organization. Studies have shown the relationship between employee involvement and increased productivity, rates of retention, and increased customer satisfaction (Gibbons, 2006).

Lawler & Mohrman, (1989)⁵: Employee Involvement is a participative process that uses the entire capacity of workers and is designed to encourage employee commitment to organizational success. Moreover, employee involvement is understood as a variety of techniques designed to achieve the objective of giving the employee some combination of information, influence and / or incentives (Cotton, 1993)⁶.

Peter B. Grazier (1989)⁷ has provided a more descriptive definition of employee involvement: It's a way of involving employees at all levels in the thinking process of an organization. It's the recognition that many decisions made in an organization can be made better by soliciting the input of those who may be affected by the decision. It's an understanding that people at all levels of an organization possess unique talents, skills, and creativity that can be significant value if allowed to be expressed.

5 Lawler, E. E., & Mohrman, S. A. (1989). With HR help, all managers can practice high-involvement management. *Personnel*, 66 (4), 26-31.

6 Cotton, J. (1993). *Employee involvement: Method for improving performance and work attitudes*. California: SAGE Publications, Inc.

7 Grazier, P. B. (1989). *Before it is too late employee involvement an idea whose time has come*. Pennsylvania: Teambuilding, Inc.

Ashkanasy, Wilderom, & Peterson (2000)⁸Employee Involvement is a term that has been used in the literature on organizations to refer to individuals' attachments to both organizations and their jobs.

Robert Bullock, Scontrino-Powell⁹: The direct participation of staff to help an organization fulfill its mission and meet its objectives by applying their own ideas, expertise, and efforts towards solving problems and making decisions. From this definition, participation can include representative participation, direct communication, and upward problem solving.

Organizational Effectiveness

Business Dictionary¹⁰: The efficiency with which an association is able to meet its objectives. The main measure of organizational effectiveness for a business will generally be expressed in terms of how well its net profitability compares with its target profitability. Additional measures might include growth data and the results of customer satisfaction surveys.

Organizational effectiveness is the concept of how effective an organization is in achieving its goals. Every employee in a company contributes to organizational effectiveness. Taking into account skills, experience, motivation and rank, some employees play a bigger role than others. These are the people who contribute to the development of organization mainly with their knowledge.

Etzioni : Organizational Effectiveness is the degree to which an organization realizes its goals. He considers "organizational effectiveness" another name for "goal achievement".

8 Ashkanasy, N., Wilderom, C., & Peterson, M. (2000). Handbook of organizational culture and climate. California: SAGE Publications, Inc.

9 Employee Involvement. Retrieved from <https://www.washington.edu/admin/hr/pod/leaders/orgdev/articles/EmployeeInvolvement-ScontrinoPowell.pdf>.

10 Businessdictionary. Definition of organizational effectiveness Retrieved from <http://www.businessdictionary.com/definition/organizational-effectiveness>.

Chapter-2

Literature review

2.1	Introduction
2.2	Types of Employee Involvement
2.3	Employee Involvement Practices
2.4	Preconditions for Employee Involvement
2.5	Employee Involvement and Organizational Performance
2.6	Employee Involvement and Decision Making
2.7	Previous studies on Employee Involvement
2.8	Forms of Employee Involvement
2.9	International Aspects of Employee Involvement
2.9.1	Employee Involvement in Sweden (Co-determination)
2.9.2	Employee Involvement in Germany (Codetermination)
2.9.3	Employee Involvement in Japan

2.1 Introduction

A literature review discusses about what has been published in a particular subject area by scholars and researchers. The purpose of literature review is to convey to reader what knowledge and ideas have been established in a particular subject area.

The purpose of this research is to study the relationship between employee involvement and organizational effectiveness. The researcher's interest is driven primarily from the view that employee involvement (EI) has a positive effect on organizational performance. Therefore, creating an organization in which members feel responsible for and involved in the success of the organization is an attractive and effective approach to management (Lawler, 1992)¹. It is believed that a change of any element in organizational culture can have a significant impact on staff including less absenteeism, less turnover, better decision-making and better problem solving among others. Thus, the above scenario supports the idea of determining if there is a correlation between the applications of certain organizational changes, specifically, employee involvement (EI) and organizational effectiveness.

Human beings have capabilities, abilities and skills that drive organizational performance along with other resources such as money, materials and information. As Thomas J. Watson, founder of International Business Machine (IBM) said "you can get capital and erect buildings, but it takes people to build a business" (Bohlander and Snell, 2004)². What Watson said is very fundamental when it comes to organizational productivity in terms of growth and success.

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- 1 Lawler, Edward E. (1992). *The ultimate advantage: creating the high involvement organization*.
 - 2 Bohlander, G. and Snell, S., (2004), *Managing Human Resources*, New York: South-Western.

The human resource of an organization consists of management and employees. The commitment of employees increases when the management involves them in decision making on matters which concerns them and the organization. In other words this approach by management motivates employees towards organizational goals. When the commitment of employees is won by management through employee involvement in decision making, it motivates employees to work hard, increases job satisfaction and employees have good attitude towards work. This will lead to improved employee performance and improvement in employee performance leads to achievement of organizational goals.

The concept of employee involvement was revolutionized when McGregor (1957) and Herzberg (1966), first started writing about the topic in their articles “The Human Side of Enterprise” and “Work and the Nature of Man”. In addition, Kurt Lewin – the father of social psychology and one of the contributors to the study of organizational behavior- focused on the individual as a member of a group or within a social environment (Lewin, 1948, 1951)³.

Over the last 30 years, Edward Lawler has been one of the most recognized researchers in the effort to explore and integrate employee involvement. He studied not only the effectiveness of involvement, concluding and accepting employee involvement as a philosophical necessity, but also, he concluded that additional changes that can serve and support the involvement process, need to be made to other systems in the organization Lawler, E. E., & Mohrman, S. A. (1989)⁴

3 Lewin, K. (1948). Resolving social conflicts. New York: Harper.
Lewin, K. (1951). Field theory in social science. Chicago: University of Chicago University Press.

4 Lawler, E. E., & Mohrman, S. A. (1989). With HR help, all managers can practice high-involvement management. *Personnel*, 66 (4), 26-31.

Lodahl and Kejner (1965)⁵ define job involvement as “the degree to which a person’s work performance affects his self-esteem” (p. 25). They also argue, based on their research findings, that employees who are highly involved in their jobs are also highly involved in their organizations (p. 32).

2.2 Types of Employee Involvement

Etzioni (1975)⁶ had proposed three different types of employee involvement:

- Moral: In an organization when the employees accept and identify themselves with the organizational goals without any external or internal pressure.
- Calculative: When the employees perceive and exchange agreement with the organization i.e, they are involved in their work only when they feel that the returns are better on completion of a particular task or goal.
- Alienative: In this type of involvement employees have negative feelings and attachments towards their organizations but they remain in the organisation due to lack of alternatives or opportunities in the market.

2.3 Employee Involvement Practices

Lawler, Mohrman and Ledford, Jr. (1995)⁷ have given some Employee Involvement practices in their book "Creating High Performance Organizations." According to them employee involvement can be characterized by the use of the following practices:

- Knowledge: It refers to support for skill development through formal training as well as informal supervisory coaching including employees at all levels of the organizational hierarchy.
- Sharing information: It refers to the practice of informing employees about company and work group goals as well as the sharing of performance feedback.

5 Lodahl, T. M., & Kejner, M. (1965). The definitions and measurement of job involvement. *Journal of Applied Psychology*, 49, 24-33.

6 Etzioni, A. (1975). *An evaluation of complex organizations: On power, involvement, and their correlates.* (Rev. ed.). New York: Free Press.

7 Lawler, E. E., Mohrman, S. A., & Ledford, Jr. G.E. (1995). *Creating high performance organization.* San Francisco: Jossey-Bass Inc.

- Sharing power: It refers to the use of various practices, such as participative decision-making and job enrichment, which give employees a degree of control or say in decisions that affect their work.
- Rewards: It refers to the use of performance based reward systems that link compensation, promotions, and recognition to individual, group, and organizational performance.

2.4 Preconditions for Employee Involvement:

If an organisation wants to sincerely implement the concept of employee involvement, it should fulfill the following preconditions required for a valid employee involvement:

- ❖ The top management treat union as business partner and should involve the union right from planning, implementation to the evaluation of employee Involvement. If a consultant is appointed to develop and coordinate employee involvement programmes that appointment should be done jointly by the representatives of the employees and the management. The union should be given a free hand in selection, election, or appointment of its representatives on the committees for employee involvement programmes.
- ❖ The organisation should make a commitment with the employees that nobody will be laid off, terminated or demoted as a result of ideas generated by them in employee involvement committees or if their suggestion is not fruitful for the organization.
- ❖ The organisation should share monetary incentives and benefits such as free training, shorter work week, gain sharing, flexi time etc. with employees if it is able to save money because of the ideas generated from employee involvement. The union and the management should jointly determine the types of incentives and benefits to be given to the employees.
- ❖ The organisation should not mix up the grievance matters and collective bargaining in the employee involvement program as these subjects remain outside the purview of employee Involvement.

The success of employee involvement programme depends on the fact that the management actions on cooperation for employee involvement should be the same as management words. Management should always focus on cordial industrial relations and a good relationship with the union. This will help the organization to settle grievances at the lower levels, does not force the union to take most of cases to

arbitration so as to bankrupt the union treasury. The right hand of management employee involvement cooperation should not be chopped off by the left hand of management hostility and confrontation with the union. The words and actions of the management must be consistent for the success of employee involvement programmes.

2.5 Employee Involvement and Organizational Performance:

The research by Huselid (1995)⁸ has attempted to identify a substantive link between bundles of progressive HR practices and company performance. He identified a number of ‘high-performance work practices or systems’ (HPWP or HPWS) embracing employee skills and organizational structures and motivational expressions. The former sometimes presented as high-commitment work practices (HCWP) or high-involvement work practices (HIWP), included a number of participative elements such as quality of working life programmes, employee attitude surveys, profit sharing, etc.

The initial study conducted by him involved distribution to some 3,500 companies in the USA of a questionnaire, from which he also gathered company performance data. Huczynski and Buchanan (2001, p.686)⁹ summarised the main findings as follows.

- Organizations with HPWP had higher levels of productivity and financial performance.
- Organizations with HPWP in the employee skills and organizational structure category had lower employee turnover.
- A significant proportion of the positive effect of HPWP on financial performance is attributable to lower turnover or higher productivity.
- HPWP contributes \$18,500 in shareholder and almost \$4,000 per employee in additional profits.

8 Huselid, M. (1995) ‘The impact of human resource management practices on turnover, productivity and corporate financial performance’, *Academy of Management Journal*, Vol. 38, No. 3, pp. 635–72

9 Huczynski, A. and Buchanan, D. (2001) *Organizational Behaviour*. London: Prentice Hall

Like Huselid, Pfeffer (1998)¹⁰ also drew similar conclusions on the value of progressive people management policies, claiming that ‘profits through people’ are largely attributable to a small grouping of people-management policies including a number of participative elements such as self-managed team working. In a ten-year longitudinal study of HPWP in over 100 UK manufacturing companies, Patterson, M., West, M., Hawthorn, R. and Nickell, S. (1997)¹¹ also found positive links between company culture and HR practices promoting employee welfare and organizational performance. They found that overall job satisfaction and organizational commitment were positively linked to high company productivity.

2.6 Employee Involvement and Decision Making

Employee involvement in decision making, sometimes referred to as participative decision-making (PDM). It is concerned with shared decision making in the work situation (Mitchell, 1973)¹². Locke and Schweiger (1979)¹³ define it as ‘joint decision making’ between managers and subordinates. According to Noah (2008)¹⁴, it is a special form of delegation in which the subordinate gain greater control, greater freedom of choice with respect to bridging the communication gap between the management and the workers. It refers to the degree of employee’s involvement in a firm’s strategic planning activities. A firm can have a high or low degree of employee involvement. A high degree of involvement (deep employee involvement in decision making) means that all categories of employees are involved in the planning process.

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- 10 Pfeffer, J. (1994); *Competitive Advantage through People: Unleashing the Power of the Work Force*; Boston: Harvard Business Review Press; p. 281
 - 11 Patterson, M., West, M., Hawthorn, R. and Nickell, S. (1997) *The Impact of People Management Practices on Business Performance*. London: Institute of Personnel and Development
 - 12 Mitchell TR. (1973) Motivation and participation: an integration. *Academy of Management Journal*, 16: 670–679.
 - 13 Locke, E.A., & Schweiger, D.M. (1979) Participation in Decision-making: One More Look. *Research in Organizational Behaviour*, 1: 265-339.
 - 14 Noah, Y. (2008) A Study of Worker Participation in Management Decision Making Within Selected Establishments in Lagos, Nigeria. *Journal of Social Science*, 17 (1): 31-39.

A low degree of involvement (shallow employee involvement in decision making) indicates a fairly exclusive planning process (Barringer & Bleudorn, 1999)¹⁵ which involves the top management only.

There are different mechanisms for employee involvement in decision making. Attitude survey is one of the ways of involving employees by seeking their views on matters that concerns them. It can be used to obtain views about processes such as job evaluation, pay determination and performance management in order to assess their effectiveness and the degree to which employees feel they are fair. It can also be used to elicit views about personnel policies and how they operate in such areas as equal opportunity, employee development, and health and safety (Armstrong, 2001)¹⁶. The methods of conducting attitude surveys are structured questionnaires, interview and focus group discussion. Armstrong suggested that interviews are preferred because they are more likely to be revealing.

According to Bratton and Gold, (2003)¹⁷ Employee participation provides workers or their representatives with the opportunity to take part and influence decisions that affect their working lives. It involves workers exerting a countervailing and upward pressure on management control. Direct participation refers to those forms of participation in which individual employees are involved in decision making processes that affect their everyday work routines.

15 Barringer, B.R., &Bluedorn, A.C. (1999) The Relationship between Corporate Entrepreneurship and Strategic Management. *Strategic Management Journal*, 20: 421-444.

16 Armstrong, M. ,(2001), *Human Resource Management Practice*, Bath, United Kingdom: The Bath Press.

17 Bratton, J and Gold, J., (2003), *Human Resource Management, Theory and Practice*, New York: Palgrave Macmillan.

Indirect participation refers to those forms of participation in which representatives of the main body of employees participate in the decision making process. Blyton et al (2004)¹⁸ have described employee participation as more fundamentally power oriented which is typically about joint decision making or co-determination. (Lewis, Thornhill and Saunders, 2003)¹⁹ Briefing groups are systems of communication that involves line managers disseminating information approved by top management to the workforce on a regular basis. The rationale for such task-level involvement is related to managerial attempts to generate greater efficiency through the reduction of supervisory time and effectiveness by tapping into the know-how of employees. (Armstrong, 2001)²⁰ Joint consultative committee is essentially a means for management and employees to get together in consultative committees to discuss and determine matters affecting their joint or respective interest.

A deep employee involvement in decision making allows the influence of the frontline employees in the planning process. These are the people who are closest to the customer and who can facilitate new product and service recognition, a central element in the entrepreneurial process (Li et al., 2006)²¹. This means that employee participation in the planning process surrounding the potential innovations may facilitate opportunity recognition throughout the organization (Kemelgor, 2002)²²; (Zivkovic et al., 2009).²³

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- 18 Blyton, P. and Turnbull, P. (2004) *The Dynamics of Employee Relations*. 3rd ed. Basingstoke: Palgrave.
- 19 Lewis, P., Thornhill, A. and Saunders, M., (2003), „Employee Relations: Understanding the employment relationship“, Gosport: Ashford Colour Press Limited.
- 20 Armstrong, M. ,(2001), *Human Resource Management Practice*, Bath, United Kingdom: The Bath Press.
- 21 Li, L., Tse, C., &Gu., B.Y. (2006) The Relationship between Strategic Planning and Entrepreneurial Business Orientation. *The Chinese Economy*, 39(6): 70-82.
- 22 Kemelgor, B.H. (2002) A Comparative Analysis of Corporate Entrepreneurial Orientation between Selected Firms in the Netherlands and the U.S.A. *Entrepreneurship and Regional Development*, 14: 67-87.
- 23 Zivkovic, Z., Mihajlovic, I., Prvulovic, S. (2009) Developing Motivational Model as a Strategy for HRM in Small Enterprises under Transitional Economy. *Serbian Journal of Management*, 4(1): 1-27.

According to Sagie and Aycan (2003)²⁴, there are four approaches to PDM:

Face-to-face PDM: Face-to-face PDM is a direct superior-subordinate interaction; thus, the employees rather than their representatives are involved in decision-making process. However, employees who are necessarily involved are those who possess the needed knowledge and information which is not possessed by the superior. In other words, managers provide opportunities for participation on the basis of one's merits.

Collective PDM: It signifies an indirect involvement of employees in the decision making process through consultative committees, work councils, or even the trade unions. Thus, it is an institutionalized involvement of workers in decisions that are relevant to employee-management relations.

Paternalistic PDM: The paternalistic approach represents the relationship between a superior and his subordinate which is likened to the relationship between a father and child. The (superior) father figure is assumed to know what is best for the subordinate. He is trusted and expected to make the right decisions, which would be to the benefit of the subordinates. The subordinates believe that the superior acts as their representative by taking their well-being and protection into consideration in the decision-making process. This implies that employees rarely take part in the work decisions.

Pseudo-PDM: This form of participation implies a directive management covered with a mask of participation. Directive managers pretending to be participative cannot earn the employees trust; rather, organization members are fully conscious of the disparity between the official democracy and actual dictatorship.

There is growing evidence that firm performance rests increasingly on the involvement of workers in decision making Daft & Lewin, (1993)²⁵ Arthur, (1994)²⁶, and Deninson & Mishra, (1995)²⁷.

24 Sagie, A., & Aycan, Z. (2003) A Cross- Cultural Analysis of Participative Decision-Making in Organizations. *Humam Relations*, 56 (4): 453-473.

25 Daft, R.L., & Lewin, A.Y. (1993) What are the Theories for the 'New' Organizational Forms? An Editorial Essay. *Organizational Science*, 4: 1-4.

26 Arthur, J.B. (1994) Effects of Human Resource Systems on Manufacturing Performance and Turnover. *Academy of Management Journal*, 37: 670-687.

27 Denison, D.R. & Mishra, A.K. (1995) Toward a Theory of Organization Culture and Effectiveness. *Organization Science*, 6: 204-223.

Scholars have argued that employee involvement contributes to organizational efficiency because it has the capacity to enhance the quality of decision making by increasing the inputs and promotes commitment to the outcomes of the decision making process in the workplace Miller & Monge, (1986)²⁸ and Markey, (2006)²⁹. According to Spreitzer et al. (1997)³⁰, workers who have greater choice concerning how to do their own work have been found to have high job satisfaction and consequently high performance. A significant relationship between frequency of employee's consultation and organization commitment has also been established (Noah, 2008)³¹. While employee involvement may reside at the core of many contemporary practices and research, the extent to which organizational-level performance gains are actually achieved through decentralizing decision-making authority to lower level employee remains unclear (Richardson et al., 2004)³². Latham et al. (1994)³³ contend that there is much less research evidence for the value of employee involvement on quality decision making. Scholars have also argued that employees' involvement in decision making may primarily serve to make them feel good about their jobs and organizations but do little to increase firm's performance (Wagner, 1994)³⁴.

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- 28 Miller, K.L., & Monge, P.R. (1986) Participation, Satisfaction, and Productivity: A Meta-analytical Review. *Academy of Management Journal*, 29(4): 727-753.
- 29 Markey, R. (2006) The Internalisation of Representative Employee Participation and its Impact in the Asia Pacific. *Asia Pacific Journal of Human Resources*, 44(3): 342- 363.
- 30 Spreitzer, G.M. Kizilos, M., & Nason, S. (1997) A Dimensional Analysis of Empowerment in Relation to Performance, Job Satisfaction, and Job-related Strain. *Journal of Management*, 23 (5): 679-704.
- 31 Noah, Y. (2008) A Study of Worker Participation in Management Decision Making Within Selected Establishments in Lagos, Nigeria. *Journal of Social Science*, 17 (1): 31-39.
- 32 Richardson, M., Stewart, P., Danford, A., Tailby, S., & Upchurch, M. (2004) 'Employees' Experience of Workplace Partnership'. Pp. 210-26 in M. Stuart & M. M. Lucio (Eds.), *Partnership and Modernization in Employee Relations*.
- 33 Latham, G.P., Winters, D.C., & Locke, E.A. (1994) Cognitive and Motivational Effects of Participation: A Mediator Study. *Journal of Organizational Behaviour*, 15: 49- 64.
- 34 Wagner, J.A. (1994) Participation's Effects on Performance and Satisfaction: A Reconsideration of the Research Evidence. *Academy of Management Review*, 19: 312- 330.

The major obstacle to employee involvement in decision making is resistance to change by management (Bratton and Gold, 2003)³⁵. Managers construct an organizational culture that reflects their own ideologies and styles of management and reinforce their strategies and control. Employee involvement in decision making poses threat to the more autocratic manager. Evidence provided by researchers suggests that many managers tend to resist participation because it is contrary to their habit-formed ways of thinking and behaving.

In addition, failure to respond to employee recommendations is an example that reduces employee involvement in decision making. If management does not acknowledge employees recommendations, employees rapidly conclude that management has no interest in their ideas.

Fear is another obstacle to employee involvement in decision making. Fear is one of the characteristics found mostly in private organizations. At times employees fear that they might lose their jobs if they voice out their views. Any employee involvement in decision making that is attempted over a foundation of fear will collapse. This is because fear prevents good relationship between employees and management in organizations

2.7 Previous studies on Employee Involvement

The first emergence of HRM as a clearly defined concept was in the mid-1980s when American Academicians produced two models. Notwithstanding, history from academic literature have shown that the use of human resource was there in different times fulfilling very vital roles. The two models of HRM produced were the Matching model and the Harvard framework.

The Harvard framework promotes the concept of mutuality as developed by Walton (1985)³⁶ and the theory is that “policies of mutuality will elicit commitment which in turn will yield both better economic performance and greater human development”.

35 Bratton, J and Gold, J., (2003), *Human Resource Management, Theory and Practice*, New York: Palgrave Macmillan.

36 Walton, R.E. (1985) ‘From control to commitment in the workplace’, *Harvard Business Review*, March/April, pp.76-84

The Harvard model widens the context of HRM to include “employee influence” which according to Hyman and Mason (1995)³⁷ is most visibly manifested through employee involvement and employee participation.

David Guest expanded the Harvard Model further by including strategic integration and high commitment (through involvement) such as behavioural loyalty to engage established goals and attitudinal dedication displayed through a strong identification with the organisation (Guest 1989)³⁸. Behavioural science movement represented by writers such as Maslow, Argyris, Herzberg and Likert, outlined the importance of integration and involvement. This has highlighted the idea that management should accept the need to increase the quality of working life in securing improved motivation and better results as a fundamental value. The work of Karen Legge (2001)³⁹ as reviewed by Malik in 2009 identifies the frequent themes of typical definitions of HRM as the need to integrate human resource policies with strategic business planning to reinforce an appropriate (or change an inappropriate) organisational culture. In addition, human resources are essential and a source of competitive advantage that may be obtained most effectively by mutually consistent policies that encourage commitment. Consequently, employees are motivated to act agreeably in such a way that the achievement of organisational excellence is enhanced. Legge (cited in Malik 2009) further argued that HRM emphasizes the development of a strong corporate culture by not only giving direction to an organisation, but also mediates the pressure between individualism and collectivism, as individuals socialised into a strong culture are subject to typical collective controls on attitudes and behaviour.

37 Hyman, J. and Mason, B. (1995) *Managing Employee Involvement and Participation*. London, Sage

38 Guest, D. (1989) ‘Personnel and HRM: can you tell the difference?’, *Personnel Management*, January, pp 48–51

39 Legge, K. (2001) ‘Silver bullet or spent round? Assessing the meaning of the “high commitment management”/performance relationship’, in J. Storey (ed.) *Human Resource Management: A Critical Text*. London: Thomson

Employee involvement was also expounded as a key instrument in the creation of HRM strategies, and the influential Harvard Business School HRM programme proposed by Beer *et al.* (1984)⁴⁰ put ‘employee influence’ firmly in the centre of this approach. The Harvard HRM programme casts employees as one of the main ‘stakeholders’ in the organization and therefore ‘it is critical that managers design and administer various mechanisms for employee influence’. They continued: ‘Not only will their (the employees) interests be heard, but there will be mechanisms to help shape their company’s HRM policies’ (p. 41).

Researchers have noted the differences between exerting external control mechanisms on employees to induce involvement and internal self-control mechanisms that require true commitment, not mere compliance with company goals Manz et al, (1987)⁴¹. “Commitment is about generating human energy and activating the human mind. Without it, the implementation of any new initiative or idea would be seriously compromised. Human beings can commit themselves in two fundamentally different ways: externally and internally. Both are valuable in the workplace, but only internal commitment reinforces empowerment” Argyris (1998)⁴². No matter how many external control mechanisms the organization imposes on the individual employee, these have to pass the filters of the internal self-control mechanism. This means that the organization will need to align the individual and organizational goals to prevent any conflicts of interest. This is done through awareness training, tying the goals of the process to the overall goals of the organization and then linking it to short-term and long-term rewards.

40 Beer, M., Spector, B., Lawrence, P., Quinn Mills, D. and Walton, R. (1984) *Managing Human Assets*, New York: Free Press.

41 Manz, C. C. & H. Sims (1987) External leadership of self-managed work teams. *Administrative Science Quarterly*, 32, 106-128.

42 Argyris, C. (1998, May-June). Empowerment: The emperor's new clothes. *Harvard Business Review*, p. 98-105.

Studies have shown that employees want to be involved with sustainability initiatives. The participants in one survey reported overwhelmingly that they prefer to be employed by a company that practices sustainability; 96% said they would like to work at “a successful company that also aspires to be good” (Willard, 2002). This creates a necessary sense of pride and internal fulfillment. A distinct contradiction occurs in the conformance and compliance methods of most management systems and achieving employee commitment and involvement. Most of these programs train employees on specific roles and objectives. They break these objectives into the tasks and train them to perform the tasks accordingly. To achieve involvement the employee should have the opportunity and channels to suggest change and achieve it. The freedom to innovate and create should be cultivated, without the threat of penalty yet under the guidance, help and supervision of managers and fellow employees.

Employee involvement within organizations can mature from a simple conformance model into a fully involved employee. This is done by creating the right culture and aiding the employee with the right framework and integrated management system. The management systems are there to help the employee improve the processes and assist the organization not to place extra burdens on the employee. The employee should not have to put on different hats to perform a job for each management system. Rather employees should be always thinking about the three responsibilities in every task: environmental, economic and social. Once a bottom up change builds to a certain size the leadership of the organization should then be willing to adjust systems and structures to accommodate that change (Beer, Eisenstat, & Spector, 1990). A fully integrated management system would make it possible to consider all responsibilities at once and thus make involvement of the employee easier.

Lawler (1986 cited in Light 2004)⁴³ argued that the effectiveness of EI program within an organization relates directly to the degree to which information, knowledge, power and rewards are vertically integrated into the organizational structure. Accordingly, the success of the EI programs requires the simultaneous integration of all four processes.

43 Lawler, E. (1986) *High-Involvement Management*, San Francisco Calif.: Jossey-Bass

It was stated that without this integration, employee involvement would be ineffective. This argument was strengthened by the authors stating that: Power without knowledge, information and rewards is likely to lead to poor decisions. Information and knowledge without power leads to frustration because people cannot use their expertise. Rewards for organizational performance without power leads to frustration because people cannot influence their rewards. Information, knowledge and power without rewards for organizational performance are dangerous because nothing will ensure that people will exercise their power in ways that will contribute to organizational effectiveness (p. 42).

Research has indicated that motivation and training and development for employees enhance workers performance. As a result of this, commitment of employees to the organizational goals is achieved. One of the channels through which workers performance can be enhanced is giving employees more autonomy in making decisions that affect their job. This also affects the performance of the organization. From an HRM point of view, this is referred to as empowerment

(De Cenzo and Robbins, 1994)⁴⁴. Bohlander and Snell (2004)⁴⁵ defined empowerment as a technique of involving employees in their work through the process of inclusion. They continued to argue that empowerment encourages employees to become innovators and managers of their own work, and it involves them in their jobs in ways that give them more control and autonomous decision making capabilities. This means granting employees power to initiate change, thereby encouraging them to take charge of what they do.

44 De Cenzo, D. and Robbins, S. P., (1994), Human Resource Management, Concepts and Practices, New York: John Wiley and Sons Inc.

45 Bohlander, G. and Snell, S., (2004), Managing Human Resources, New York: South-Western.

2.8 Forms of Employee Involvement

Employee involvement approach is defined by Blake and Mouton (1981)⁴⁶ in their book "Productivity: The Human Side". The idea for this author is that the more involved employees are in the challenges of production, or services, the more productive they will be. The four approaches of employee involvement that the authors emphasized (also called employee participation) are:

➤ **Formal Participative Decision Making:** Decision-making is defined as the ability to weigh alternative approaches and make a commitment to, and carry through, a selected option (Thorley, 1992)⁴⁷. More specifically, The Leadership Management Development Center, Inc. in 1997 described on its Web page "Decision Making Styles" that the decision-making ability is a matter of style. Not the decision itself, but the style. Consequently, there are four types or styles: democratic, autocratic, collective-participative, and consensus. But, if the word participative is included in the definitions the style known as autocratic and collective-participative cannot be considered. Thus, "democratic decision-making is when the leader gives up ownership and control of a decision and allows the group to vote. Majority vote will decide the action. Consensus decision-making is when the leader gives up total control of the decision. The complete group is totally involved in the decision. The leader is not individually responsible for the outcome. The complete organization or group is now responsible for the outcome". Finally, Participative decision-making is when the group as a whole proceeds through the entire decision making process. It is when the group defines the problem and performs all other functions as a group.

46 Blake, R. R., & Mouton, J. S. (1981). *Productivity: The human side*. New York:

AMACOM.

47 Thorley, L. (1992). *Develop your personal skills*. Hatfield: University of Hertfordshire

➤ **Quality Circles (QC):** Recognized as one of the forms of employee involvement, the concept of quality circles (QC) has been discussed in a large number of articles. In whatever manner, the term “quality circles” has changed in how it is defined (Van Fleet & Griffin, 1989)⁴⁸ simply, because it means different things to different people. There are definitions of Japanese QC because they developed the term in the early 1960s. By that time, the development of QCs was a strategy of the Japanese government to create a better country reputation within the quality arena (Munchus, 1983)⁴⁹. For instance, Crocker, Chiu & Charney (1984)⁵⁰ defined QC for the Japanese industry such as “they are problem-solving teams which use simple statistical methods to research and decide on solutions to workshop problems” (p. 5). On the other hand, the definition in America is very similar. The difference is that in America the QC may emphasize a particular function, such as problem solving, team building or quality control. Another definition of QC provided by Donald L. Dewar (1980)⁵¹ says that QC is a way of capturing the creative and innovative power that lies within the force (p. 2). Nevertheless, no matter what definition is used, quality circles are a people-building, rather than people-using, approach (Crocker, Chiu & Charney, 1984)⁵². QCs are very similar to self-directed work teams except for the dimension of influence. In other words, making suggestions for someone else to decide, the quality circles are different from self-directed teams.

48 Van Fleet, D.D., & Griffin, R.W. (1989). Quality Circles: A Review and Suggested Future Directions. In C.L. Cooper and I.T. Robertson, Eds., *Review of Industrial and Organizational Psychology 1989* (New York: John Wiley & Sons, 1989), 213-234.

49 Munchus, G. (1983). Employer-employee based quality circles in Japan: Human resource Policy implications for American firms. *Academy of Management Review*, 8, 255-261

50 Crocker, O.L., Chiu, J. S., & Charney, C. (1984). *Quality Circles: A guide to participation and productivity*. New York: Methuen Publications.

51 Dewar, D. L. (1980). *The quality circle guide to participation management*. New Jersey: Prentice-Hall.

52 Crocker, O.L., Chiu, J. S., & Charney, C. (1984). *Quality Circles: A guide to participation and productivity*. New York: Methuen Publications.

Self-directed work teams make decisions and then act on those decisions (Cotton,1993)⁵³

➤ Quality of Work Life (QWL). The term "quality of work life" (QWL) was first introduced in 1972 during an international labor relation's conference (Hian and Einstein, 1990)⁵⁴. QWL received more attention after United Auto Workers and General Motors initiated a QWL program for work reforms. Robbins (1989)⁵⁵ defined QWL as "a process by which an organization responds to employee needs by developing mechanisms to allow them to share fully in making the decisions that design their lives at work" (p. 207).

➤ Gain sharing: In Bernolak's (2000)⁵⁶ words: "Gain sharing refers to a category of incentive systems that involves a group of employees in the productivity improvement efforts and shares the resulting gains with the group based on its overall performance improvement". The author implies that productivity and profitability gains can be created by a better use of inputs such as labor, capital, materials and energy. Thus, gain sharing plans use predetermined formulas to reflect the productivity or profitability improvement over historical levels. Today, gain sharing has become a generic term, casually used to describe any number of incentive, bonus, or award programs, or other variable pay methods. Rather than the serious, formal, well thought out "pay for results" methodologies and culture originally designed and intended by the founding fathers of Gain sharing (Scanlon, Rucker, and Jackson), many years ago. Many actual gain sharing plans have evolved to be hybrids of these authors' work. Ultimately, the "correct" gain sharing plan is the one that labor and management feel is fair, fosters a sense of identity with the organization, and improves the productivity and profitability of the organization.

53 Cotton, J. (1993). Employee involvement: Method for improving performance and work attitudes. California: SAGE Publications, Inc

54 Hian, C. C., & Einstein, W. O. (1990). Quality of work life (QWL): What can unions do? S.A.M. Advanced Management Journal, 55 (2), 17-22.

55 Robbins, S. P. (1989). Organizational Behavior: Concepts, controversies, and applications. New Jersey: Prentice Hall.

56 Bernolak, C. (2000). Productivity gain sharing. Enterprise and management development working paper. International Labor Organization (ILO).

- Job Redesign: At the beginning of the evolution of job redesign, employee involvement was not the main focus. It rather focused on job design. Nevertheless, it is important to mention that Herzberg's motivation-hygiene theory, also called the two-factor theory, has to be considered as an important base of this topic (Cotton, 1993)⁵⁷. Enlargement, job enrichment or job redesign refers to the process of determining what tasks and work processes will comprise a given job or given group of interrelated jobs. Job enrichment has been defined by Boone (1999)⁵⁸ as a "job design change that augments employees' authority in planning their work, deciding how it should be done, and learning new skills that help them grow" (p. 312). The idea is that a person that is involved in rethinking his or her job and what it contains is very likely, particularly with professional help, to want to increase the complexity of his or her job in both directions. "Once complexity is increased, the job requires more thought and involvement; therefore one person is contributing more output under the redesigned job than previously." (Blake and Mouton, 1981) (p. 5)⁵⁹.
- Self-Directed Work Teams (SDWT). It is "one of the more radical approaches to employee involvement, and one becoming increasingly popular in the last several years(also called autonomous or semiautonomous work groups)" (Cotton, 1993) (p.173)⁶⁰. It is about reorganizing the employees into teams.

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- 57 Cotton, J. (1993). Employee involvement: Method for improving performance and work attitudes. California: SAGE Publications, Inc
- 58 Boone, L. E., & Kurtz, D. L. (1999).Contemporary Business. Fort Worth: Dryden Press.
- 59 Blake, R. R., & Mouton, J. S. (1981). Productivity: The human side. New York: AMACOM.
- 60 Cotton, J. (1993). Employee involvement: Method for improving performance and work attitudes. California: SAGE Publications, Inc

Loren Ankarlo (1992)⁶¹ defined SDWT as “a functional group of employees (typically eight to fifteen people) that shares responsibility for a particular unit (production or service) in which members are trained in all technical skills necessary to complete the task assigned. They have the authority to plan, implement and control all work process, including scheduling, quality and costs, but those responsibilities have been clearly defined in advance.” (p. 4). The issue about leadership and directions in this kind of EI form is that there is no single supervisor within the team; rather all team members share authority. The team makes decisions, not a single supervisor. However, outside of the team is a leader, who has little interaction with the team. It is the role of the external leader to act as a coach. In some cases, SDWT gives the companies a chance to promote opportunities for the employees to use their ideas, to show their skills and talents, and to create innovations that generate outcomes.

➤ Employee Ownership: This a formal form of EI. Usually called work-owned firm, it is no more than an organization in which the workers themselves own and manage the business (Adams, F. & Hansen, G., 1992)(p. 23)⁶². In terms of employee involvement, these types of businesses are also known as an industrial cooperative, a work-owned cooperative, a labor-managed enterprise, or a cooperative labor-enterprise. In addition, the authors explained that there are two fundamental principles of a work-owned enterprise. The first one says “that ownership and control of the enterprise are derived from working in it, not just from capital investment; and the second one, the concept of labor-entrepreneurship is adopted”. Toscano (1983)⁶³ gives another point of view in his article “Toward a Typology of Employee Ownership”.

61 Loren Ankarlo, L. (1992). *Implementing Self-directed work teams*. Colorado: Career Track Publications.

62 Adams, F. T., & Hansen, G. B. (1992). *Putting democracy to work: A practical guide for starting and managing worker-owned businesses*. San Francisco: Berrett-Koehler Publishers.

63 Toscano, D. J. (1983). *Toward a typology of employee ownership*. *Human Relations*, 36, 581-602.

The author defined three general types of employee ownership: direct ownership, a typical company where employees individually own stock; employee stock ownership plans (ESOP), created when the company established a specific benefit in which employees acquire stocks as part of their benefits; and worker cooperative, defined as a group of individuals working in a company who own and personally operate the organization. Actually, ESOPs “are far and away the most popular form of employee ownership.” (Cotton 1993) (p.203)⁶⁴.

➤ Representative Participation (RP): It is one of the four forms of participation (Poutsma, 2000)⁶⁵. This form of employee involvement relates to teams that include selected or elective representatives of all grades of staff in the departments, which will be affected by the implementation of a new system, policy, etc. In addition, RP involves worker participation in forums that address strategic issues rather than merely workplace or process issues (Modernising Public Service Group, 1999). It is known as the most widely legislated form of employee involvement around the world. The different representatives "can come in the form of work council, worker representatives on the board of directors, or some other format." (Cotton, 1993) (p. 114)⁶⁶.

➤ Managing by Objectives (MBO). In this approach, the gist is setting objectives in which people become involved in demonstrating an ability to accomplish these objectives. Thus, the result is greater productivity (Blake and Mouton, 1981)⁶⁷. Concerns and issues that many people have seen and experienced in management lead MBO definitions. For instance, related with “directing” as an issue, Peter Drucker (1954)(p. 121)⁶⁸says that MBO is “directing each job toward the objectives of the whole business”.

64 Cotton, J. (1993). Employee involvement: Method for improving performance and work attitudes. California: SAGE Publications, Inc

65 Poutsma, E. (2000). Recent Developments in Financial Participation within the European Union

66 Cotton, J. (1993). Employee involvement: Method for improving performance and work attitudes. California: SAGE Publications, Inc

67 Blake, R. R., & Mouton, J. S. (1981). Productivity: The human side. New York: AMACOM.

68 Peter Drucker, (1954). The practices of management. New York: Harper & Brothers.

Related with “performance and development”, John W. Humble (1970)⁶⁹ defined MBO as “a system that integrates the company’s goals of profit and growth with the manager’s needs to contribute and develop himself personally” (p. 21). Referring to “productivity” as another concern or issue, Paul Mali (1972)⁷⁰ defines MBO as “a six-step interrelated and interdependent process-identify potential productivity areas, quantify productivity level desired, specify a measurable productivity objective, develop a plan for attaining objectives, control with time milestones of progress, and evaluate productivity reached” (p. 1). Finally, Charles W. Hughes defined MBO as it relates to “motivation”. In his opinion, "MBO makes company goals known to the employees and provides opportunities for employees to participate meaningfully in meeting these objectives. In a way that gives employees a chance for identifying personal goals, the motivation to work that results will achieve company goals as well as personal goals” (p. 29). A major weakness of the MBO process resides in the methodological area. In other words, achieving the basic goal of MBO through the process of pulling all the relevant parts together in a systematic way is not an easy thing to do.

69 Humble, J. W. (1970). *Managing by objectives in action*. New York: McGraw-Hill.

Jones, D.C. (1987) ‘The productivity effects of worker directors and financial participation by employees in the firm: the case of British retail co-operatives’, *Industrial and Labor Relations Review*, Vol. 41, No. 1, pp. 79–92

70 Mali, P. (1972). *Managing by objectives*. New York: Wiley.

2.9 International Aspects of Employee Involvement

In many countries in Europe and the rest of the world, trade unions still act as one of the most important communication channels, despite indications that there has been a decline in membership worldwide over the past two decades. Their importance is central in Scandinavian countries, especially Sweden, and they still carry considerable weight in Germany and Britain. Employee involvement rooted in industrial democratic processes has witnessed a surer growth over the past two to three decades in legislatively supported systems such as co-determination in Germany and Sweden.

2.9.1 Employee Involvement in Sweden (Co-determination)

In many respects Sweden has the most advanced forms of employee participation or involvement in the world, at both organizational and workplace levels (Wilczynski, 1983)⁷¹. The basis of industrial democracy in the country stretches back to 1948 with the setting up of the National Labour Market Board. This was composed of representatives from labour, employers and government, and participated in economic planning.

In the economic and political climate of the 1970s, demands were made for the extension of industrial democracy, which led to the passage of a body of legislation, most notable of which was the Co-determination at Work Act passed in 1977. The aim of the Act was to extend the scope of collective bargaining to areas of management policy, including organizational and technical change. It required all employers to allow consultation with employees and the participation of their representatives in decision-making at both board and shop floor levels. For example, one of the central provisions of the Act requires that, when employers are contemplating making major changes in their operations or working conditions of employment, they are required to negotiate with employee representatives before the final decisions are taken and changes are introduced (Edlund and Nystrom, 1988)

71 Wilczynski, J. (1983) *Comparative Industrial Relations*, London: Macmillan.

Companies have also enhanced the reputation of Swedish employee involvement. 'Volvo in particular introduced job enlargement and job enrichment, 'quality of working life' techniques to its Kalmar plant in the 1970s, and became the focus of much attention worldwide as an alternative to the mass-assembly Fordist systems of production (Sell, 1958)⁷².

The balance of power between state, unions and employers changes continually with each economic phase, but there is no reason to believe that the essence of the system will not survive. Despite the fact that management prerogatives in Sweden still outweigh those of the employee, the culture of involvement is still very well developed compared with most other countries.

2.9.2 Employee Involvement in Germany (Co-determination)

The German system of co-determination and works councils has been seen by some observers to be a model for the rest of the European Union and World. In contrast to other countries, the system of co-determination in Germany is very extensive, and involves the participation of employees and their representatives in nearly all decisions relating to personnel and many aspects of company policy. (Gaugler and Wiltz, 1992)Co-determination is legally embodied in the work system by four key Acts: the Montan Co-determination Act 1951, the Workplace Labour Relations Act 1952, the Workplace Labour Relations Act 1972, and the Co-determination law of 1976. Co-determination operates basically at company and plant levels, although there are three methods by which workers can participate: works councils, supervisory boards and management boards

72 Sell, R. (1988) 'The human face of industry in Sweden', *Industrial Society Magazine*, March, pp. 30-32

In places of work that have five or more employees the workforce elects a works council, consisting of workers representatives only. The works council has a right to information concerning:

- The organisation of work
- The working environment and jobs
- the hiring of executives
- Planned changes in the company that could result in considerable disadvantages to employees.

In addition, the works council has the right to make suggestions during the formulation and implementation of personnel planning; regarding vocational training (apprenticeships, etc.) about other training and development measures.

The views of the works council must be considered by the employer, although there is no compulsion to accept them. For larger companies (not family owned) employing more than 500 people, representatives elected by the workers sit on the supervisory board, where they make up one-third to a half (depending on size) of the policy making body. Other board members are elected by the shareholders, and a neutral chairperson is appointed. German workers tend to believe that in general the works councils and co-determination system represent them adequately.

2.9.3 Employee Involvement in Japan

Japan is often cited as an example of employee participation practices, particularly giant corporations such as Komatsu, Hitachi, Nissan, Honda, Mitsubishi and Toyota. The most commonly emulated participation technique has been quality circles, which were conceived in the USA by Deming and Juran but were firstly implanted in Japanese organizations in the 1950s. Since then employee involvement techniques such as QCs and team working have been part and parcel of the working practices of Japanese companies in the UK, such as Nissan in Sunderland and Toyota in Derby.

Many studies have been made of Japanese organizations in order to discover the secrets of their economic success, and team working techniques have received much attention as a perceived key to efficient work practices. Pascale and Athos (1982)⁷³ emphasize that the work group is the basic building block of Japanese organizations: 'Owing to the central importance of group efforts in their thinking, the Japanese are extremely sensitive to and concerned about group interactions and relationships' (p. 125). They liken the Japanese worker's view of the group to that of

a marriage that rests on commitment, trust, sharing and loyalty, and while power ultimately rests with management, the group leader handles the interaction within the group carefully. This 'participation assumption' is also related to a lifetime employment assumption, which ensures that the worker has a strong stake in the firm and its success. Finally, and perhaps most importantly, participation is backed up by training of both group leaders and workers in the skills of group participation (Dore and Sako, 1989)⁷⁴. Employee involvement, like training, is thus embedded in Japanese organizations. A number of observers (including Klaus and Bass, 1974)⁷⁵ have pointed out that employee involvement should not be confused with decision-making, particularly at the higher levels within the organization: 'The reality is that not all employees wield real power and when it comes to making the decision, workers feel that they are under great pressure to agree with supervisors and unpopular decisions are simply ignored' (Naoi and Schooler, 1985, quoted in Briggs, 1991: 40)⁷⁶.

73 Pascale, R. and Athos, A. (1982) *The Art of Japanese Management*, London: Allen Lane.

74 Dore, R. and Sako, M. (1989) *How the Japanese Learn to Work*, London: Routledge.

75 Klaus, R. and Bass, B. (1974) 'Group influence on individual behavior across cultures, *Journal of Cross Cultural Psychology*, Vol. 5, pp. 236-246.

76 Naoi, A. and Schooler, C. (1985) 'Occupational conditions and psychological functioning in Japan', *American Journal of Sociology*, Vol. 90, No. 4, pp. 729-752 (quoted in Briggs, 1991)

In a number of surveys Japanese workers have rated themselves low on job satisfaction and yet they work far more hours for less reward than their US and British counterparts. This cannot be explained by coercive methods alone; Briggs points to the extent of unionisation, albeit organised around large corporations, and finds this view untenable. Her explanation is based on cultural factors in that the Japanese have ‘a deep felt desire to keep the realm of duty separate from the realm of personal feeling, duty must come first and must exist totally separate from the domain of personal feelings’.

If this is the case, it has ramifications for the export of such EI practices to other countries, most notably Britain, which has received enormous amounts of Japanese investment. Wickens (1987)⁷⁷, in his exposition of how Nissan implanted Japanese practices into its Sunderland factory, strongly believes that people are capable of change and that the institution of Japanese-style working practices was partly effected by a watering-down process to meet British attitudes, combined with a process of education and training to enable newly hired (often novice) workers in car manufacturing to be imbued with Japanese-style practices. This was reinforced by a green field culture with workers who had predominantly been recruited from regions where high unemployment meant an eagerness to gain and retain employment.

Nevertheless employee involvement has been criticized by some other authors and it was argued that employee involvement techniques do not contribute to a better climate than that found in more traditional workplaces.

77 Wickens, P. (1987) *The Road to Nissan: Flexibility, Quality and Teamwork*, Basingstoke: Macmillan.

In addition, Hyman and Mason (1995)⁷⁸ observed that there is little visible evidence to connect individual EI techniques with any measurable effects on employee behavior. They further identified weaknesses of employee involvement as the following: The lack of substantial evidence to show that the influence of employees over decisions affecting them has been, or can ever be improved through contemporary forms of involvement.

- The danger of further eroding the collective means to influencing employer and management decisions through the progressing attention given to involvement practices at work.
- Additional doubts are raised about the ability of involvement to function as a tool of expressing employee interest.

But despite of some criticism the future of employee involvement seems to be bright, in the opinion of researchers that visualize and believe that it will be more popular in coming time. The first reason is because high involvement work processes positively influence organizational effectiveness. It appears that the attributes of employee involvement operate upon effectiveness by both promoting workforce motivation and facilitating the application of employee knowledge, skills, and abilities, directly onto organizational issues (Vanderberg, Richardson & Eastman, 1999)⁷⁹. The second reason is that people, especially managers, feel confident about the ability of employee involvement to have an impact because American management has been involving employees more effectively in the last two decades and this has helped improve productivity. (Cotton, 1993)⁸⁰

78 Hyman, J. and Mason, B. (1995) *Managing Employee Involvement and Participation*. London, Sage.

79 Vandenberg, R. J., Richardson, H. A., & Eastman, L. J. (Sept. 1999). The impact of high involvement work processes on organizational effectiveness: A second-order latent variable approach. *Group & Organization Management*, (24), 3, 300-339.

80 Cotton, J. (1993). *Employee involvement: Method for improving performance and work attitudes*. California: SAGE Publications, Inc

Chapter-3

Research methodology

3.1	Introduction
3.2	Research design
3.3	Sampling design
3.3.1	Sampling design and type
3.4	Geographical coverage
3.5	Period of study
3.6	Primary data
3.7	Secondary data
3.8	Processing of data
3.9	Statistical methods used to test hypothesis

3.1 Introduction:

Today's global economy has every possible equipment and technology in the organization. An organization may have similar products, features, services. But the limited resources that an organization might have are the human resource as organizations have taken limited efforts to retain the talent. This talent is an organizational asset which helps in increasing productivity. Each organization is made up of a unique group of people. Managing people is an important activity of the human resource department then comes raw material, finished products and money. Future success will depend on the intellectual capital of the organization and the knowledge its people possess. Now, the organizations have recognized as Employee Involvement is one of the important topics in human resource management because of its varied and rich talent. It is a participative process that uses the full capacity of the employee and is designed to promote increased commitment to the organization's growth which will ultimately lead to success. The main idea behind this process is that by involving employees in the decisions that affect them and by increasing their autonomy and control over their work-lives, they will become more motivated, more committed to the organization, more productive, and more satisfied with their jobs.

The researcher has attempted to study the correlation between employee involvement and organizational effectiveness and to find out the factors of employee involvement and organizational effectiveness in the select mid-size companies of MIDC, Ahmednagar.

Research Methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. In the current study researcher studies the various steps that are to be adopted to study his research problem along with the logic behind it. It is necessary for the researcher to know not only research methods but also methodology for successfully completing his research within the scope and objectives of his study.

Researcher feels that medium scale companies of the selected area can improve performance by implementing right strategies towards employee involvement. Researcher's interest is to prove that there exist a positive correlation between employee involvement and organizational effectiveness.

3.2 Research Design

In this study the researcher is studying the correlation between employee involvement and organizational effectiveness in the selected medium scale companies the MIDC, Ahmednagar. This study undertook the design of descriptive, analytical and predictive research. Once the theoretical framework was developed, the data collection procedure was planned and executed as per research design.

3.3.1 Sampling Design and Type

A sample is defined as the portion of a population that has been selected for research study. It is not possible to select every item in the population so, with the aid of statistical procedures a small representative group is selected from the larger population. When the researcher prepares a definite plan of how sample will be selected from the entire population is known as sampling design.

In this study researcher has selected Random Sampling technique as it is the most preferred technique of data collection because every item from the population has the same chance of selection as every other sample of the same size.

Data was collected from the workers/operators, supervisors and executives/officers and managers. The information was collected from the employees who have been working with the organization for more than 3 years in order to get the accurate and genuine information. The researcher has tried to contact 18 companies. In spite of pertinent efforts only 14 companies allowed for conducting the survey in their organization. Therefore, the effective size of the companies is 14 out of 18 companies.

The sample size is 450 Managers, Executives/Officers, Supervisors and Workers/Operators, out of 14 selected medium scale companies of MIDC, Ahmednagar.

3.4 Geographical Coverage

The geographical coverage of the study was limited to the 14 selected medium scale companies of MIDC, Ahmednagar.

3.5 Period of the Study

The present study covers 14 medium scale companies of MIDC, Ahmednagar for the period of 2007-2012

3.6 Primary Data

The data which is collected by the researcher through interviews, questionnaires, surveys and observation is known as primary data. In the present study the researcher has used a questionnaire which was the main instrument of the study for collecting primary data. A questionnaire is a formalized set of questions for obtaining information from respondents.

A total of 450 questionnaires were distributed to the employees of the selected companies working in the categories of Managers, Executives/Officers, Supervisors and Workers/Operators accompanied with cover letter assuring confidentiality of data and results. The Researcher when handed over the questionnaires to the respondents in the organization he briefed them about the concept of Employees Involvement and cleared their doubts relating to certain statements. He requested them to fill the questionnaires on the spot. Some of the participants preferred to fill the questionnaire on the spot while others were given one week to fill the relevant questionnaires. Some structured in depth interviews were also conducted.

Out of the distributed questionnaires, 423 were filled by respondents. The researcher scraped 21 questionnaires because the information filled was not proper. After the deletion of the invalid responses, researcher obtained 402 valid questionnaires, yielding a response rate of 93.3%.

3.7 Secondary Data

The information related to the employee involvement was collected from different books available in various libraries of Ahmednagar and Pune. The researcher surfed various sites to collect relevant information on the subject matter. Secondary data was also collected from national and international journals, magazines, newspapers etc.

3.8 Processing of Data

Processing of the primary and secondary data collected by the researcher in the study to extract the required information and present it in an appropriate form such as graphs, diagrams, tables etc.

The data collected by the researcher in the study is presented with the help of tables, and pie charts and descriptive statistics and quantitative methods are applied to analyse the collected data. The collected data is analysed by using descriptive and

inferential statistics. Descriptive statistics involves the use of frequencies, mean, and percentages. Inferential statistics is used to measure the relationship between variables with the aid of Statistical Packages for Social Scientists (SPSS). Correlation analysis is used to examine the relationship between Employee Involvement and Organizational Effectiveness while regression analysis is employed to examine the cause and effect relationship between contextual variables and business performance. Policy implications are drawn from the results obtained from the study.

Lastly, the impartial results are drawn after thorough study of data and proper conclusion is made to sum up the research study.

3.9 Statistical methods used to test hypothesis

To analyse the data SPSS tool is such as Freidman Chi-Square Test, mean, Pearson's correlation mean ranks were used.

Chapter-4

Data analysis and Interpretation

Data analysis and Interpretation

The main objective of this research is to study the correlation between employee involvement and organisational effectiveness. This chapter presents analysis and interpretation of the primary data collected from the workers/operators, supervisors, officers/executives and managers of the 14 medium scale companies of MIDC, Ahmednagar.

In the present study, Questionnaires were circulated to the respondents from the selected companies for collecting the primary data. It contained 71 statements covering most of the aspects of Employee Involvement and Organisational Effectiveness. The respondents were asked to rate each statement on a 5 point Likert Scale to indicate the extent to which they agree or disagree with the statement. (1 – Strongly Disagree, 2 – Disagree, 3 – Neither Agree nor Disagree, 4 – Agree, 5 – Strongly Agree).

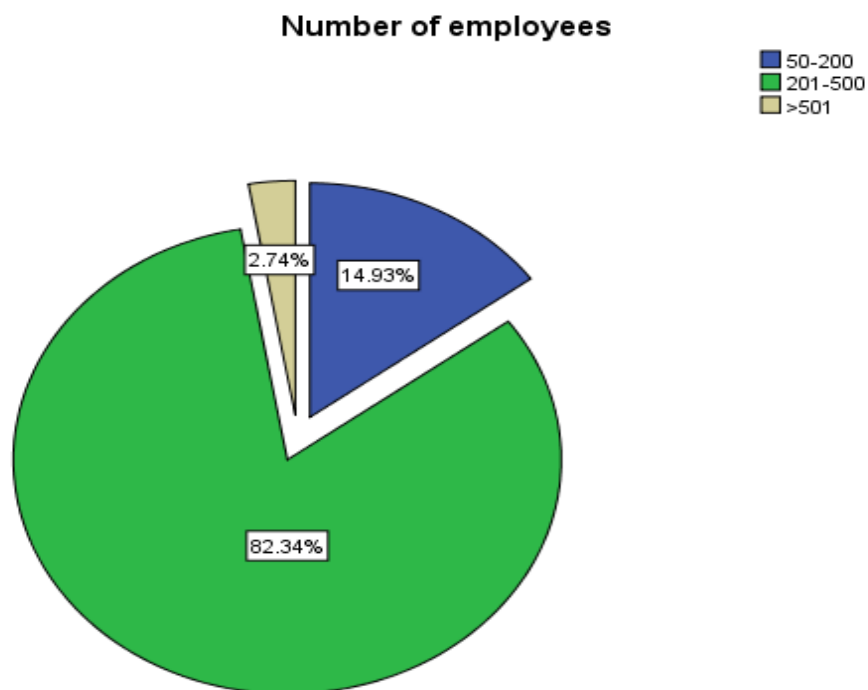


Figure 4A

From the above pie chart it can be observed that 82 percent of employees are from the companies which employs 201 – 500 employees, 15 percent employees are from the companies having strength from 50 -200 employees and 3 percent of employees covered in the research are from the companies employing more than 500 employees.

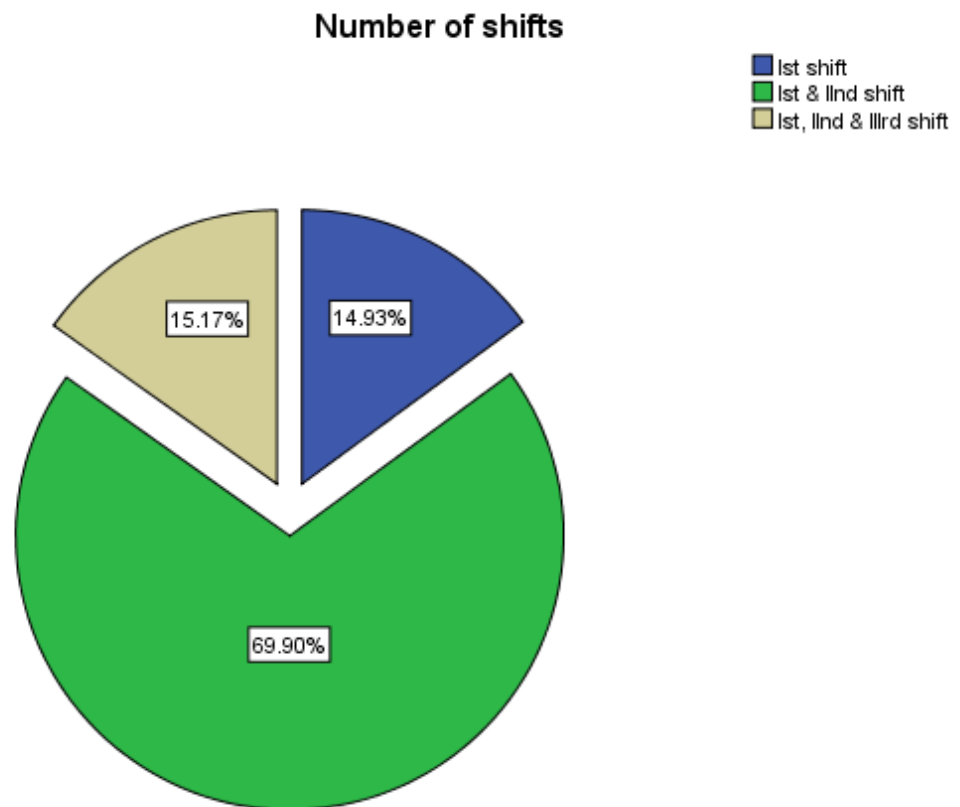


Figure 4B

From the above pie chart it can be observed that 70 percent of organizations are running in two shifts whereas 15 percent are operational in three shifts and 15 percent are functional in one shift.

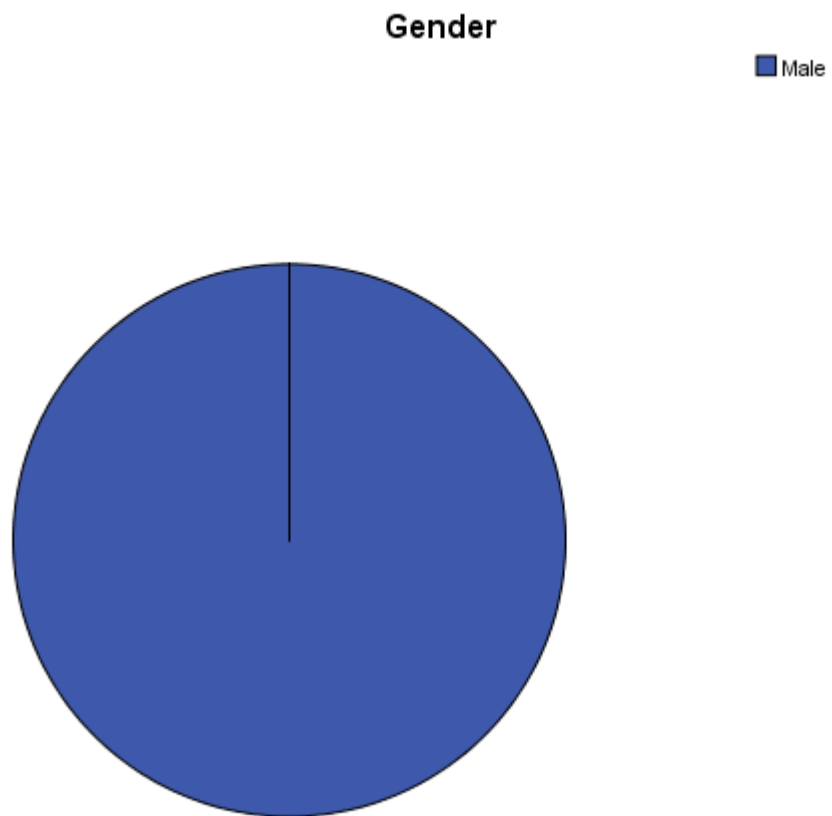


Figure 4C

From the above pie chart it can be observed that all the employees covered under the research are male.

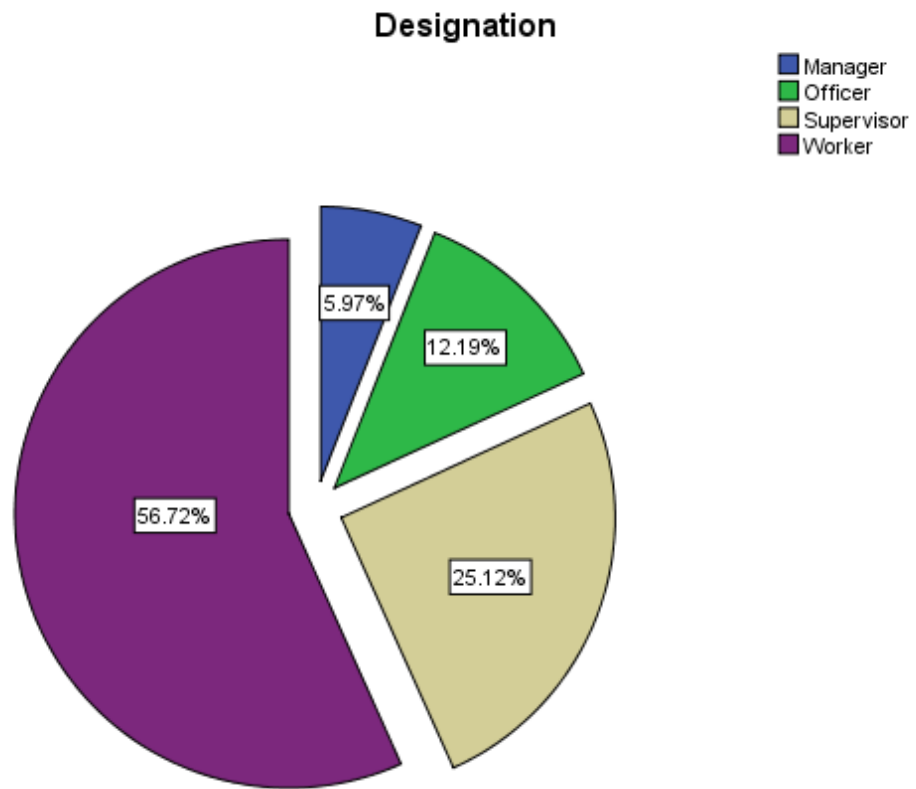


Figure 4D

From the above pie chart it can be observed that the researcher has covered 57 percent workers, 25 percent supervisors, 12 percent officers and 6 percent managers in his research.

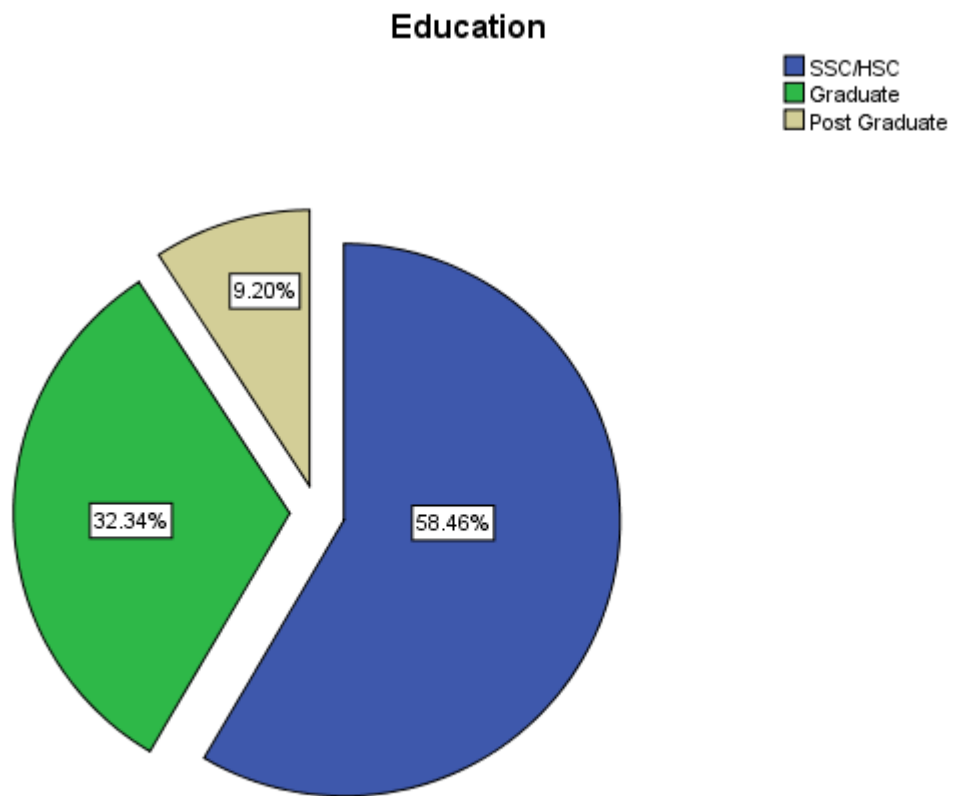


Figure 4E

From the above pie chart it can be observed that 58 percent employees covered in the research have passed SSC/HSC examination, whereas 32 percent of the employees are Graduates and 9 percent employees are Post Graduates.

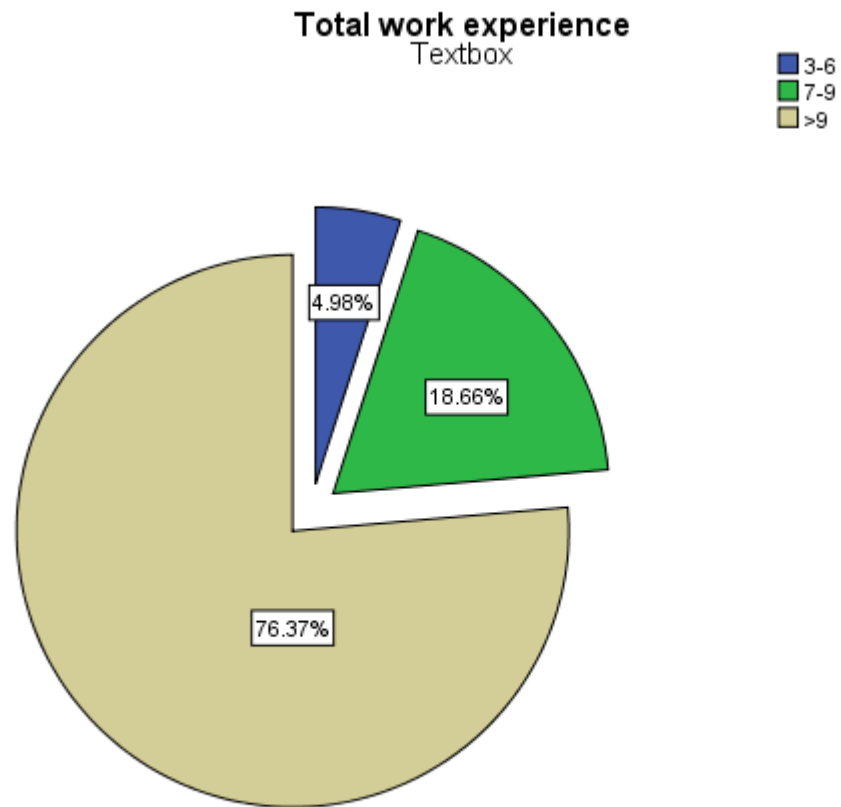


Figure 4F

From the above pie chart it can be observed 76 percent employees covered in the research have total work experience of more than 9 years, 19 percent employees have experience of around 7 – 9 years and 5 percent employees have total work experience of 3 – 6 years.

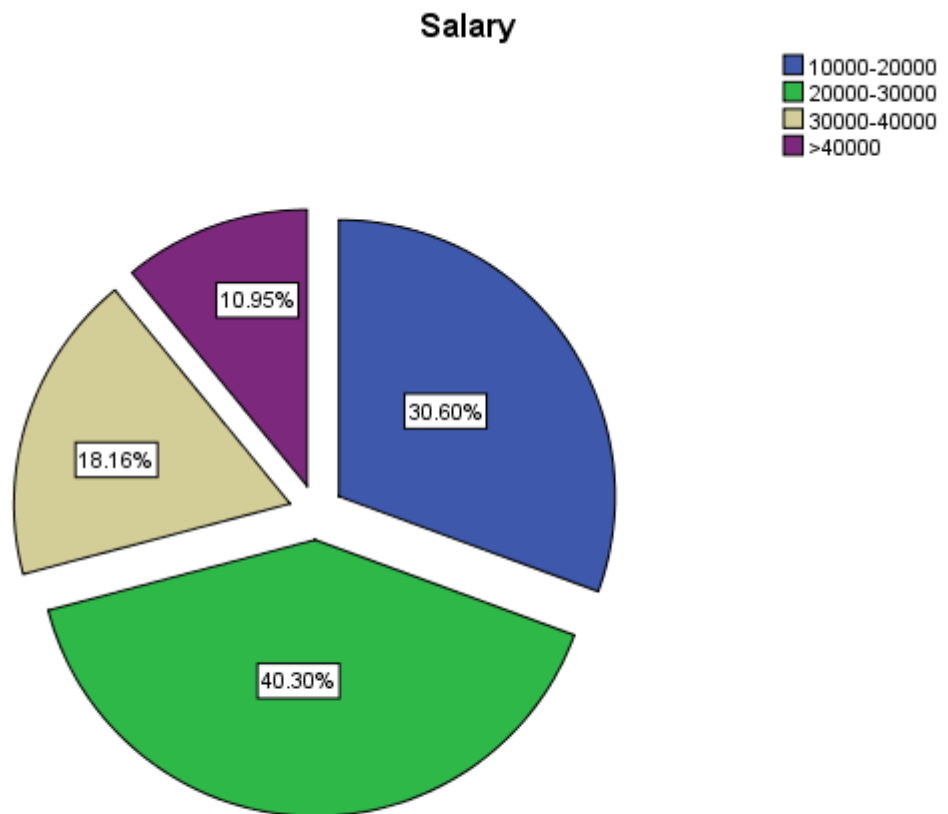


Figure 4G

From the above pie chart it can be observed that 40 percent employees are drawing salary in the range of 20000 -30000, 31 percent employees are drawing salary in the range of 10000 – 20000, 18 per employees are getting salary in between 30000 – 40000 and 11 percent employees are getting salary more than 40000.

Experience in current organisation

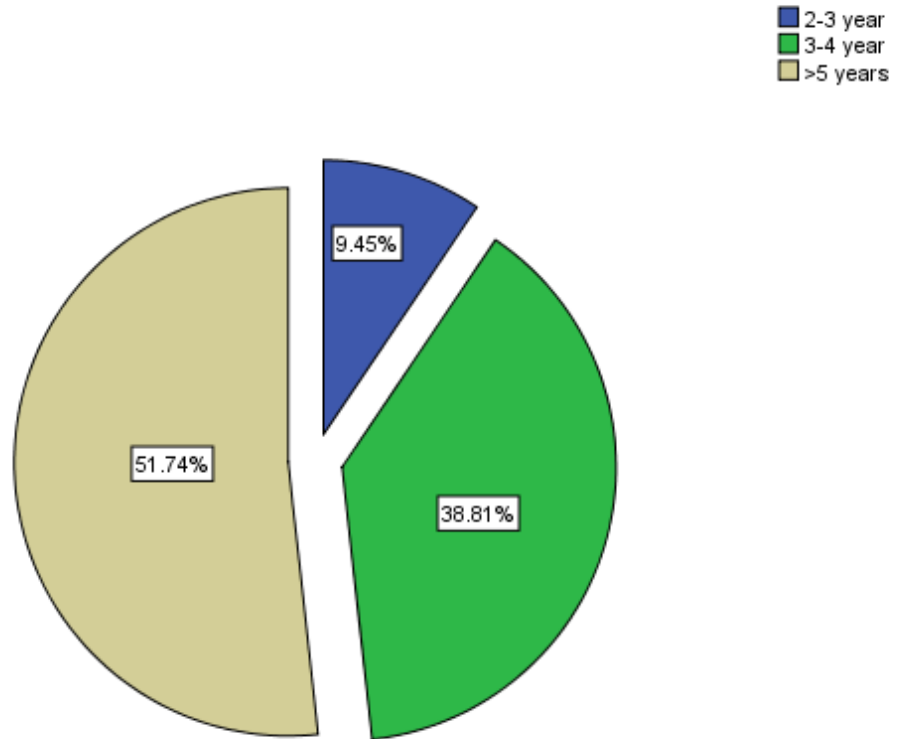


Figure 4H

It can be observed from the above pie chart that more than 52 percent employees are have experience of more than 5 years in the current organization, 39 percent employees are have been working in the same organization for the last 3 – 4 years and 9 percent of employees are in the organization for the last 2 – 3 years.

DESCRIPTIVE STATISTICS

1. *Physical working conditions in the organization*

The physical working conditions of the organisation can have a direct impact on the productivity, job satisfaction and morale of the employees working in it.

Organisational Physical Working Conditions			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	3	.7	.7
Disagree	61	15.2	15.9
Neither agree nor disagree	107	26.6	42.5
Agree	161	40.0	82.6
strongly agree	70	17.4	100.0
Total	402	100.0	

Table-4.1

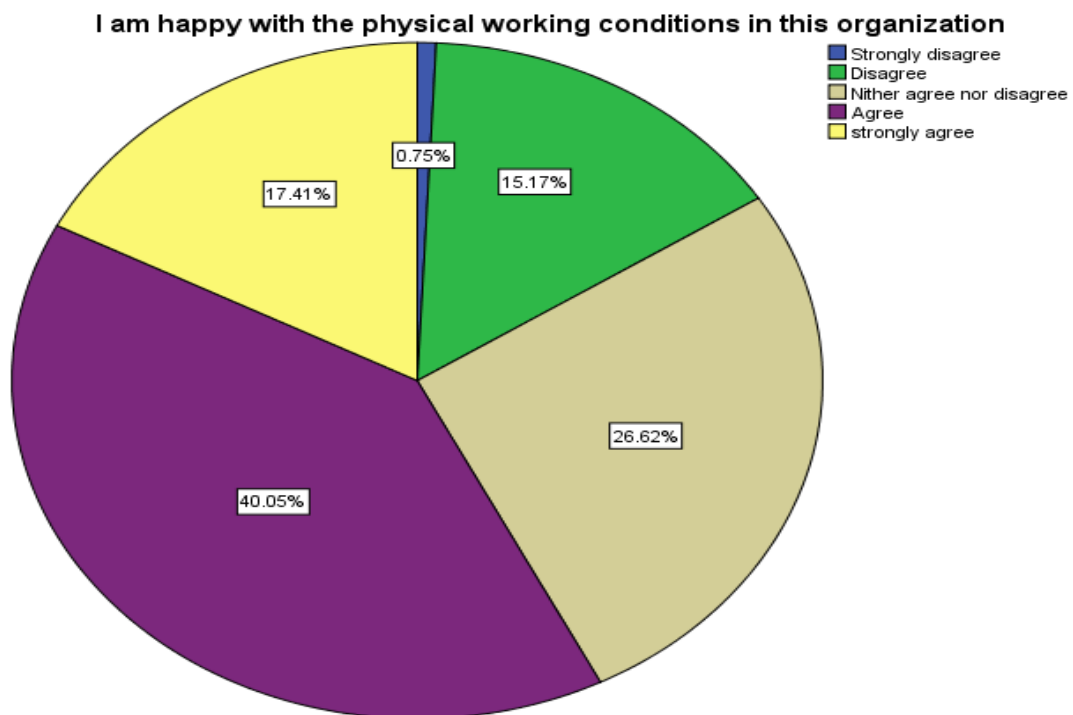


Figure 4.1

From the above table it can be observed that 17% respondents strongly agree, 40% agree whereas 27% neither agree nor disagree and 15% disagree and 1% respondents strongly disagree with the statement that the physical working conditions are happy in the organization. From the data it can be concluded that majority of the workers are satisfied with the working conditions available in the organization.

2. The resources and tools available to perform the job

The organization should provide the employees proper tools and equipment for smooth working of the organization. The resources include raw material, machines and technology, building etc. which helps employees to do their job efficiently.

Tools and Resources for performing Job			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	2	.5	.5
Disagree	69	17.2	17.7
Neither agree nor disagree	100	24.9	42.5
Agree	164	40.8	83.3
strongly agree	67	16.7	100.0
Total	402	100.0	

Table-4.2

Resources and Tools

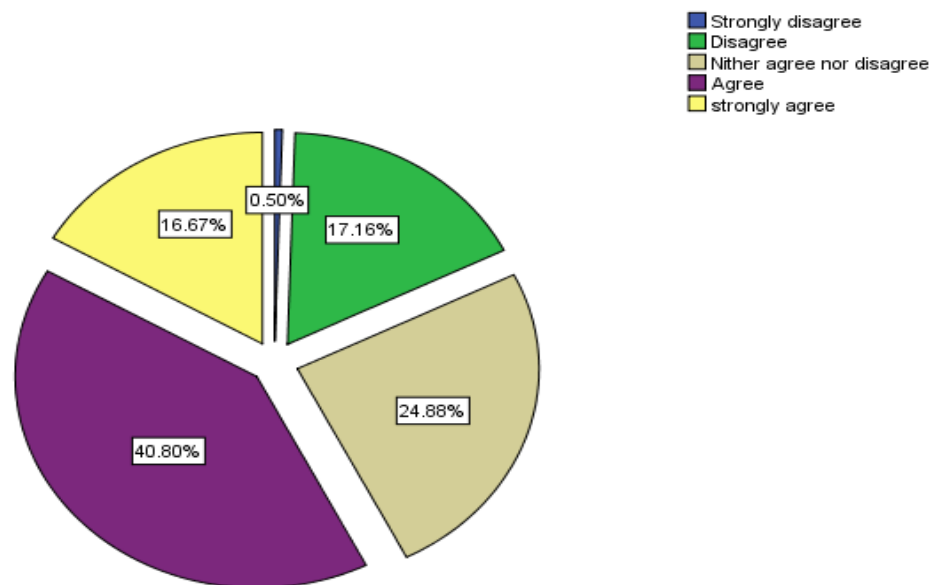


Figure 4.2

From the above table it can be concluded that 17% respondents strongly agree, 41% agree whereas 25% neither agree nor disagree and 17% disagree and 1% respondents strongly disagree with the statement that the resources and tools are made available to

perform the job. From the data it can be concluded that majority of the employees say that they are provided resources and tools by the organization to perform their job.

3. *Organization provides safe and healthy working condition to the employees*

When the organization provides safe and healthy working conditions to the employees it helps them to concentrate their efforts in improving their performance. When safety and health provisions are provided to the employees it prevents job related injury or occupational diseases and fosters well-being of all employees in the organization.

Organisational Safe and Healthy Working Conditions			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	5	1.2	1.2
Disagree	83	20.6	21.9
Neither agree nor disagree	91	22.6	44.5
Agree	147	36.6	81.1
strongly agree	76	18.9	100.0
Total	402	100.0	

Table-4.3

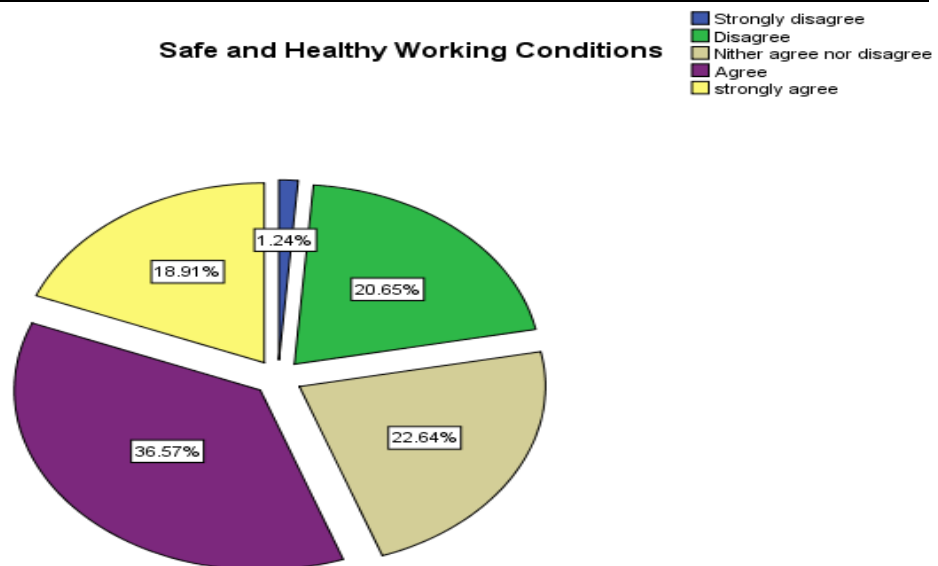


Figure 4.3

From the above table it can be concluded that 19% respondents strongly agree, 37% agree whereas 23% neither agree nor disagree and 21% disagree and 1% respondents

strongly disagree with the statement that the organization provides safe and healthy working conditions to the employees. From the data it can be concluded that majority of the employees are satisfied with the safe and healthy working conditions provided in the organization.

4. Organization provides adequate welfare facilities and amenities to employee and family

To make the working life better and for raising the standard of living of the employees, the organization should provide welfare facilities and amenities not only to the employees but to their family also. This will help employees to focus more on their work leading to improved efficiency and productivity.

Welfare facilities and amenities provided to employee's family			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	8	2.0	2.0
Disagree	104	25.9	27.9
Neither agree nor disagree	99	24.6	52.5
Agree	126	31.3	83.8
strongly agree	65	16.2	100.0
Total	402	100.0	

Table-4.4

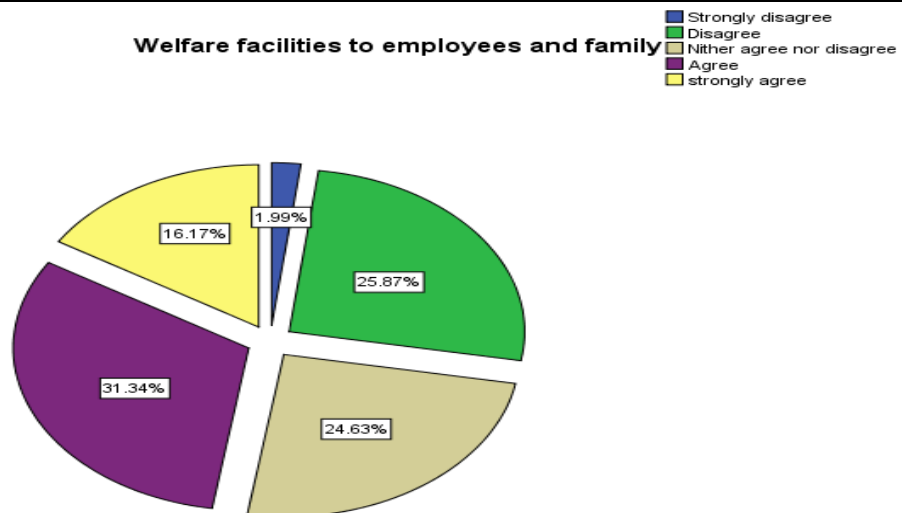


Figure 4.4

From the above table it can be concluded that 16% respondents strongly agree, 31% agree whereas 25% neither agree nor disagree and 26% disagree and 2% respondents strongly disagree with the statement that the organization provides adequate welfare facilities and amenities to the employees and their family. From the data it can be concluded that majority of the employees are satisfied with the welfare facilities and amenities provided to them and their family.

5. Job makes good use of employee's skills and abilities.

The jobs of the employees should give them an opportunity to use their knowledge, abilities and skills, in such conditions they feel good about their job and become more committed to the organization.

Employee's Skills and Abilities used in Job			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	2	.5	.5
Disagree	66	16.4	16.9
Neither agree nor disagree	126	31.3	48.3
Agree	147	36.6	84.8
strongly agree	61	15.2	100.0
Total	402	100.0	

Table-4.5

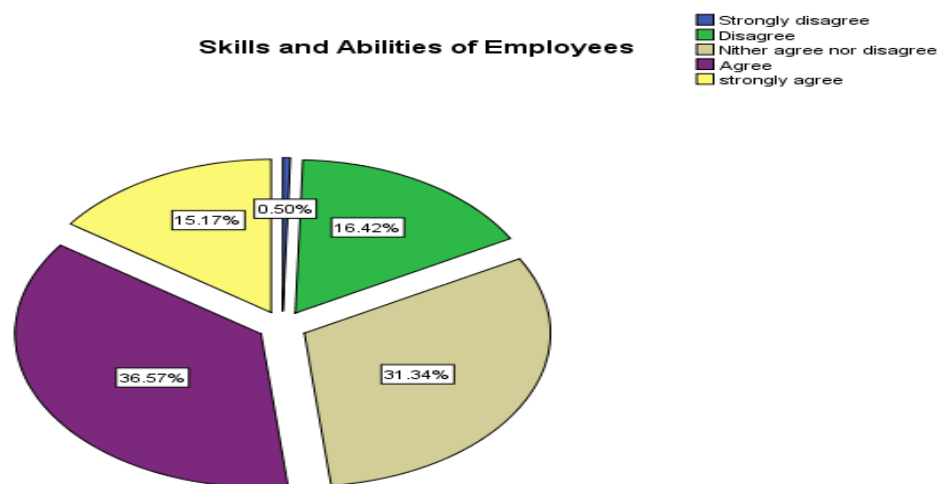


Figure 4.5

From the above table it can be concluded that 15% respondents strongly agree, 37% agree whereas 31% neither agree nor disagree and 16% disagree and 1% respondents strongly disagree with the statement that their job makes good use of their skills and abilities. From the data it can be concluded that majority of the employees say that their job makes good use of their skills and abilities.

6. Work gives employee a feeling of personal accomplishment.

A talented employee always want his job to be challenging where he can use his knowledge, abilities and skills to the fullest potential.

Job that leads to feeling of personal accomplishment			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	1	.2	.2
Disagree	68	16.9	17.2
Neither agree nor disagree	122	30.3	47.5
Agree	157	39.1	86.6
strongly agree	54	13.4	100.0
Total	402	100.0	

Table-4.6

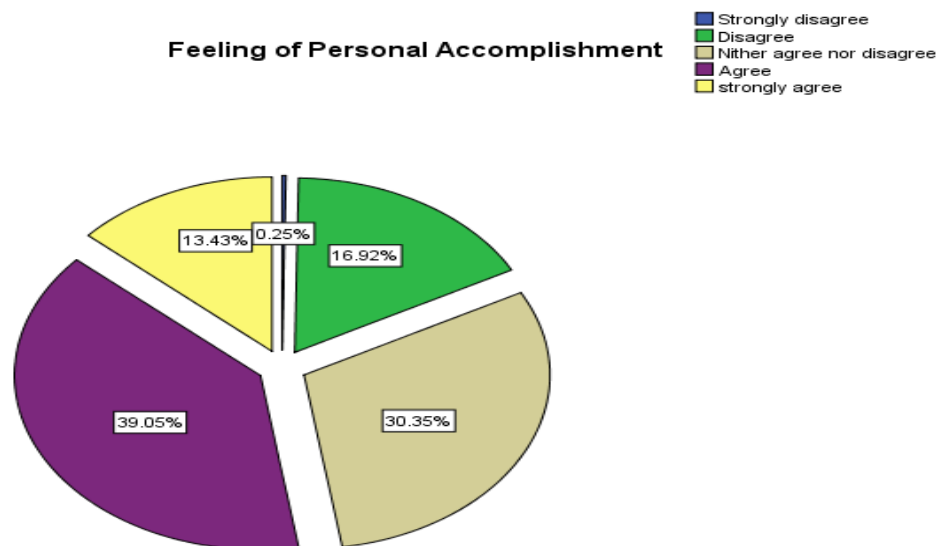


Figure 4.6

From the above table it can be concluded that 13% respondents strongly agree, 39% agree whereas 30% neither agree nor disagree and 17% respondents disagree with the statement that their work gives them a feeling of personal accomplishment. From the data it can be concluded that majority of the employees say that their job gives them a feeling of personal accomplishment.

7. There is enough support given for individual development

The organization should support its employees to reach their fullest potential both as an individual and as an organizational member. By supporting the employees in their professional growth the organization increases their level of personal satisfaction and job performance.

Organisational support for individual development			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	4	1.0	1.0
Disagree	81	20.1	21.1
Neither agree nor disagree	121	30.1	51.2
Agree	135	33.6	84.8
strongly agree	61	15.2	100.0
Total	402	100.0	

Table-4.7

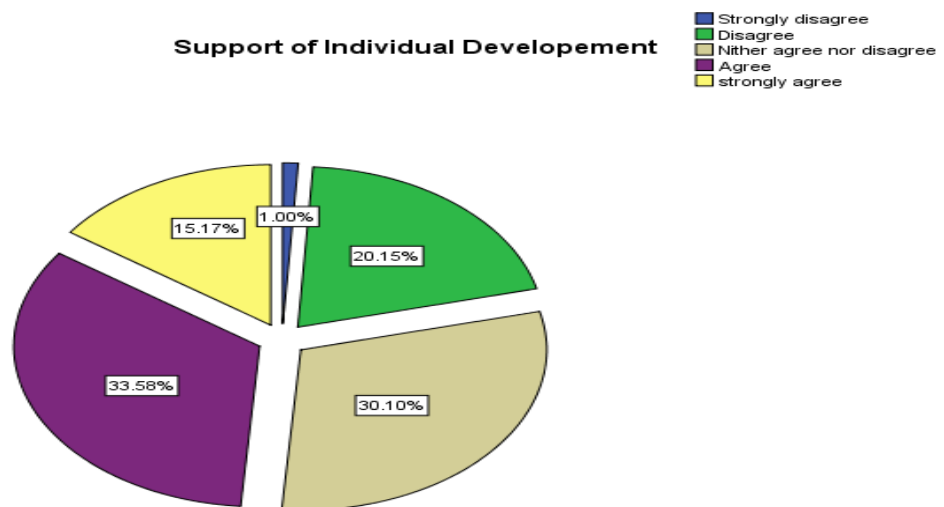


Figure 4.7

From the above table it can be concluded that 15% respondents strongly agree, 34% agree whereas 30% neither agree nor disagree and 20% disagree and 1% respondents strongly disagree with the statement that enough support is given for individual development. From the data it can be concluded that majority of the employees have been provided enough support for individual development by the organization.

8. The voice of the employee is considered by the top management

The organizations when listen to the voice of the employees they feel valued and know that if they come with the best suggestion it can be considered for implementation by the top management over the suggestion of a senior manager.

Top management considers the voice of employees			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	5	1.2	1.2
Disagree	101	25.1	26.4
Neither agree nor disagree	129	32.1	58.5
Agree	114	28.4	86.8
strongly agree	53	13.2	100.0
Total	402	100.0	

Table-4.8

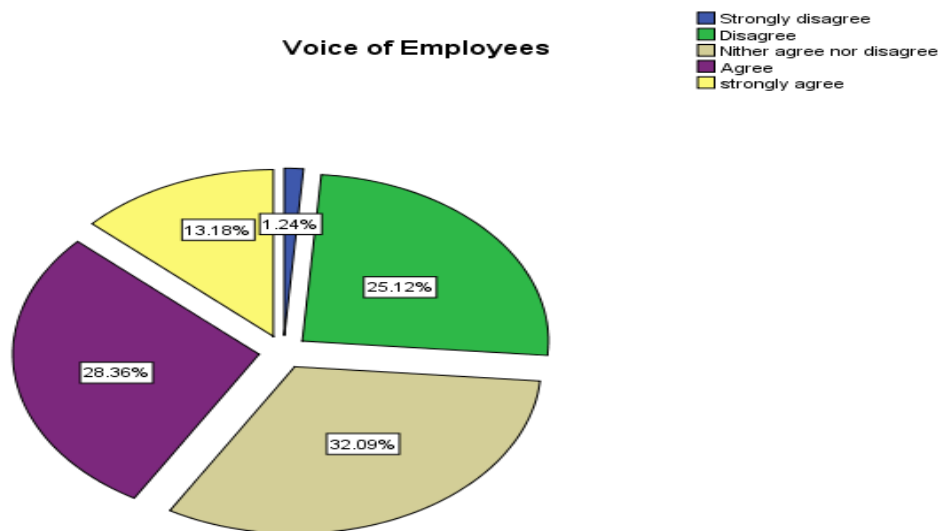


Figure 4.8

From the above table it can be concluded that 13% respondents strongly agree, 28% agree whereas 32% neither agree nor disagree and 25% disagree and 1% respondents strongly disagree with the statement that the voice of the employee is considered by the top management. From the data it can be concluded that majority of the employees feel that their voice is not considered by the top management.

9. The Organization gives employees enough recognition

Every employee who does a good job wants a pat on his back by the boss. The organization should recognize the efforts of its employees to motivate them and to encourage them in achieving the goals of the organization.

Recognition to employees for good job			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	3	.7	.7
Disagree	71	17.7	18.4
Neither agree nor disagree	130	32.3	50.7
Agree	155	38.6	89.3
strongly agree	43	10.7	100.0
Total	402	100.0	

Table-4.9

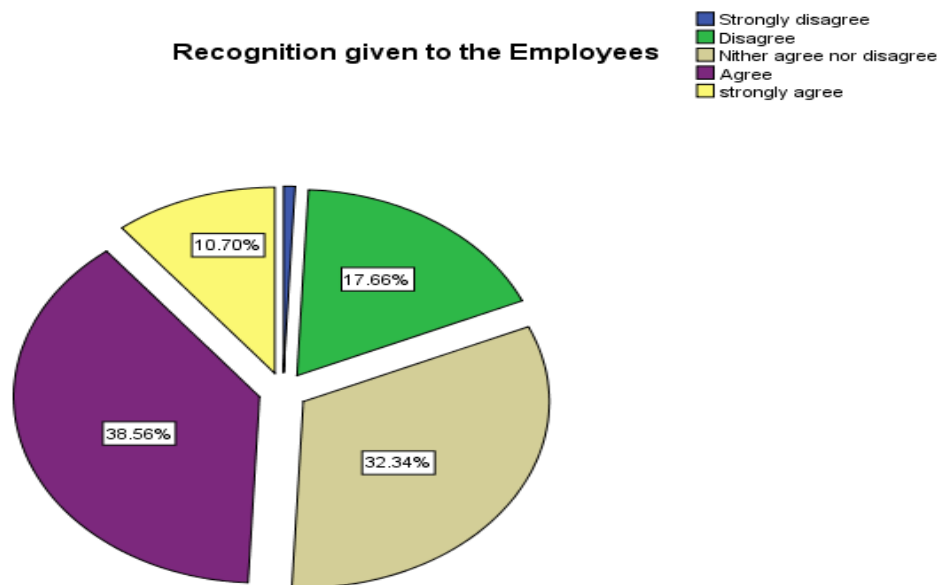


Figure 4.9

From the above table it can be concluded that 11% respondents strongly agree, 39% agree whereas 32% neither agree nor disagree and 18% disagree and 1% respondents strongly disagree with the statement that the organization gives enough recognition to the employees. From the data it can be concluded that majority of the employees haven't been given recognition by the organization for their work.

10. Performance appraisals are taken seriously by the organizations.

The performance appraisals in the organization should be continuous throughout the year in order to check the performance of the employees. The organization should use scientific methods of appraisals to accurately measure the performance of the employees.

Organisation takes performance appraisals seriously			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	3	.7	.7
Disagree	67	16.7	17.4
Neither agree nor disagree	123	30.6	48.0
Agree	159	39.6	87.6
strongly agree	50	12.4	100.0
Total	402	100.0	

Table-4.10

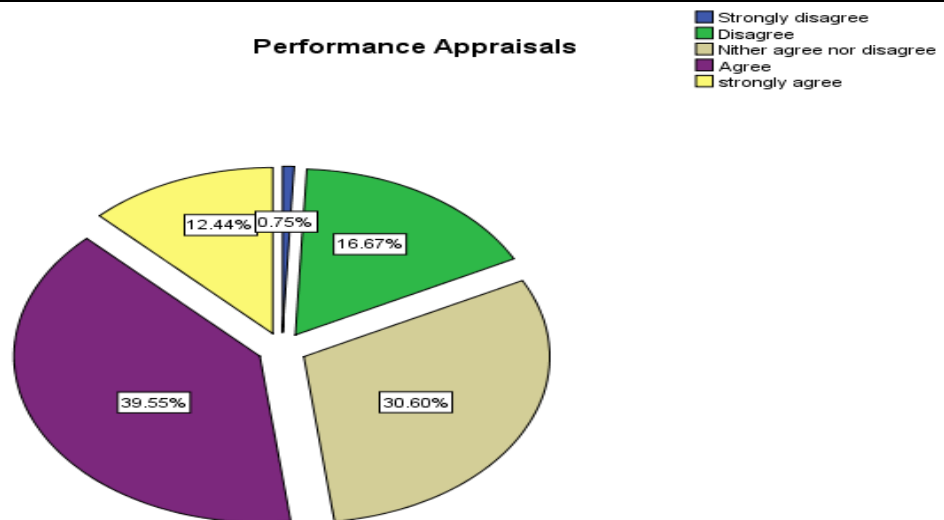


Figure 4.10

From the above table it can be concluded that 12% respondents strongly agree, 40% agree whereas 31% neither agree nor disagree and 17% disagree and 1% respondents strongly disagree with the statement that the performance appraisals are taken seriously by the organizations. From the data it can be concluded that majority of the employees say that the performance appraisals are taken seriously by their organization.

11. Quality is a top priority for the organization

The organization which gives quality a top priority believes in meeting the needs and expectations of customers in total. Quality can be brought about by maintaining consistent commitment towards the standards set by the organisation

Organisation give top priority to Quality			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	3	.7	.7
Disagree	60	14.9	15.7
Neither agree nor disagree	121	30.1	45.8
Agree	171	42.5	88.3
strongly agree	47	11.7	100.0
Total	402	100.0	

Table-4.11

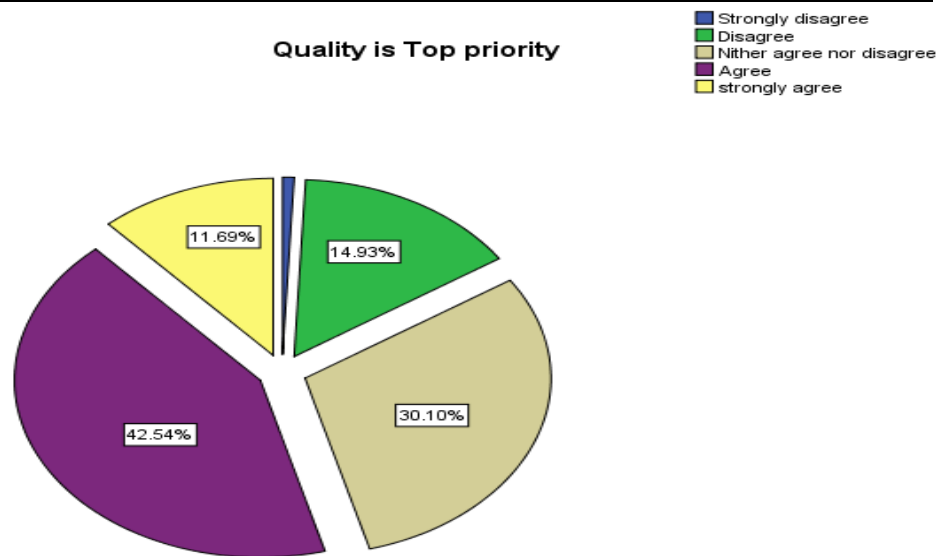


Figure 4.11

From the above table it can be concluded that 12% respondents strongly agree, 43% agree whereas 30% neither agree nor disagree and 15% disagree and 1% respondents strongly disagree with the statement that quality is of top priority for the organization. From the data it can be concluded that majority of the employees say that quality is top priority for their organization.

12. Employees are treated fairly regardless of religion

Opportunities should be provided to all the employees on their merits and not basis of their religion. This policy makes them feel valued and understand that they will always be treated fairly and equally by the employer.

Fair religion policy of the organisation			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	1	.2	.2
Disagree	61	15.2	15.4
Neither agree nor disagree	121	30.1	45.5
Agree	160	39.8	85.3
strongly agree	59	14.7	100.0
Total	402	100.0	

Table-4.12

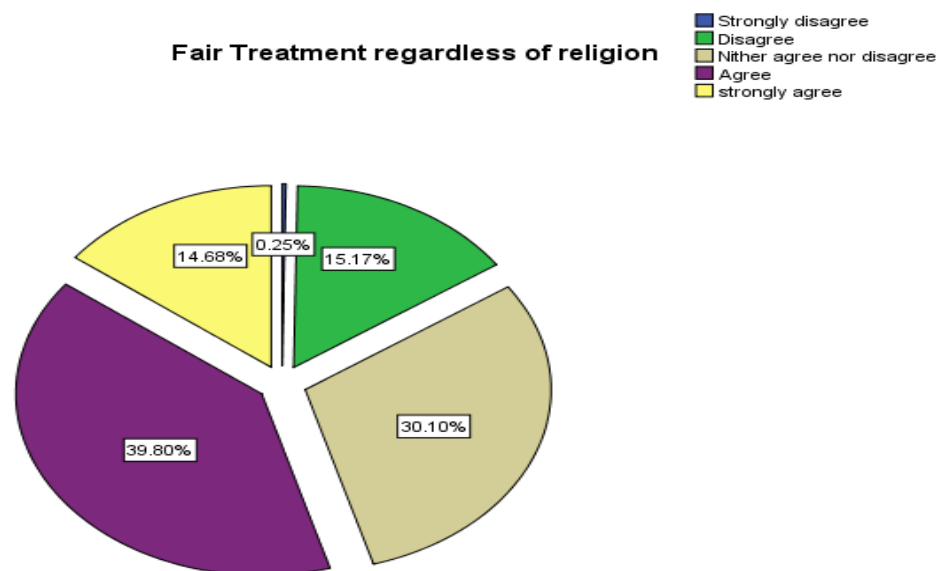


Figure 4.12

From the above table it can be concluded that 15% respondents strongly agree, 40% agree whereas 30% neither agree nor disagree and 15% respondents disagree with the statement that the employees are treated fairly regardless of religion. From the data it can be concluded that majority of the employees are treated fairly regardless of their religion.

13. Employees are treated fairly regardless of sexual orientation

In today's multi-cultural society the organization which wants to grow in future should adopt the policy of non- discrimination and equality of opportunity for all employees regardless of their gender.

Fair policy related to employee's sexual orientation			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	1	.2	.2
Disagree	61	15.2	15.4
Neither agree nor disagree	101	25.1	40.5
Agree	168	41.8	82.3
strongly agree	71	17.7	100.0
Total	402	100.0	

Table-4.13

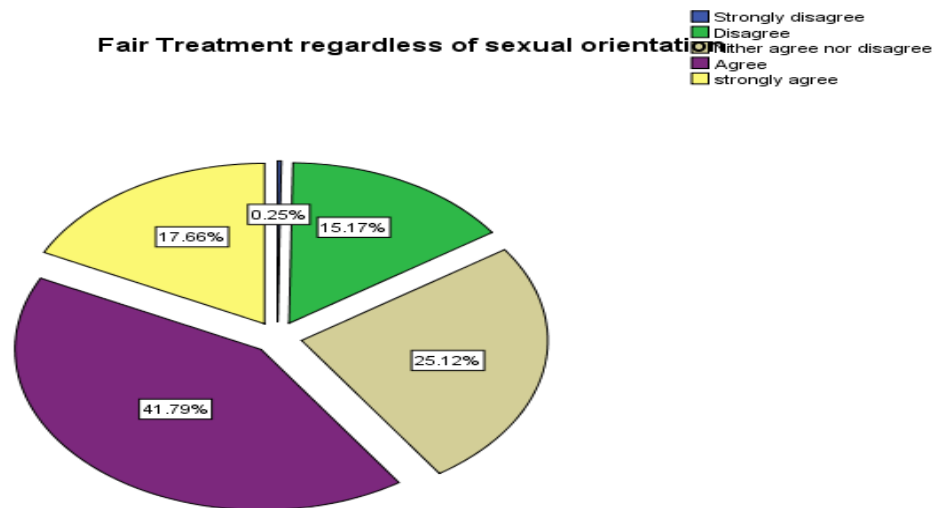


Figure 4.13

From the above table it can be concluded that 18% respondents strongly agree, 42% agree whereas 25% neither agree nor disagree and 15% respondents disagree with the statement that the employees are treated fairly regardless of sexual orientation. From the data it can be concluded that majority of the employees are treated fairly regardless of sexual orientation.

14. Organization has proper grievance redressal procedure

The organization should prepare easy and readily accessible machinery for prompt and fair disposal of the grievances of the employees. Every employee in the organisation should be aware of that which is the authority he should approach in case of his grievance.

Appropriate grievance redressal procedure			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	4	1.0	1.0
Disagree	72	17.9	18.9
Neither agree nor disagree	98	24.4	43.3
Agree	162	40.3	83.6
strongly agree	66	16.4	100.0
Total	402	100.0	

Table-4.14

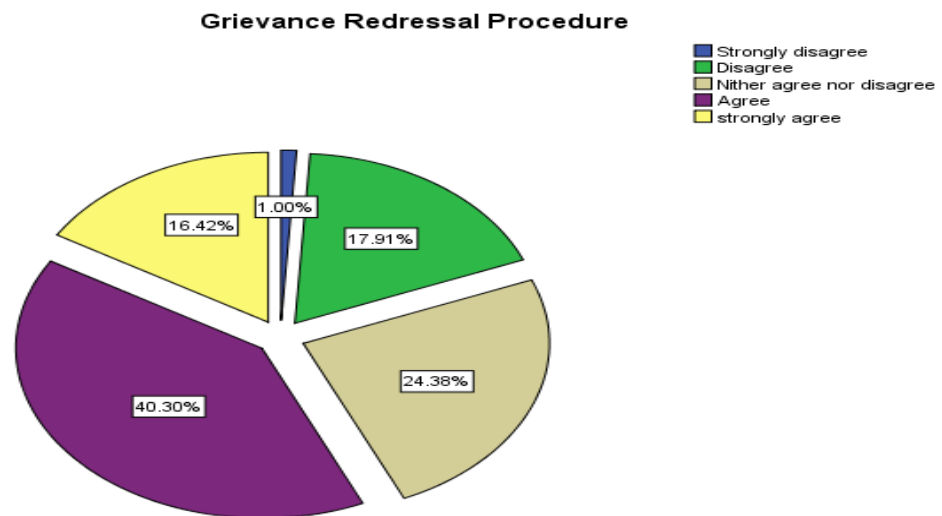


Figure 4.14

From the above table it can be concluded that 16% respondents strongly agree, 40% agree whereas 24% neither agree nor disagree and 18% disagree and 1% respondents strongly disagree with the statement that the organization has proper grievance redressal procedure. From the data it can be concluded that majority of the employees are satisfied with the grievance redressal procedure of their organisation.

15. There is a spirit of cooperation within the organization

The high spirit in the organization will always keep the employees motivated, happy and energized. So the organization should provide such an environment to employees which increase spirit of cooperation among the employees.

Spirit of cooperation within the organisation			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	3	.7	.7
Disagree	64	15.9	16.7
Neither agree nor disagree	123	30.6	47.3
Agree	174	43.3	90.5
strongly agree	38	9.5	100.0
Total	402	100.0	

Table-4.15

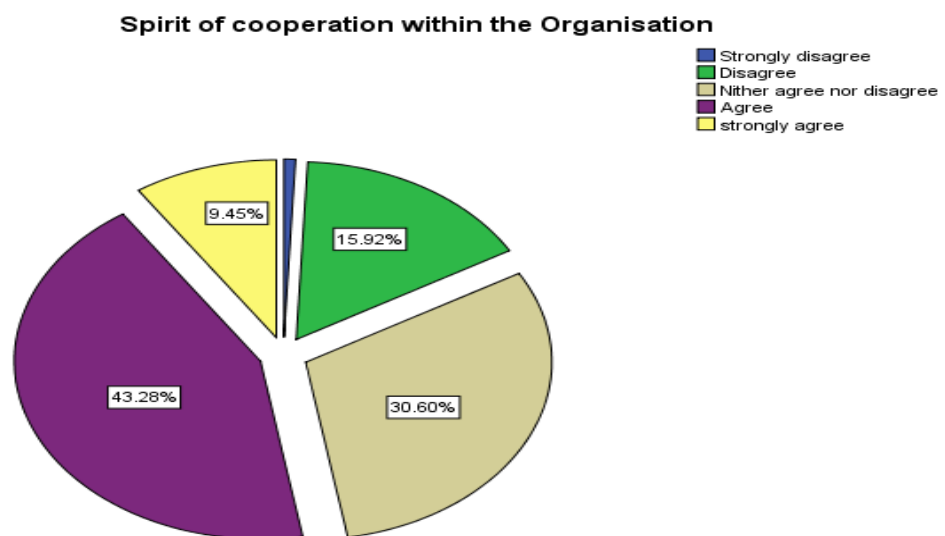


Figure 4.15

From the above table it can be concluded that 10% respondents strongly agree, 43% agree whereas 31% neither agree nor disagree and 16% disagree and 1% respondents strongly disagree with the statement that there is a spirit of cooperation within the organization. From the data it can be concluded that majority of the employees say that there is a spirit of cooperation within the organization.

16. Employees like the people they work with.

The organization that works well together has the most success together. When the employees enjoy working with their coworkers, subordinates and superiors and every day look forward to interacting with them, everyone benefits.

There is liking among the employees in the organisation			
Response	Frequency	Percent	Cumulative Percent
Disagree	59	14.7	14.7
Neither agree nor disagree	136	33.8	48.5
Agree	173	43.0	91.5
strongly agree	34	8.5	100.0
Total	402	100.0	

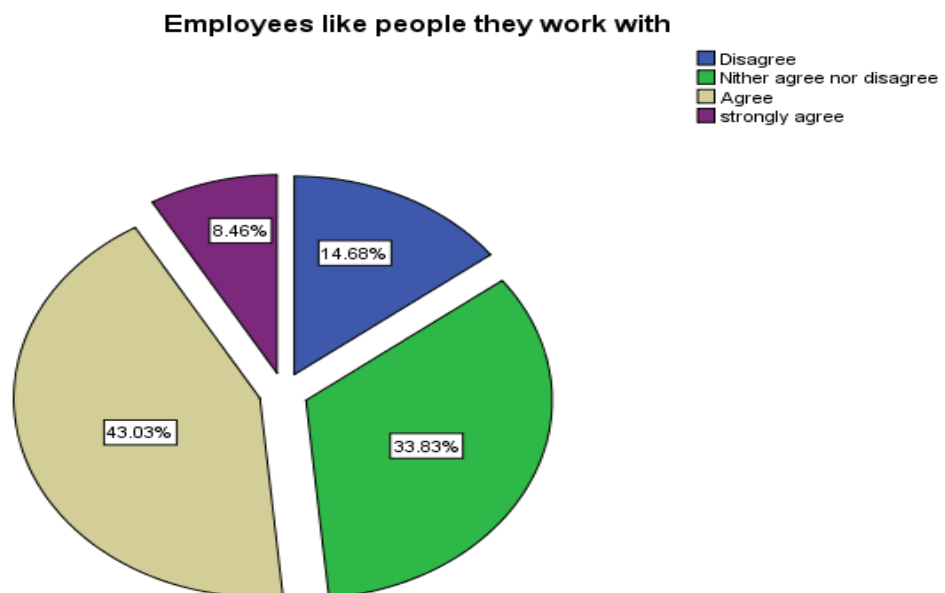


Figure 4.16

From the above table it can be concluded that 9% respondents strongly agree, 43% agree whereas 34% neither agree nor disagree and 15% respondents disagree with the statement that the employees like the people with whom they work in the organization. From the data it can be concluded that majority of the employees like to work with their colleagues, subordinates and superiors in the organization.

17. Organization places a high value on employee training and development.

Training presents a prime opportunity to employees to expand their knowledge, abilities and skills. Investments in training and development of employees can make them more productive and effective in their jobs.

Organisation has high value for training and development			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	3	.7	.7
Disagree	74	18.4	19.2
Neither agree nor disagree	96	23.9	43.0
Agree	173	43.0	86.1
strongly agree	56	13.9	100.0
Total	402	100.0	

Table-4.17

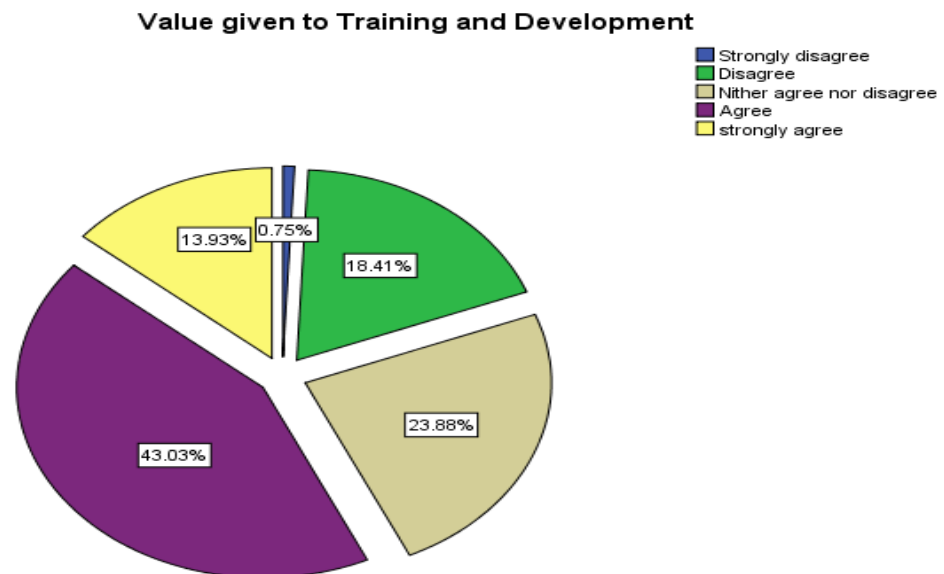


Figure 4.17

From the above table it can be concluded that 14% respondents strongly agree, 43% agree whereas 24% neither agree nor disagree and 18% disagree and 1% respondents strongly disagree with the statement that the organisation places high value on the training and development of employees. From the data it can be concluded that majority of the employees say that the organization places high value on the training and development of the employees.

18. Training help employees do job more efficiently.

Training process helps employees to mould their thinking that will lead them to quality performance. It is a process of improving knowledge, capabilities and skills of employees for doing a particular job.

Training makes employee more efficient			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	2	.5	.5
Disagree	58	14.4	14.9
Neither agree nor disagree	115	28.6	43.5
Agree	162	40.3	83.8
strongly agree	65	16.2	100.0
Total	402	100.0	

Table-4.18

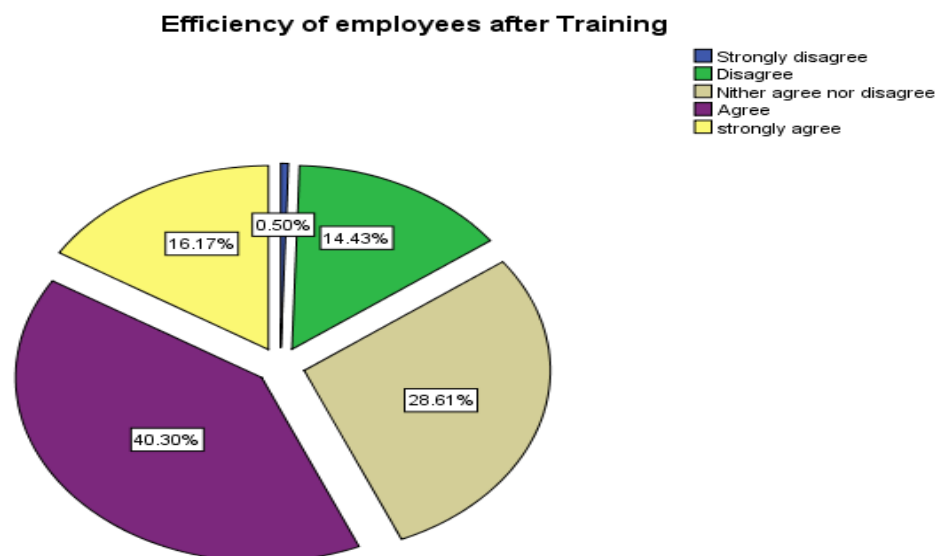


Figure 4.18

From the above table it can be concluded that 16% respondents strongly agree, 40% agree whereas 29% neither agree nor disagree and 14% respondents disagree with the statement that training help them to do their job more efficiently. From the data it can be concluded that majority of the employees say that training has helped them to do their jobs more efficiently.

19. Training in the organization is related to core competencies

The organization should not always use one regular training which is well attended and popular among the employees. The organisation should prepare training programmes on the basis of employees current and future needs.

Training as per employee's core competency			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	3	.7	.7
Disagree	69	17.2	17.9
Neither agree nor disagree	141	35.1	53.0
Agree	129	32.1	85.1
strongly agree	60	14.9	100.0
Total	402	100.0	

Table-4.19

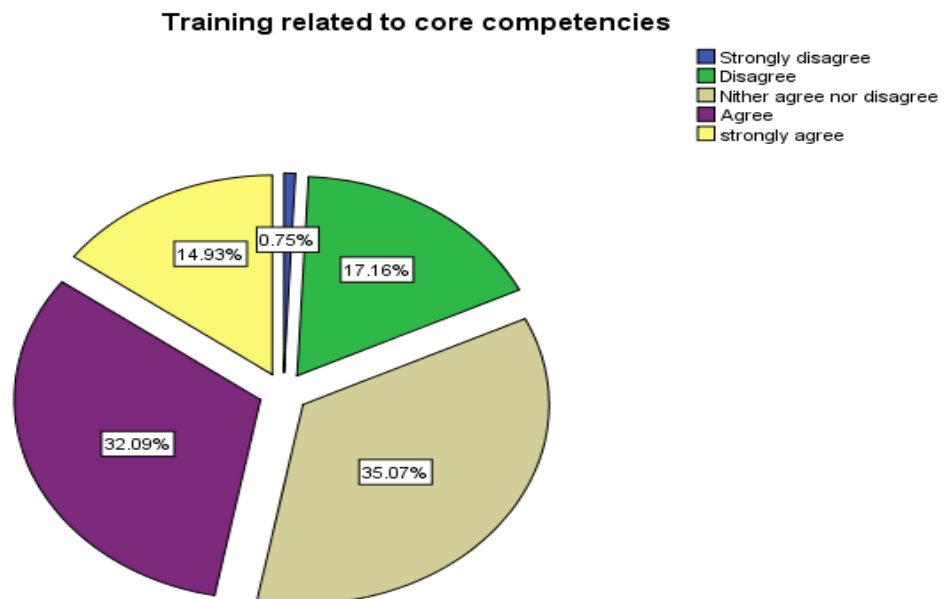


Figure 4.19

From the above table it can be concluded that 15% respondents strongly agree, 32% agree whereas 35% neither agree nor disagree and 17% disagree and 1% respondents strongly disagree with the statement that the training given in the organisation is related to core competencies. From the data it can be concluded that majority of the employees are satisfied with the training related to core competencies given in the organization.

20. There are opportunities available for employees to develop new skills.

To retain and motivate its best talent, the organisation should provide equal opportunities to the employees to develop new skills.

Organisation provides opportunities to employees to develop new skills			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	1	.2	.2
Disagree	57	14.2	14.4
Neither agree nor disagree	124	30.8	45.3
Agree	162	40.3	85.6
strongly agree	58	14.4	100.0
Total	402	100.0	

Table-20

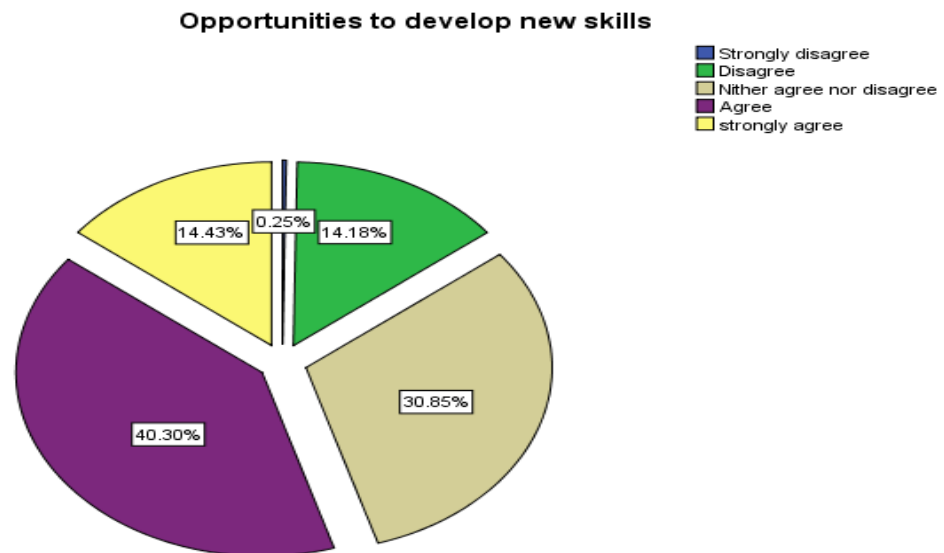


Figure 4.20

From the above table it can be concluded that 14% respondents strongly agree, 40% agree whereas 31% neither agree nor disagree and 14% respondents disagree with the statement that there are opportunities available in the organisation to develop new skills. From the data it can be concluded that opportunities are made available to majority of the employees to develop new skills.

21. Information about progress in job is recognized and shared with the employee.

When the organisation shares information about progress of employees in their jobs it helps the organization to head off any troubles early on. The best monitoring and feedback system should be made in consultation with the employees.

Organization shares information on job progress with employees			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	2	.5	.5
Disagree	57	14.2	14.7
Neither agree nor disagree	129	32.1	46.8
Agree	157	39.1	85.8
strongly agree	57	14.2	100.0
Total	402	100.0	

Table-4.21

Recognition and sharing of information about job progress

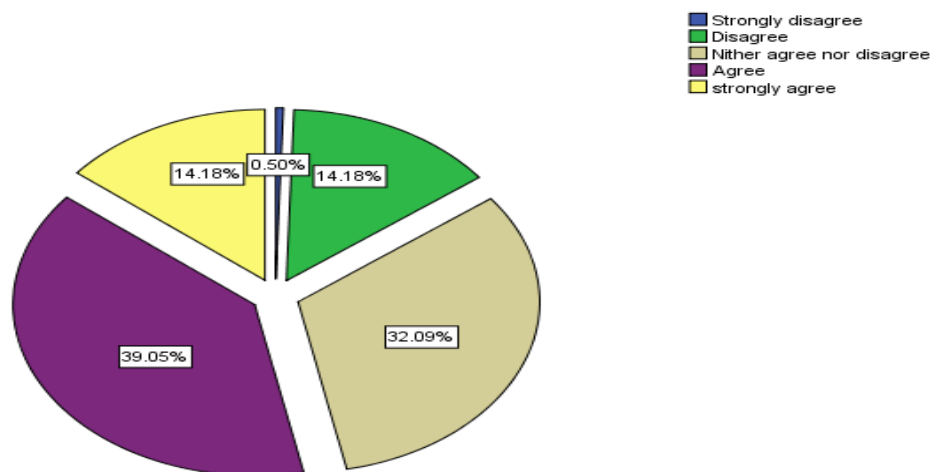


Figure 4.21

From the above table it can be concluded that 14% respondents strongly agree, 39% agree whereas 32% neither agree nor disagree and 14% disagree and 1% respondents strongly disagree with the statement that the information about progress and job is recognized and shared with them. From the data it can be concluded that information about progress and job is recognized and shared with majority of the employees.

22. Organization has talent management plan.

Talent management plan leads to individual and organizational development in response to a complex and continuously changing business environment.

Talent management plan			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	3	.7	.7
Disagree	58	14.4	15.2
Neither agree nor disagree	140	34.8	50.0
Agree	154	38.3	88.3
strongly agree	47	11.7	100.0
Total	402	100.0	

Table-4.22

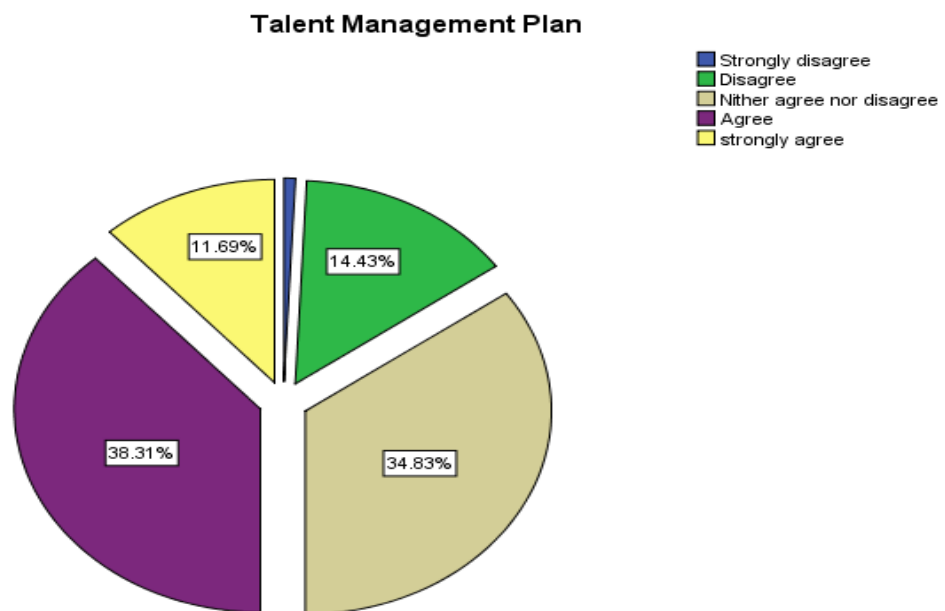


Figure 4.22

From the above table it can be concluded that 12% respondents strongly agree, 38% agree whereas 35% neither agree nor disagree and 14% disagree and 1% respondents strongly disagree with the statement that the organization has talent management plan. From the data it can be concluded that majority of the employees are satisfied with the talent management plan of their organization.

23. Talent management plan is updated regularly

Planning for talent management is an ongoing process. Rapid changes in the global business environment and pressure from the competitors forces the organisation to make constant updates in their talent management plan.

Organization regularly updates its plan on talent management			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	4	1.0	1.0
Disagree	71	17.7	18.7
Neither agree nor disagree	147	36.6	55.2
Agree	128	31.8	87.1
strongly agree	52	12.9	100.0
Total	402	100.0	

Table-4.23

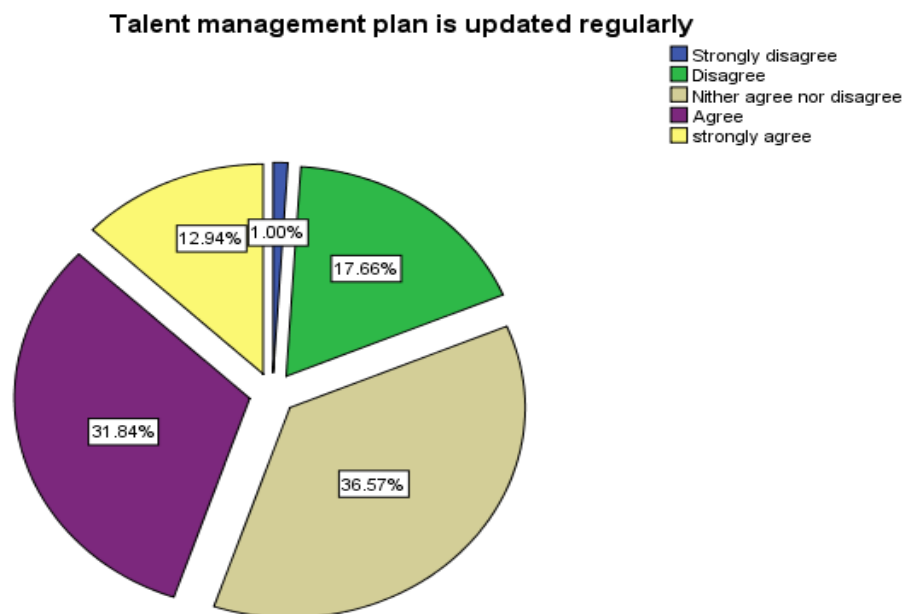


Figure 4.23

From the above table it can be concluded that 13% respondents strongly agree, 32% agree whereas 37% neither agree nor disagree and 18% disagree and 1% respondents strongly disagree with the statement that the talent management plan is updated regularly. From the data it can be concluded that majority of the employees are satisfied as the talent management plans are updated regularly.

24. Organization encourages teamwork.

The teamwork among the employees in an organisation is as important as collaboration among the members of a sporting team.

Teamwork is encouraged by the organisation			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	5	1.2	1.2
Disagree	62	15.4	16.7
Neither agree nor disagree	121	30.1	46.8
Agree	161	40.0	86.8
strongly agree	53	13.2	100.0
Total	402	100.0	

Table-4.24

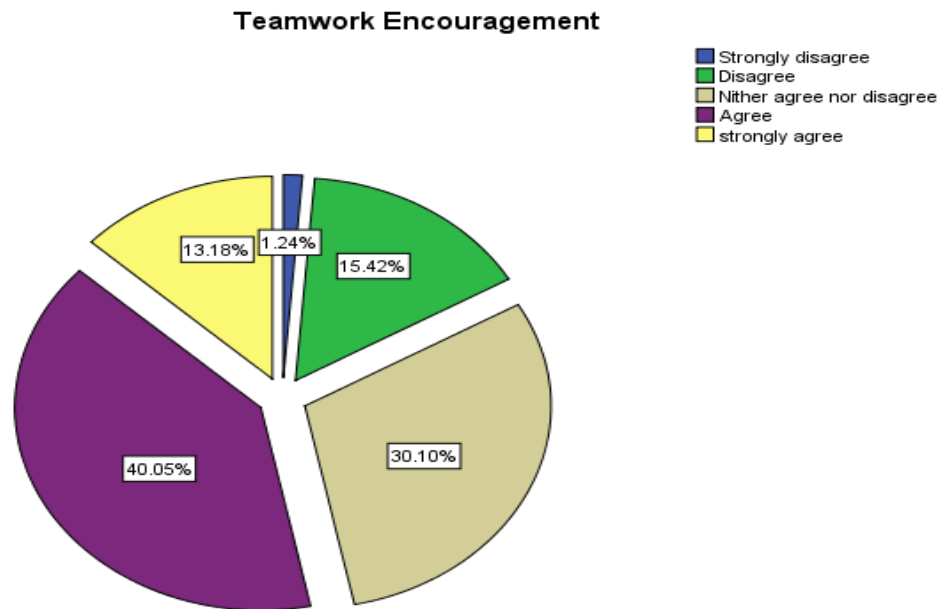


Figure 4.24

From the above table it can be concluded that 13% respondents strongly agree, 40% agree whereas 30% neither agree nor disagree and 15% disagree and 1% respondents strongly disagree with the statement that the organization encourages teamwork. From the data it can be concluded that majority of the employees are satisfied with the way the organization encourages teamwork.

25. Team members are accountable for their decisions

It is important for the organisation to address the issue of accountability among team members. When the employees fail to take responsibility they fail in their jobs, they will fail their teams and they will also fail to grow as individuals.

Accountability among team members regarding their decisions			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	2	.5	.5
Disagree	75	18.7	19.2
Neither agree nor disagree	133	33.1	52.2
Agree	151	37.6	89.8
strongly agree	41	10.2	100.0
Total	402	100.0	

Table-4.25

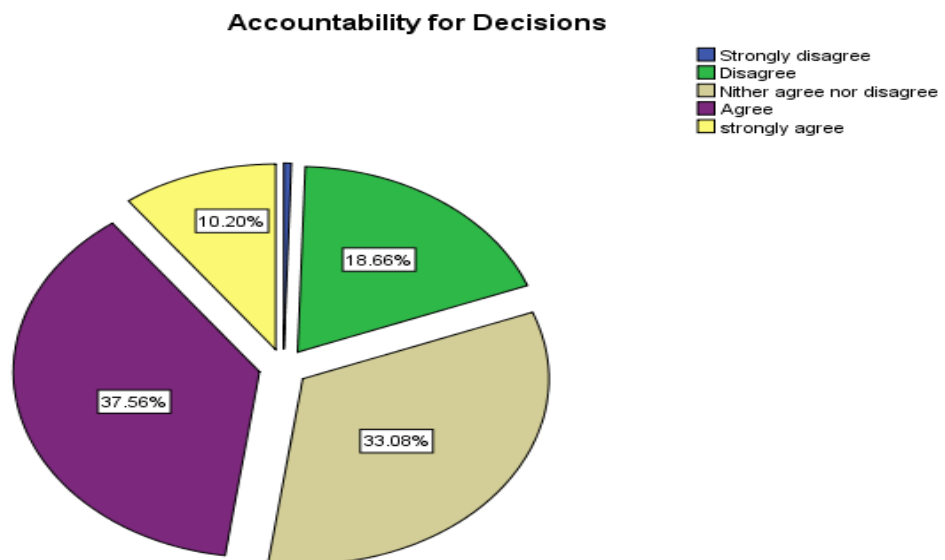


Figure 4.25

From the above table it can be concluded that 10% respondents strongly agree, 38% agree whereas 33% neither agree nor disagree and 19% disagree and 1% respondents strongly disagree with the statement that the team members are accountable for their decisions. From the data it can be concluded that majority of the employees are satisfied that the team members are accountable for their decisions.

26. Work assignments are distributed appropriately in the team

Work assignments in the team should be distributed as per the knowledge, skills and abilities of the team members. The employees who work in teams learn more than their routine jobs in the organisation. They learn important skills about how to cooperate with others to get tasks done.

Appropriate distribution of work assignments in the team			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	1	.2	.2
Disagree	90	22.4	22.6
Neither agree nor disagree	123	30.6	53.2
Agree	147	36.6	89.8
strongly agree	41	10.2	100.0
Total	402	100.0	

Table-4.26

Distribution of work assignments

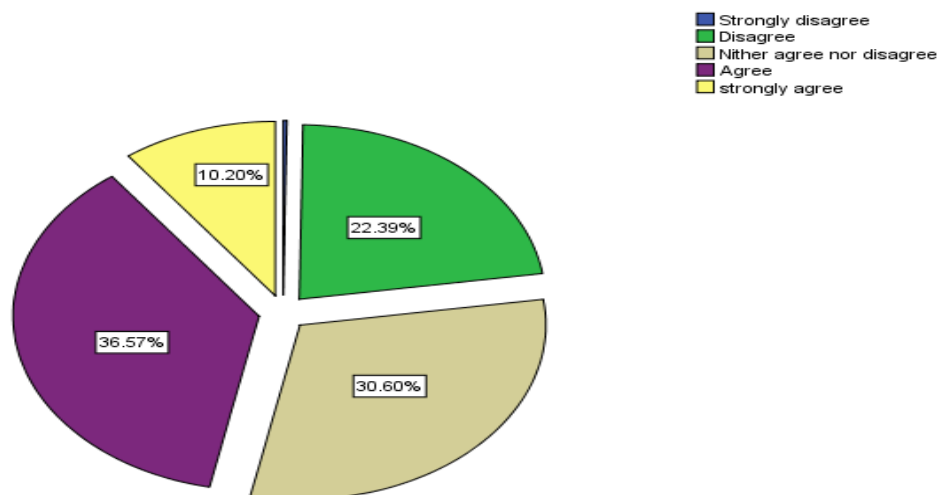


Figure 4.26

From the above table it can be concluded that 13% respondents strongly agree, 40% agree whereas 30% neither agree nor disagree and 15% disagree and 1% respondents strongly disagree with the statement that the work assignments are distributed appropriately in the team. From the data it can be concluded that majority of the employees are satisfied with their performance in the team.

27. Organization clearly communicates with the team.

Clear and effective communication with the team removes confusion and promotes a healthy and happy organisation. In such organisation work is done more quickly and efficiently.

Clear communication of organization with the team			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	2	.5	.5
Disagree	60	14.9	15.4
Neither agree nor disagree	149	37.1	52.5
Agree	143	35.6	88.1
strongly agree	48	11.9	100.0
Total	402	100.0	

Table-4.27

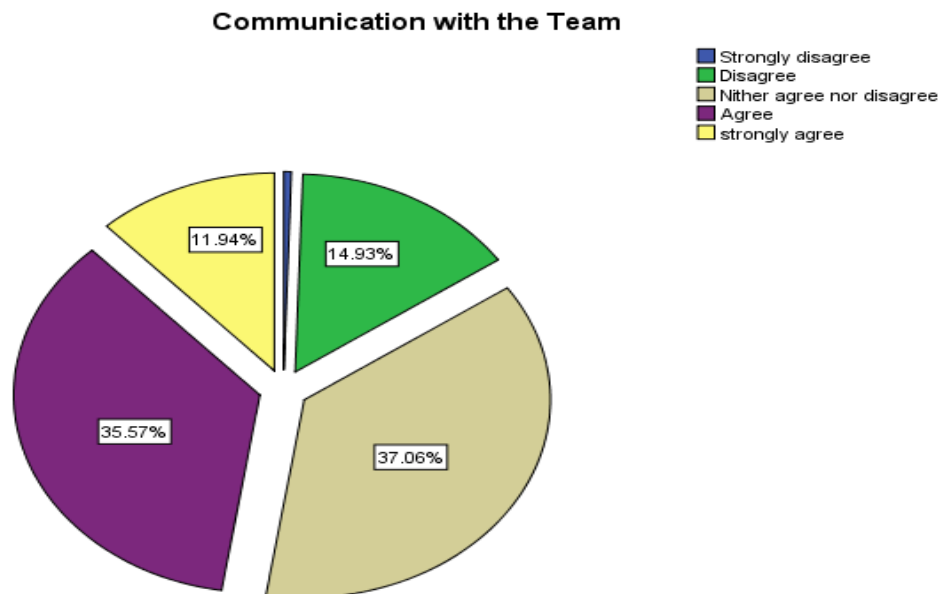


Figure 4.27

From the above table it can be concluded that 12% respondents strongly agree, 36% agree whereas 37% neither agree nor disagree and 15% disagree and 1% respondents strongly disagree with the statement that the organization clearly communicates with the team. From the data it can be concluded that majority of the employees are satisfied with the organization's clear communication with the team.

28. Manager cares for employees with humanity

The manager should take care for employees with humanity. He should not treat them below or at par with other resources such as capital, machines, raw material etc.

Manager cares for employees with humanity			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	4	1.0	1.0
Disagree	51	12.7	13.7
Neither agree nor disagree	127	31.6	45.3
Agree	174	43.3	88.6
strongly agree	46	11.4	100.0
Total	402	100.0	

Table-4.28

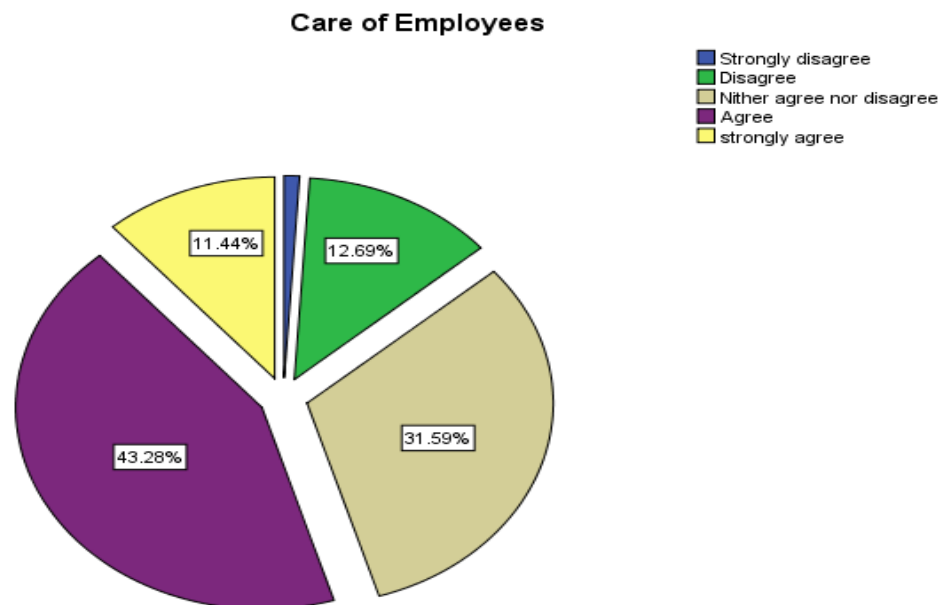


Figure 4.28

From the above table it can be concluded that 12% respondents strongly agree, 43% agree whereas 32% neither agree nor disagree and 13% disagree and 1% respondents strongly disagree with the statement that the manager cares for employees with humanity. From the data it can be concluded that majority of the employees are satisfied as the manager cares for employees with humanity.

29. Employees are always involved in important decisions that affect work.

Shared decision making can improve the quality and acceptance of decisions than single handed decision making. It fosters employee motivation and self-esteem, improves the relations between the management and employees and increases the sense of ownership.

Involvement of employees in important decisions affecting their work			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	2	.5	.5
Disagree	99	24.6	25.1
Neither agree nor disagree	117	29.1	54.2
Agree	146	36.3	90.5
strongly agree	38	9.5	100.0
Total	402	100.0	

Table-4.29

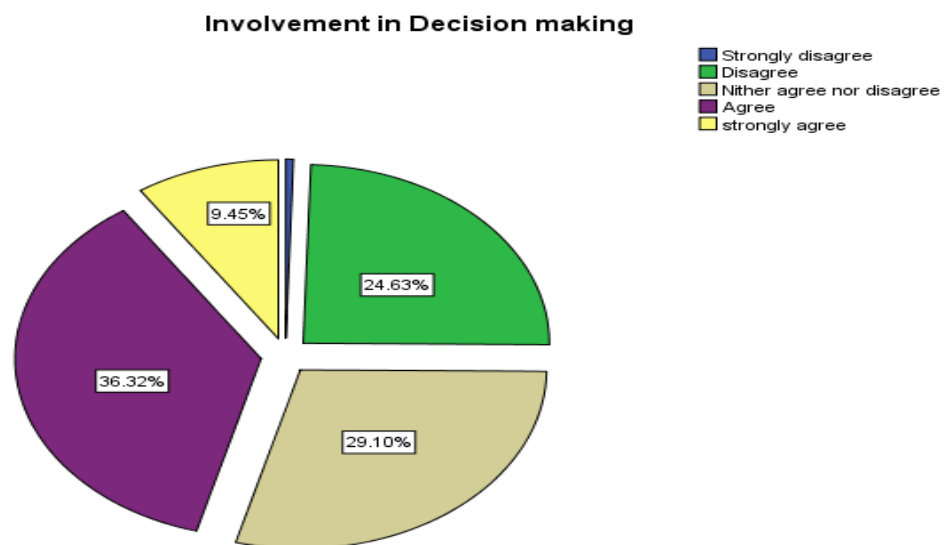


Figure 4.29

From the above table it can be concluded that 10% respondents strongly agree, 36% agree whereas 29% neither agree nor disagree and 25% disagree and 1% respondents strongly disagree with the statement that the employees are always involved in important decisions that affect their work. From the data it can be concluded that majority of the employees are not always involved in important decisions that affect their work.

30. Employees inputs are considered before important decisions or changes are made

One of the important reason for seeking employee inputs before important decisions is that it increases the quality of the decision. Here the organisation believes that good ideas of many smart people will produce a better outcome than good ideas of few smart people.

Consideration of employees inputs before important changes or decisions			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	3	.7	.7
Disagree	74	18.4	19.2
Neither agree nor disagree	154	38.3	57.5
Agree	126	31.3	88.8
strongly agree	45	11.2	100.0
Total	402	100.0	

Table-4.30

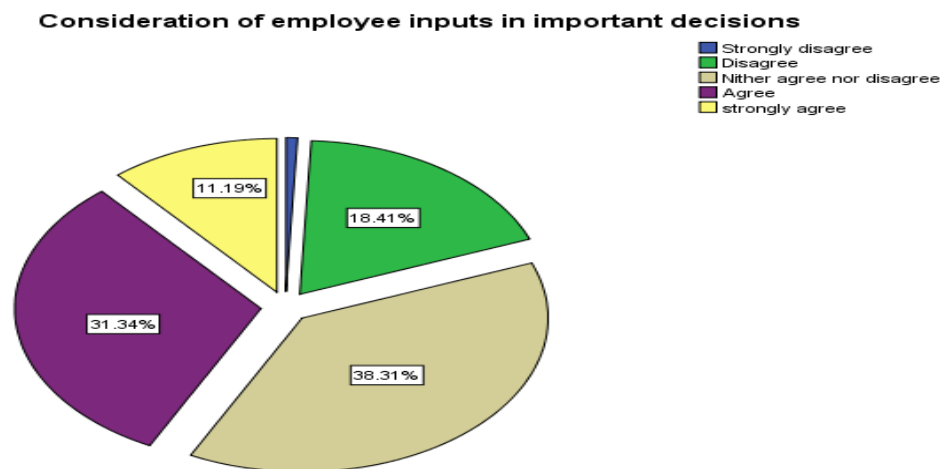


Figure 4.30

From the above table it can be concluded that 11% s respondents trongly agree, 31% agree whereas 38% neither agree nor disagree and 18% disagree and 1% respondents strongly disagree with the statement that the employee input is considered before important decisions or changes are made. From the data it can be concluded that majority of the employees inputs are not considered before important decisions or changes are made.

31. Employees are free to apply knowledge and skills

The objective of training given to the employees is to increase their knowledge, skills and abilities. But even more important is that the organisation should provide and environment to the employees where they can apply the new information, skills and knowledge in their jobs.

Freedom of application of knowledge and skills to employees			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	2	.5	.5
Disagree	70	17.4	18.0
Nither agree nor disagree	125	31.1	49.1
Agree	154	38.3	87.5
strongly agree	50	12.4	100.0
Total	401	99.8	
Missing System	1	.2	
Total	402	100.0	

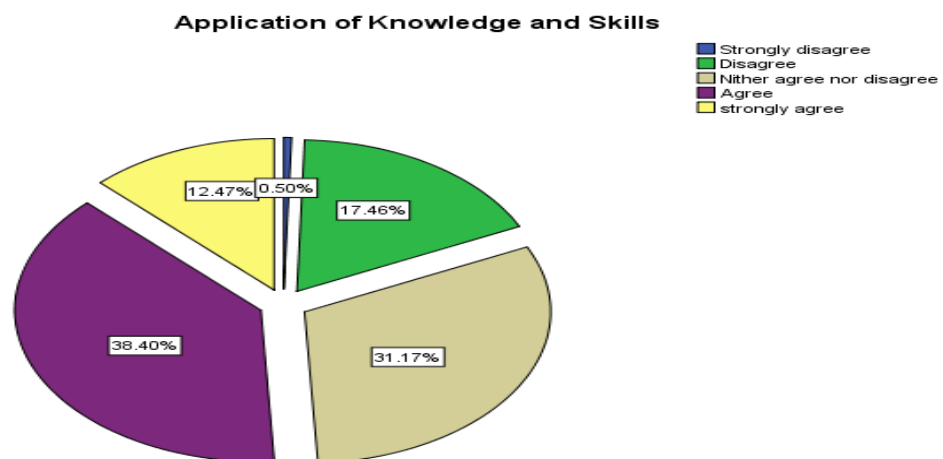


Figure 4.31

From the above table it can be concluded that 12% strongly agree, 38% agree whereas 31% neither agree nor disagree and 17% disagree and 1% strongly disagree with the statement that the employees are free to apply their knowledge and skills. From the data it can be concluded that majority of the employees are satisfied for free to apply their knowledge and skills in the job.

32. Employees have the opportunity to learn and grow.

In today's work environment, productivity improves when employees work smarter than harder. This is the reason why organizations which promotes learning are attracting better employees.

Opportunities to learn and grow are provided to employees			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	2	.5	.5
Disagree	66	16.4	16.9
Neither agree nor disagree	95	23.6	40.5
Agree	173	43.0	83.6
strongly agree	66	16.4	100.0
Total	402	100.0	

Table-4.32

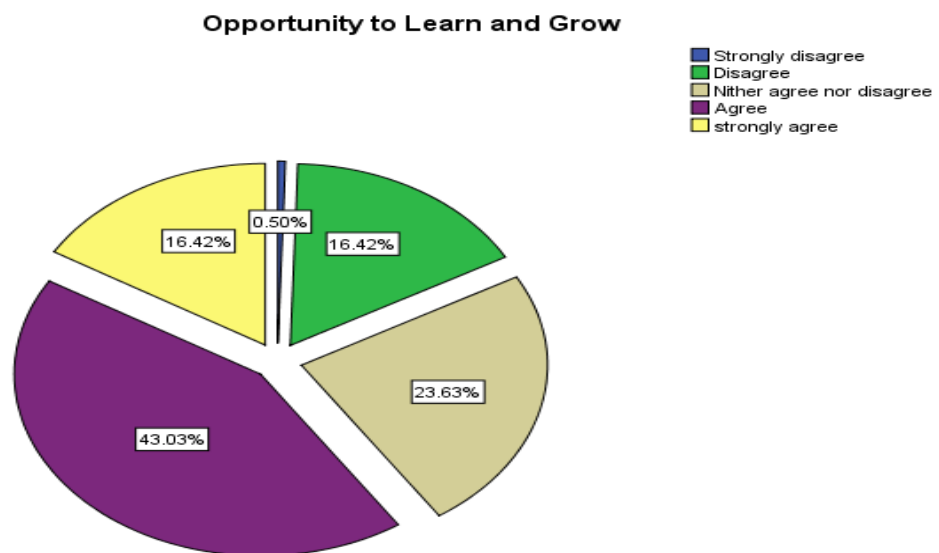


Figure 4.32

From the above table it can be concluded that 16% strongly agree, 43% agree whereas 24% neither agree nor disagree and 16% disagree and 1% strongly disagree with the statement regarding the opportunity to learn and grow in the organization. From the data it can be concluded that majority of the employees are satisfied with the opportunities to learn and grow in the organisation.

33. Various committees are formed for participation in decision making

The objective of creation of committees is to ensure better and effective communication and participation of employees in the decision making process.

Committees are created for participation in decision making			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	1	.2	.2
Disagree	79	19.7	19.9
Neither agree nor disagree	105	26.1	46.0
Agree	144	35.8	81.8
strongly agree	73	18.2	100.0
Total	402	100.0	

Table-4.33

Formation of Committees for Decision making

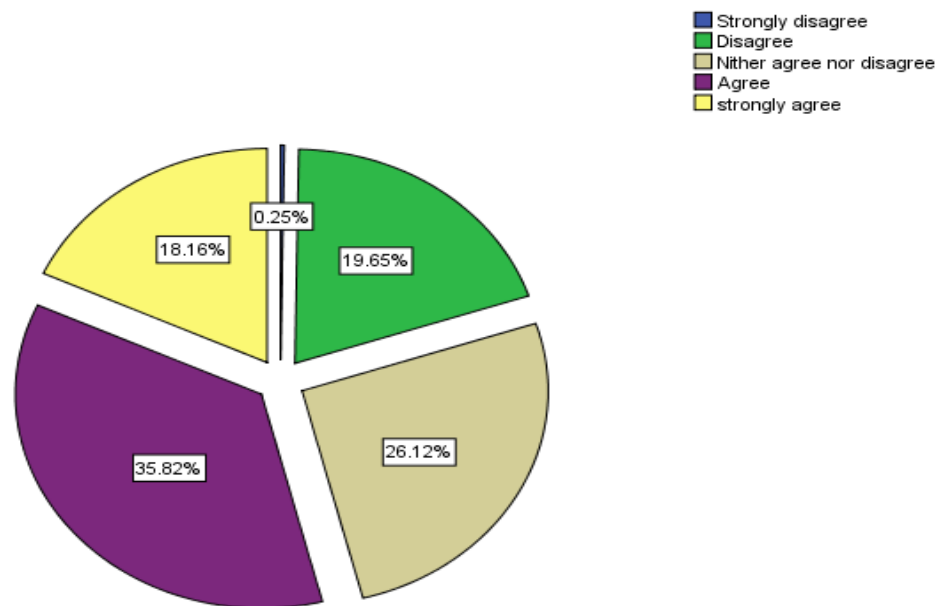


Figure 4.33

From the above table it can be concluded that 18% strongly agree, 36% agree whereas 26% neither agree nor disagree and 20% disagree with the statement that various committees are formed for participation in decision making. From the data it can be concluded that majority of the employees are satisfied with the various committees formed for participation in decision making.

34. Employees are involved through regular meetings and joint forums to solve day to day problems

Consultation requires a free exchange of views and ideas affecting the interests of employees and the organisation. It helps in solving problems as early as possible and in easiest manner.

Involvement of employees in joint forums for solving day to day meetings			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	3	.7	.7
Disagree	58	14.4	15.2
Neither agree nor disagree	110	27.4	42.5
Agree	191	47.5	90.0
strongly agree	40	10.0	100.0
Total	402	100.0	

Table-4.34

Solution to day today problems through Joint Forums

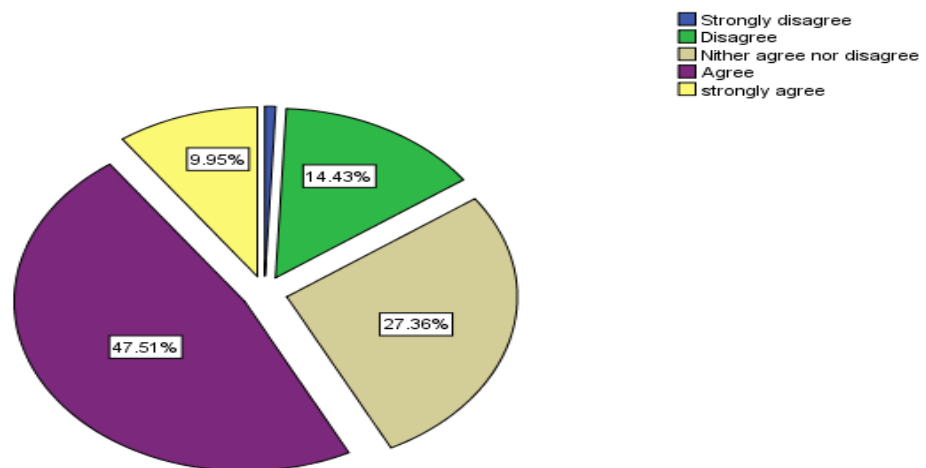


Figure 4.34

From the above table it can be concluded that 10% strongly agree, 48% agree whereas 27% neither agree nor disagree and 14% disagree and 1% strongly disagree with the statement that the employees are involved through regular meetings and joints forums to solve day to day problems. From the data it can be concluded that majority of the employees are satisfied that the employees are involved through regular meetings and joint forums to solve day to day problems.

35. Management gives power and due respect to the employees representatives
 Respect is the key to a successful relationship between the employer and the union representing its employees. When the representatives of employees are respected by the management there as chances that they may suggest ways to the organisation resulting in improved performance.

Power and respect is given to employees representatives			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	4	1.0	1.0
Disagree	62	15.4	16.4
Neither agree nor disagree	155	38.6	55.0
Agree	149	37.1	92.0
strongly agree	32	8.0	100.0
Total	402	100.0	

Table-4.35

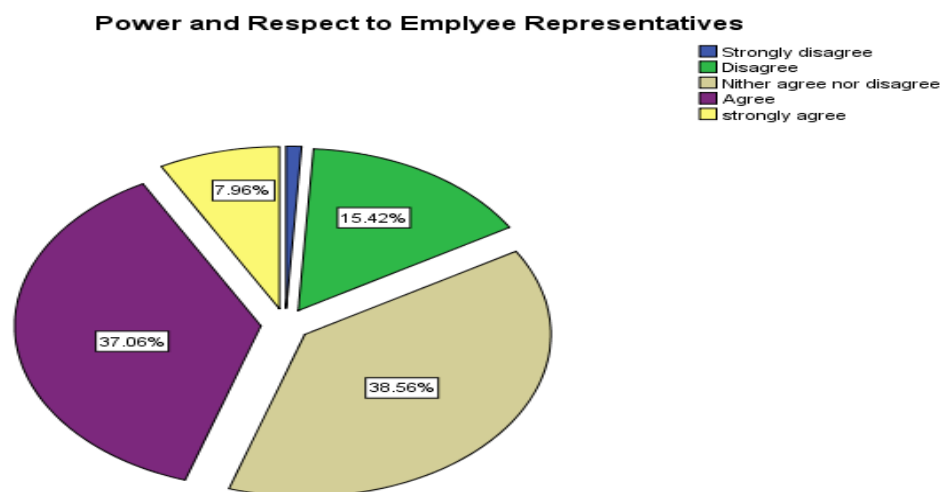


Figure 4.35

From the above table it can be concluded that 8% strongly agree, 37% agree whereas 39% neither agree nor disagree and 15% disagree and 1% strongly disagree with the statement that the management gives power and due respect to the employees representatives. From the data it can be concluded that majority of the employees are not satisfied with the power and respect given to the employees representatives by the management.

36. The representatives of various committees are capable and competent

Capable and competent representatives of committees contribute to all aspects of business performance. They are committed to the welfare of the employees as well as the organisation.

Committee representatives are capable and competent			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	4	1.0	1.0
Disagree	85	21.1	22.1
Neither agree nor disagree	132	32.8	55.0
Agree	142	35.3	90.3
strongly agree	39	9.7	100.0
Total	402	100.0	

Table-4.36

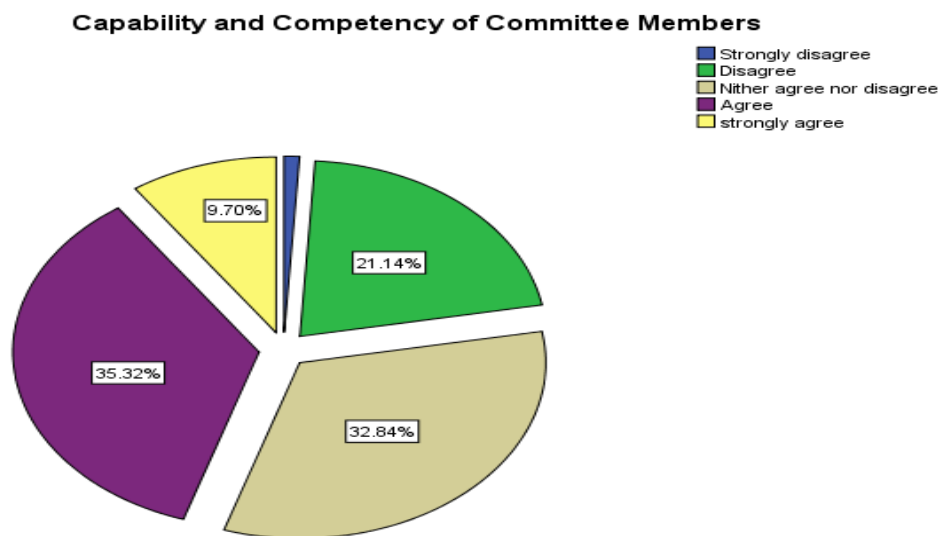


Figure 4.36

From the above table it can be concluded that 10% strongly agree, 35% agree whereas 33% neither agree nor disagree and 21% disagree and 1% strongly disagree with the statement that the representatives of various committees are capable and competent. From the data it can be concluded that majority of the employees are not satisfied with the capabilities and competence of the representatives of various committees.

37. Neither management nor employees representatives impose decision on each other.

One of the fundamental principles of labour legislation is to encourage both parties to come to a collective agreement without any internal or external pressure to resolve their differences and disputes.

Decisions are not imposed by management or employees representatives on each other			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	2	.5	.5
Disagree	93	23.1	23.6
Neither agree nor disagree	132	32.8	56.5
Agree	135	33.6	90.0
strongly agree	40	10.0	100.0
Total	402	100.0	

Table-4.37

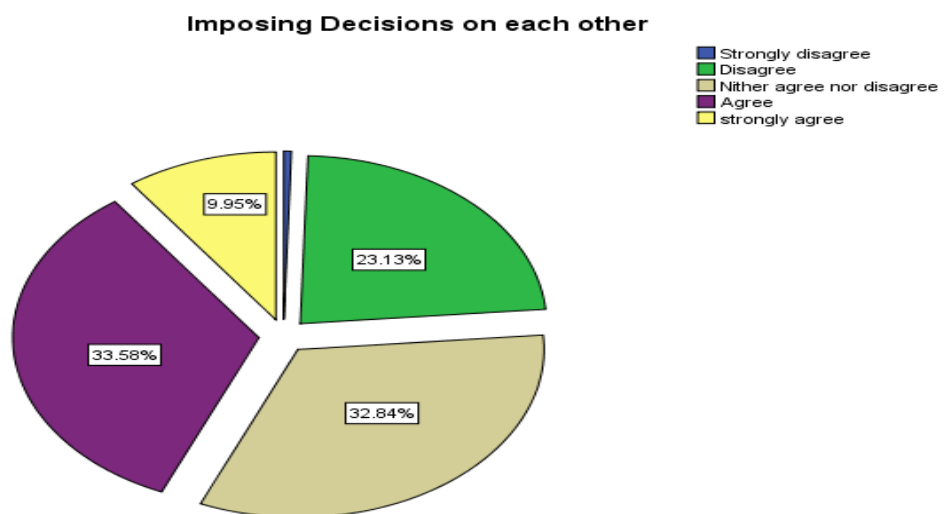


Figure 4.37

From the above table it can be concluded that 10% strongly agree, 34% agree whereas 33% neither agree nor disagree and 23% disagree and 1% strongly disagree with the statement that neither management nor employees representatives impose each other in making decisions. From the data it can be concluded that majority of the employees are not satisfied as management and employee representatives try to impose their decisions on each other.

38. During the process of decision making the conflicts within the committee are minimal

Good decision is the result of consultation or consensus so during the process of decision making there should be no conflict between the representatives of the employees and the management.

During decision making the conflicts are very less with the committee			
Response	Frequency	Percent	Cumulative Percent
Disagree	91	22.6	22.6
Neither agree nor disagree	139	34.6	57.2
Agree	126	31.3	88.6
strongly agree	46	11.4	100.0
Total	402	100.0	

Table-4.37

Conflicts within Committee during Decision making

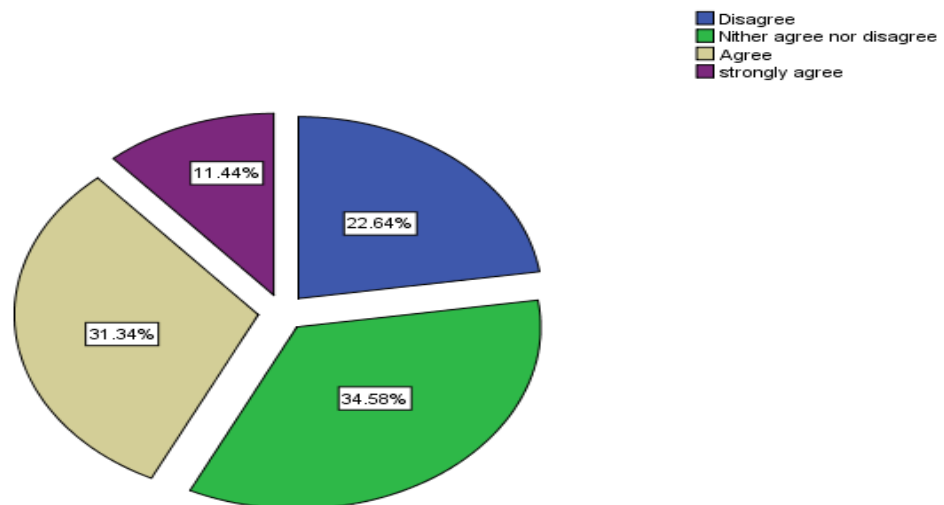


Figure 4.38

From the above table it can be concluded that 11% strongly agree, 31% agree whereas 35% neither agree nor disagree and 23% disagree with the statement that during the process of decision making the conflicts within the committee are minimal. From the data it can be concluded that majority of the employees are not satisfied with the level of conflicts during the process of decision making within the committee.

39. Leaders in the Organization have clear vision & mission

Leaders in the organisation should have clear vision because they share a dream and direction that the employees want to share and follow.

Organization’s leaders have clear vision and mission			
Response	Frequency	Percent	Cumulative Percent
Disagree	91	22.6	22.6
Nither agree nor disagree	139	34.6	57.2
Agree	126	31.3	88.6
strongly agree	46	11.4	100.0
Total	402	100.0	

Table-4.39

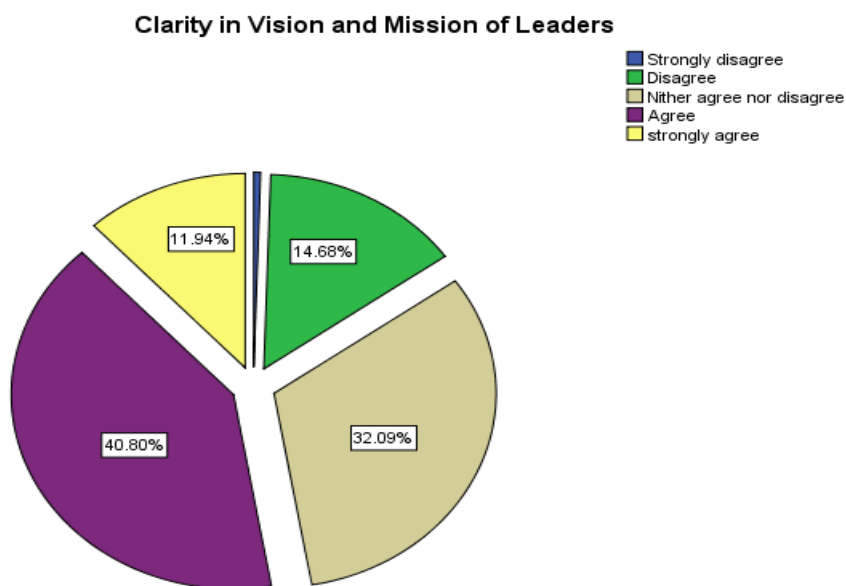


Figure 4.39

From the above table it can be concluded that 11% strongly agree, 31% agree whereas 35% neither agree nor disagree and 23% disagree with the statement that the leaders in the organization have clear vision and mission. From the data it can be concluded that majority of the employees are not satisfied with the clarity of vision and mission of their leaders.

40. Leader offers guidance for solving job related problems to the employee.

In the organisation leaders play the role of shepherds who protect their flock from harsh surroundings, by offering them guidance in solving job related problems.

Leaders guide employees to solve job related problems			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	2	.5	.5
Disagree	54	13.4	13.9
Neither agree nor disagree	116	28.9	42.8
Agree	172	42.8	85.6
strongly agree	58	14.4	100.0
Total	402	100.0	

Table-4.40

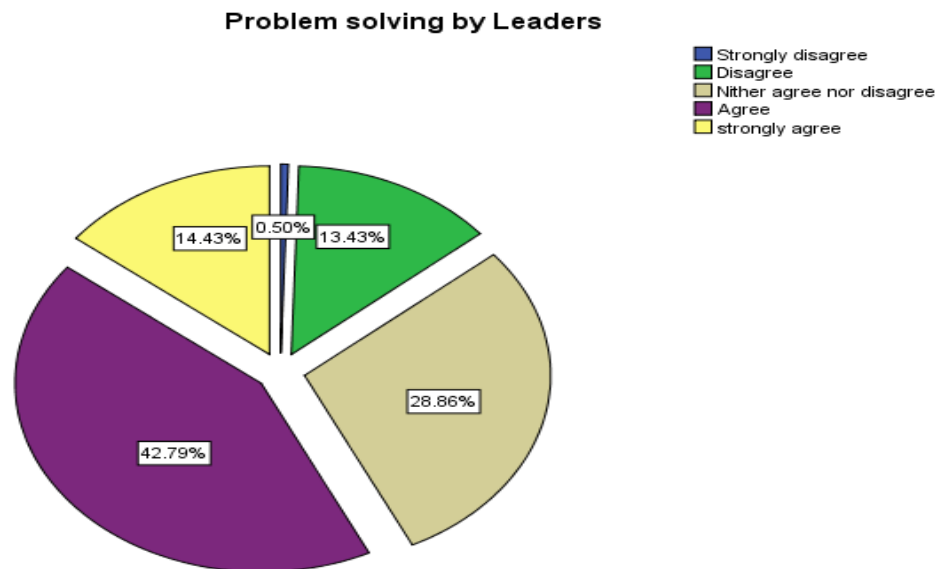


Figure 4.40

From the above table it can be concluded that 14% strongly agree, 43% agree whereas 30% neither agree nor disagree and 13% disagree and 1% strongly disagree with the statement that their leaders offer guidance for solving job related problems. From the data it can be concluded that majority of the employees are satisfied with their leaders as they offer them guidance for solving job related problems.

41. Leader listens and pays attention to the employee

Employees feel good when their leaders listen to them patiently without distraction. The leader should be a good listener who can gain much information from the ideas and opinions of others.

Leaders pay attention to employees by listening carefully to their problems			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	2	.5	.5
Disagree	56	13.9	14.4
Neither agree nor disagree	127	31.6	46.0
Agree	158	39.3	85.3
strongly agree	59	14.7	100.0
Total	402	100.0	

Table-4.41

Leader listens and pays attention

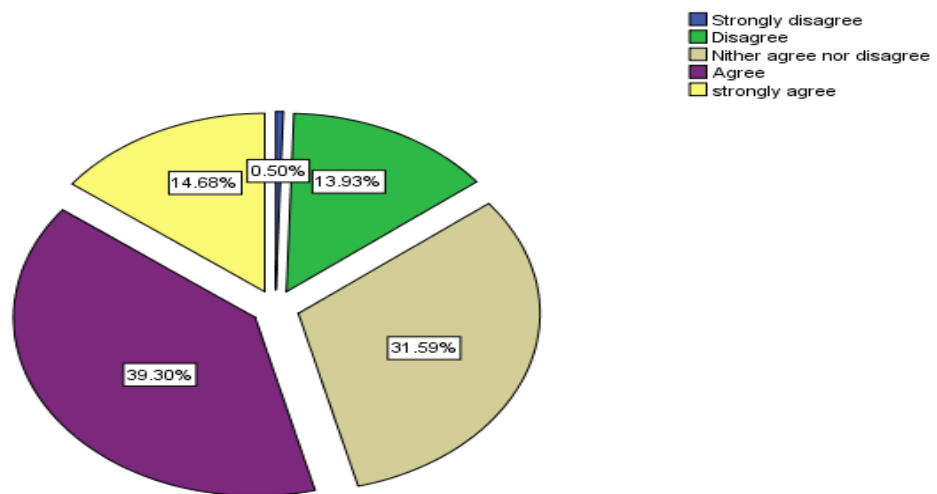


Figure 4.41

From the above table it can be concluded that 15% strongly agree, 39% agree whereas 32% neither agree nor disagree and 14% disagree and 1% strongly disagree with the statement that their leaders listens and pays attention to them. From the data it can be concluded that majority of the employees are satisfied as their leaders listens and pays attention to them.

42. The leaders make themselves available to the employees.

Leaders who have knowledge of emotional intelligence they listen and understand the situation before responding to it. They make sure that they are available to the employees whenever they need them.

Leaders are available whenever employees require them			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	2	.5	.5
Disagree	52	12.9	13.4
Neither agree nor disagree	123	30.6	44.0
Agree	179	44.5	88.6
strongly agree	46	11.4	100.0
Total	402	100.0	

Table-4.42

Availability of Leaders to Employees

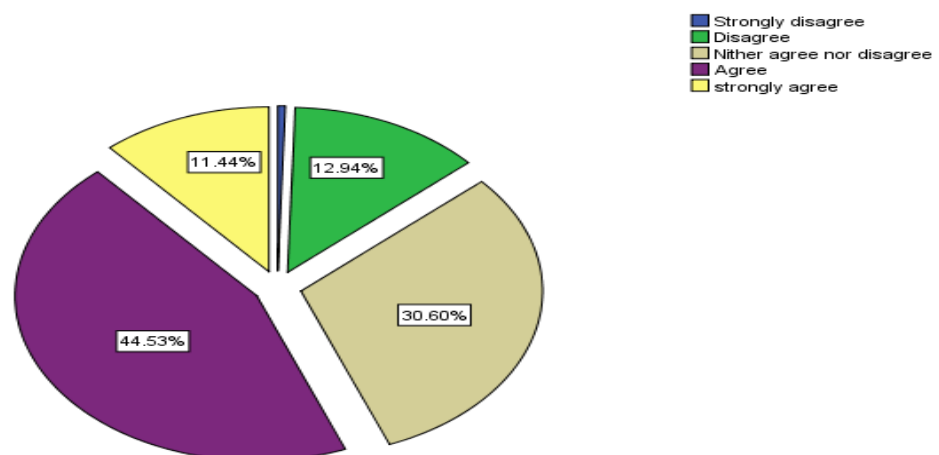


Figure 4.42

From the above table it can be concluded that 11% strongly agree, 45% agree whereas 31% neither agree nor disagree and 13% disagree and 1% strongly disagree with the statement that the leaders make themselves available to the employees. From the data it can be concluded that majority of the employees are satisfied with their leaders as they are available to them as and when they need them.

43. Information about departmental policies and goals is shared with the employees

The organisation should involve employees in goal setting and planning as they will be helping the organisation in realizing the set goals.

Departmental policies and goals are shared with the employees			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	5	1.2	1.2
Disagree	56	13.9	15.2
Neither agree nor disagree	130	32.3	47.5
Agree	167	41.5	89.1
strongly agree	44	10.9	100.0
Total	402	100.0	

Table-4.43

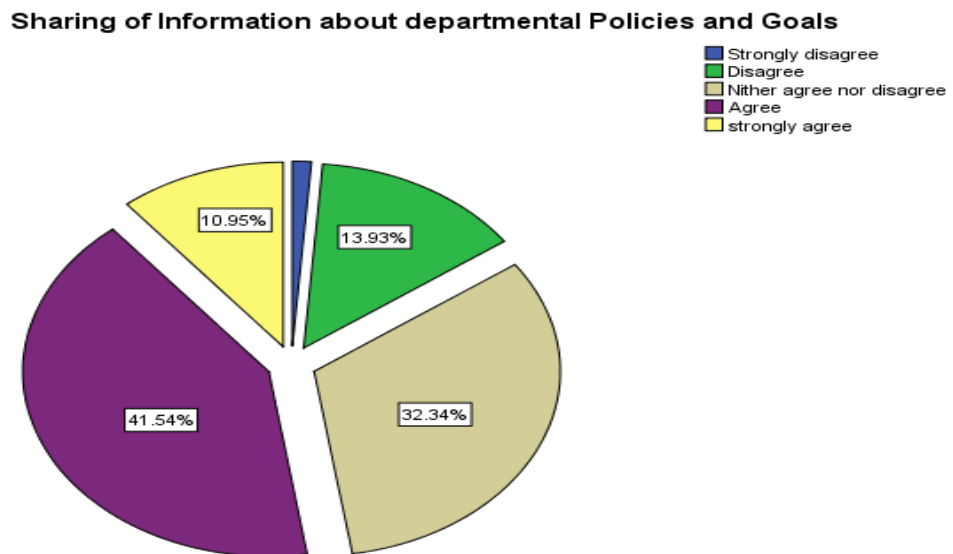


Figure 4.43

From the above table it can be seen that 11% respondents strongly agree, 42% agree whereas 32% neither agree nor disagree and 14% disagree and 1% strongly disagree with the statement that the information about departmental policies and goals are shared with the employees. From the data it can be concluded that majority of the employees are satisfied with the information about departmental policies and goals are shared with the employees.

44. New leaders are being identified and groomed by existing leaders.

The organisation should provide an environment where the existing leaders identifies high potential employees and groom them to be future leaders.

Existing leaders identify and groom new leaders			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	3	.7	.7
Disagree	81	20.1	20.9
Neither agree nor disagree	132	32.8	53.7
Agree	145	36.1	89.8
strongly agree	41	10.2	100.0
Total	402	100.0	

Table-4.44

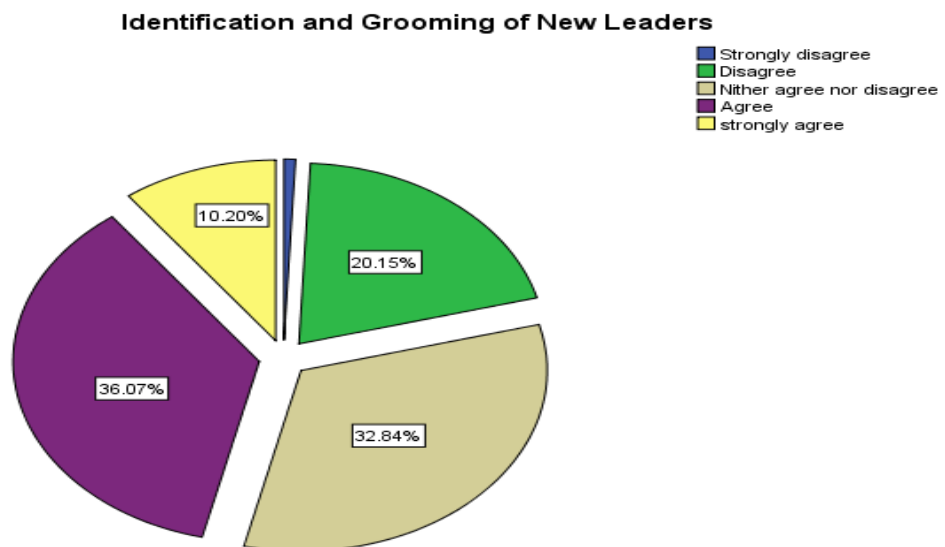


Figure 4.44

From the above table it can be seen that 10% respondents strongly agree, 36% agree whereas 33% neither agree nor disagree and 20% disagree and 1% strongly disagree with the statement that new leaders are being identified and groomed by the existing leaders. From the data it can be concluded that majority of the employees are not satisfied with the organizational policies regarding identifying and grooming new leaders by the existing leaders.

45. Employees are paid appropriately for the work

The salary paid to the employees by the organisation must be high enough to attract the best talent but the organisation should also take care that the salary should not be so high that it eats into its profits or survival.

Appropriate salary is given to the employees			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	6	1.5	1.5
Disagree	57	14.2	15.7
Neither agree nor disagree	141	35.1	50.7
Agree	147	36.6	87.3
strongly agree	51	12.7	100.0
Total	402	100.0	

Table-4.45

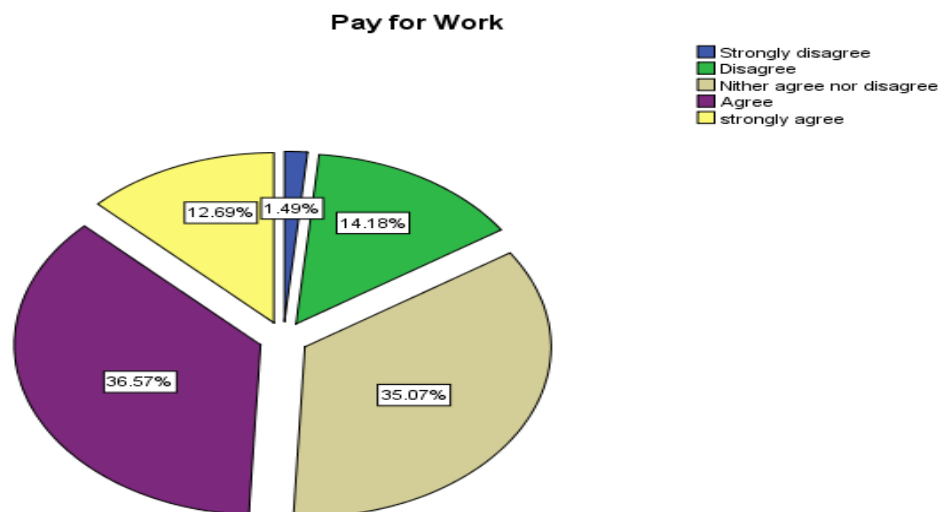


Figure 4.45

From the above table it can be seen that 13% respondents strongly agree, 37% agree whereas 35% neither agree nor disagree and 14% disagree and 2% strongly disagree with the statement that employees are paid appropriately for the work. From the data it can be concluded that majority of the employees are satisfied with the salary and feel that it is appropriate for the work done by them.

46. My salary is competitive with similar jobs I might find elsewhere

By paying competitive salary the organisation tries to retain its best employees who helps it to meet the business goals.

Salary is competitive and similar to the other organisations			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	11	2.7	2.7
Disagree	59	14.7	17.4
Neither agree nor disagree	116	28.9	46.3
Agree	166	41.3	87.6
strongly agree	50	12.4	100.0
Total	402	100.0	

Table-4.46

Competitive Salary

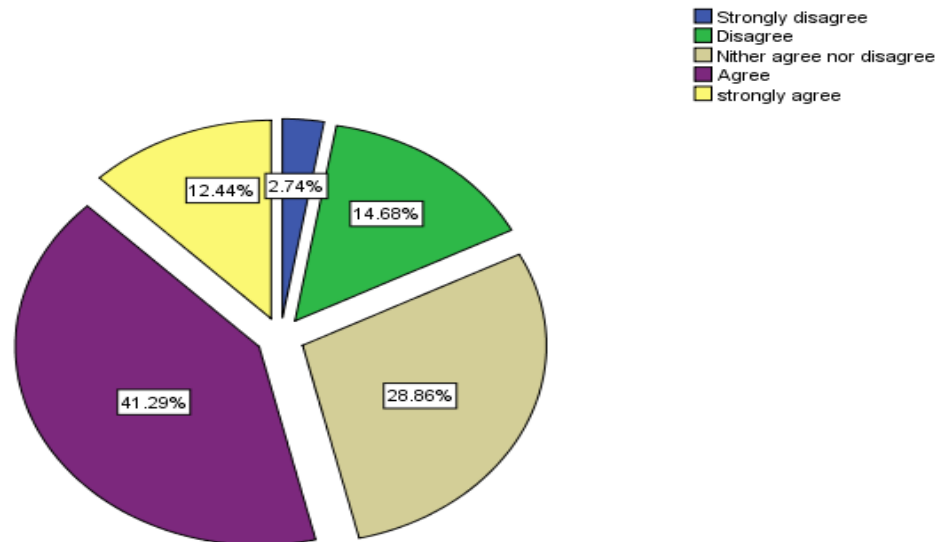


Figure 4.46

From the above table the researcher can conclude that 12% respondents strongly agree, 41% agree whereas 29% neither agree nor disagree and 15% disagree and 3% strongly disagree with the statement that the salary is competitive with similar jobs elsewhere. From the data it can be concluded that majority of the employees are satisfied as there salary is competitive with similar jobs elsewhere.

47. The benefits I receive are comparable to those offered by other organizations

There is direct relationship between compensation and benefits and productivity of employees, as well as the ability of your organization to effectively realize its objectives.

Benefits are comparable to the other organisations			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	6	1.5	1.5
Disagree	81	20.1	21.6
Neither agree nor disagree	101	25.1	46.8
Agree	165	41.0	87.8
strongly agree	49	12.2	100.0
Total	402	100.0	

Table-4.47

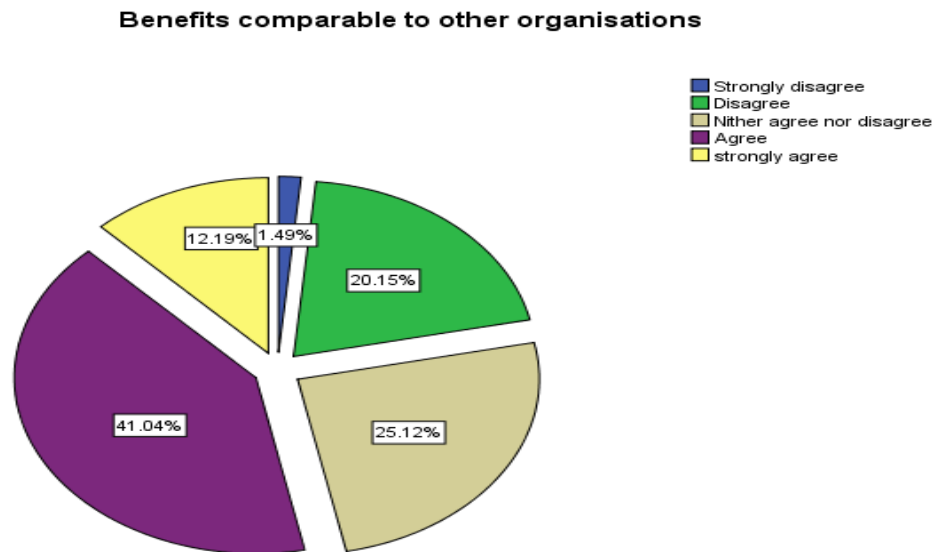


Figure 4.47

From the above table the researcher can conclude that 12% respondents strongly agree, 41% agree whereas 25% neither agree nor disagree and 20% disagree and 2% strongly disagree with the statement that the benefits received are comparable to those offered by other organizations. From the data it can be concluded that majority of the employees are satisfied with the benefits provided by the organization as they are comparable to those offered by other organisations.

48. Information and knowledge are shared openly

To survive in the increasingly competitive business environment organizations must share information and knowledge openly to develop capabilities that will provide them competitive advantage.

Open sharing of information and knowledge			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	4	1.0	1.0
Disagree	72	17.9	18.9
Neither agree nor disagree	118	29.4	48.3
Agree	150	37.3	85.6
strongly agree	58	14.4	100.0
Total	402	100.0	

Table-4.48

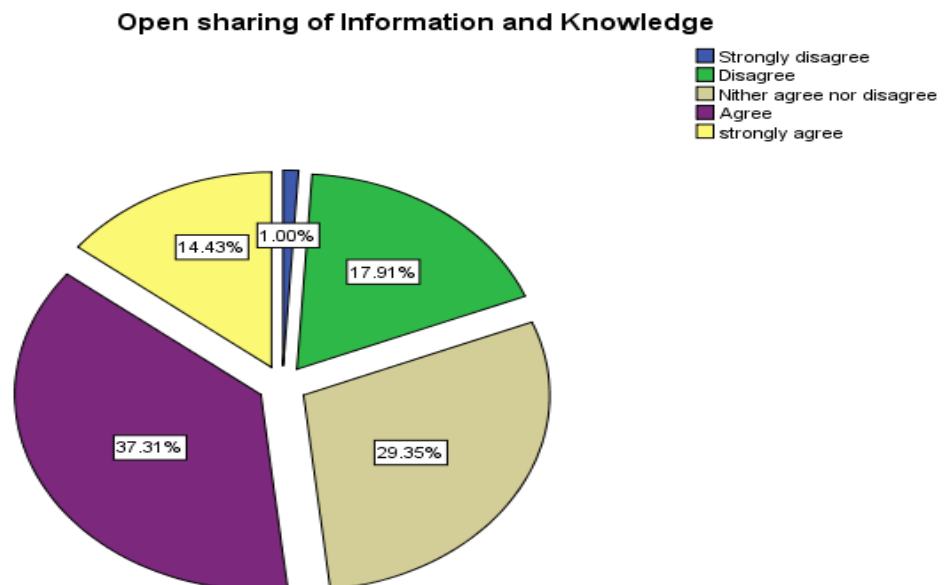


Figure 4.48

From the above table the researcher can conclude that 14% respondents strongly agree, 37% agree whereas 29% neither agree nor disagree and 18% disagree and 1% strongly disagree with the statement that the information and knowledge are shared openly. From the data it can be concluded that majority of the employees are satisfied with the organizational policy of open sharing of information.

49. In my Organization there is exchange of useful information between departments

The organisation should be structured in such a way that it can maximize the benefits of communication. The departmental communication should be clear, frequent and effective which will lead to benefits for organisation.

Exchange of information between departments of the organisation			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	3	.7	.7
Disagree	80	19.9	20.6
Neither agree nor disagree	130	32.3	53.0
Agree	138	34.3	87.3
strongly agree	51	12.7	100.0
Total	402	100.0	

Table-4.49

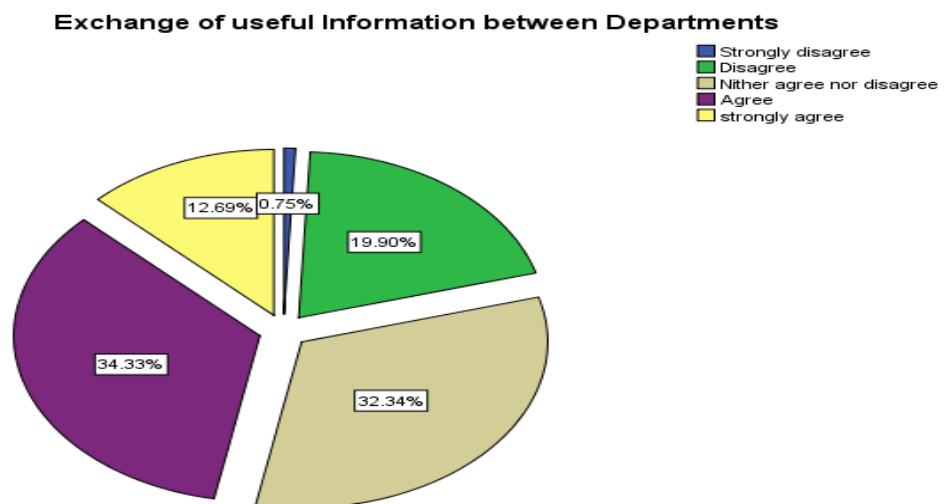


Figure 4.49

From the above table it can be seen that 13% respondents strongly agree, 34% agree whereas 32% neither agree nor disagree and 20% disagree and 1% strongly disagree with the statement useful information is shared between the departments of the organization. From the data it can be concluded that majority of the employees are not satisfied because many information is not shared between the departments of the organization.

50. Senior management communicates well with the rest of the organization

Clear communication from the senior management motivates, builds trust and create shared identity among the employees. It provides a way to the employees to express their emotions and ambitions.

Better communication between senior management and rest of the organisation			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	4	1.0	1.0
Disagree	75	18.7	19.7
Nither agree nor disagree	123	30.6	50.4
Agree	143	35.6	86.0
strongly agree	56	13.9	100.0
Total	401	99.8	
Missg 9	1	.2	
Total	402	100.0	

Communication of Senior Management with rest of the Organisation

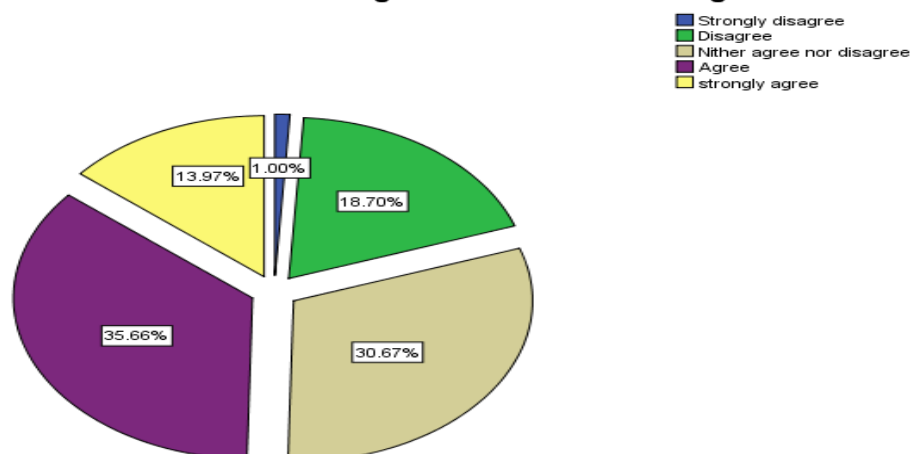


Figure 4.50

From the above table it can be concluded that 14% strongly agree, 37% agree whereas 31% neither agree nor disagree and 19% disagree and 1% strongly disagree with the statement that senior management communicates well with the rest of the organization. From the data it can be concluded that majority of the employees are satisfied as senior management communicates well with the rest of the organization.

51. Reporting system in the organization is well defined

The organisation should have a well defined structure and that should be known to all the employees. Everybody should be aware of the policies and rules framed by the organisation for its smooth running.

Organization’s reporting system is clearly defined			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	3	.7	.7
Disagree	72	17.9	18.7
Neither agree nor disagree	102	25.4	44.0
Agree	173	43.0	87.1
strongly agree	52	12.9	100.0
Total	402	100.0	

Table-4.51

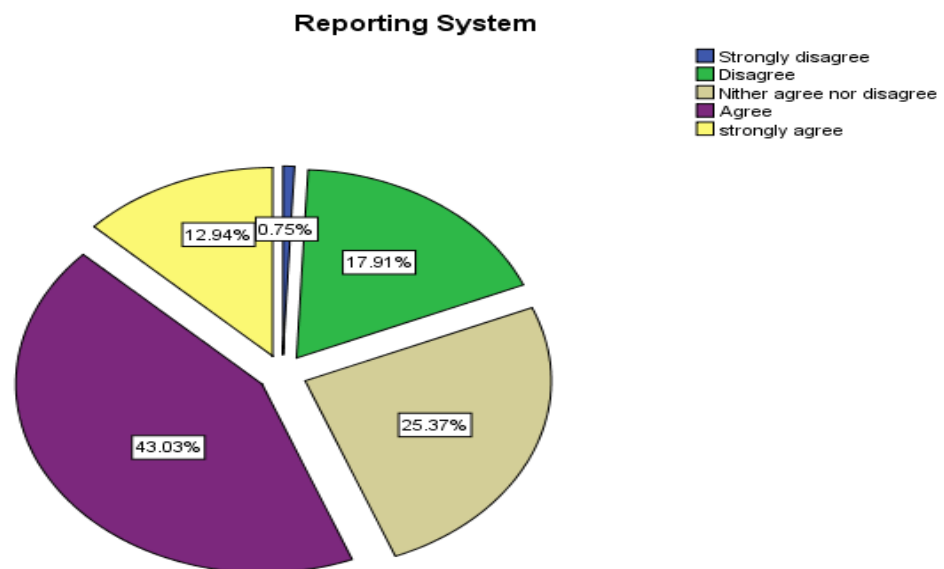


Figure 4.51

From the above table it can be concluded that 13% strongly agree, 43% agree whereas 25% neither agree nor disagree and 18% disagree and 1% strongly disagree with the statement that the reporting system in the organization is well defined. From the data it can be concluded that majority of the employees are satisfied with the well-defined reporting system of the organization.

52. Appropriate reports are maintained in the organization

The organisation which has a better understanding of what records to keep and how to keep records helps the employees to gain knowledge and skills to participate in the organisation more efficiently and effectively.

Organization maintains appropriate reports			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	1	.2	.2
Disagree	75	18.7	18.9
Neither agree nor disagree	109	27.1	46.0
Agree	153	38.1	84.1
strongly agree	64	15.9	100.0
Total	402	100.0	

Table-4.52

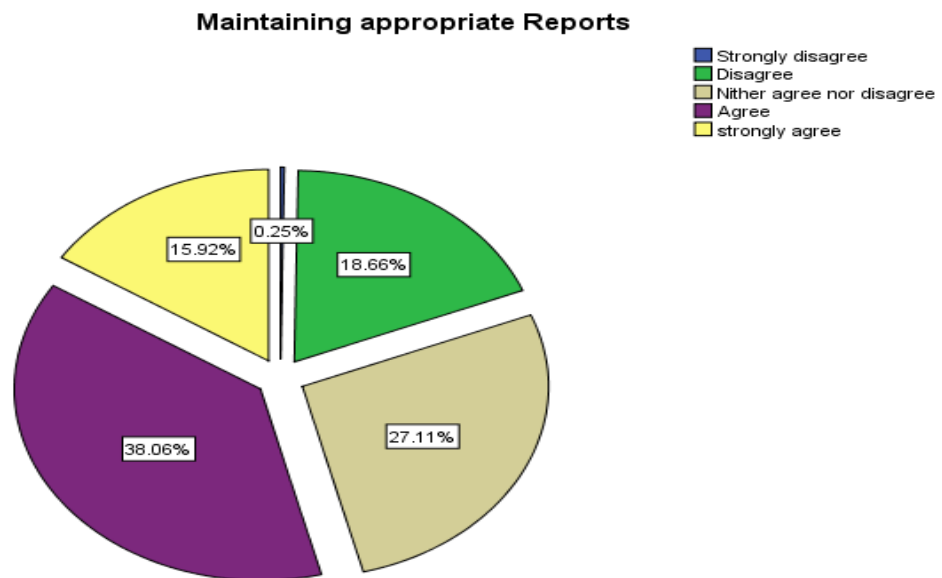


Figure 4.52

From the above table it can be concluded that 16% strongly agree, 38% agree whereas 21% neither agree nor disagree and 19% disagree with the statement that the appropriate reports are maintained in the organization. From the data it can be concluded that majority of the employees are satisfied as appropriate reports are maintained in the organization.

53. Everybody is treated appropriately in the company

Organisational policies should be based on equality. Every employee should respect one another. In the event of promotion merit of the employee should be considered and not his closeness to the management.

Company treats everybody appropriately			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	2	.5	.5
Disagree	70	17.4	17.9
Neither agree nor disagree	117	29.1	47.0
Agree	161	40.0	87.1
strongly agree	52	12.9	100.0
Total	402	100.0	

Table-4.53

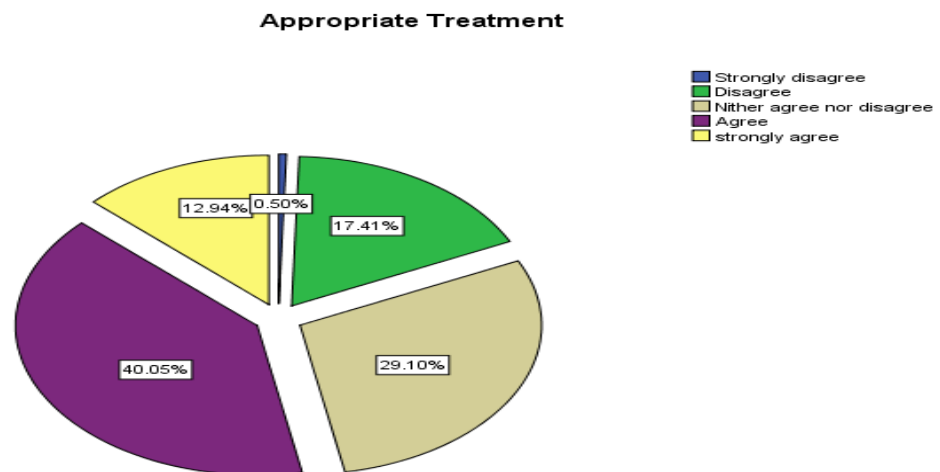


Figure 4.53

From the above table it can be concluded that 13% strongly agree, 40% agree whereas 29% neither agree nor disagree and 17% disagree and 1% strongly disagree with the statement that everybody is treated appropriately in the organization. From the data it can be concluded that majority of the employees are satisfied as everybody is treated appropriately in the organization.

54. Organization’s policies for promotion and advancement are always appropriate.

The organisation can make the employee more satisfied and retain him when its policies for promotion and advancement appropriate. This fair policy also helps in controlling absenteeism and staff turnover.

Policies for promotion and advancement are appropriate			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	8	2.0	2.0
Disagree	57	14.2	16.2
Neither agree nor disagree	129	32.1	48.3
Agree	150	37.3	85.6
strongly agree	58	14.4	100.0
Total	402	100.0	

Table-4.54

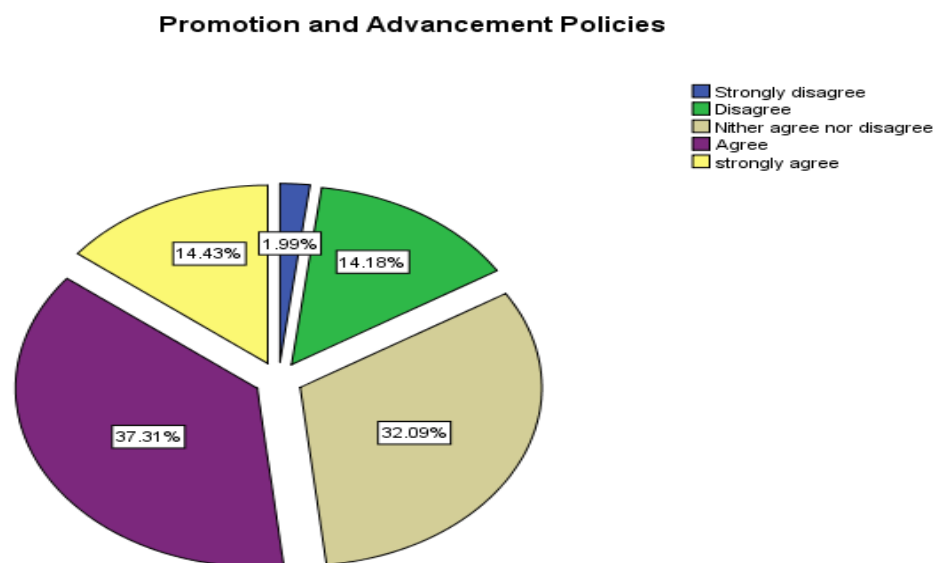


Figure 4.54

From the above table it can be concluded that 14% strongly agree, 37% agree whereas 32% neither agree nor disagree and 14% disagree and 2% strongly disagree with the statement that the Organization's policies for promotion and advancement are always appropriate. From the data it can be concluded that majority of the employees are not satisfied as the organisation's policies for promotion and advancement are not always appropriate.

55. Favoritism is not an issue in raises or promotions

When management assigns responsibility or gives promotions based on favoritism, the organisation is not always going to get the right person for the job.

No favouritism for raises and promotions			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	6	1.5	1.5
Disagree	51	12.7	14.2
Neither agree nor disagree	122	30.3	44.5
Agree	151	37.6	82.1
strongly agree	72	17.9	100.0
Total	402	100.0	

Table-4.55

Favouritism in Promotions

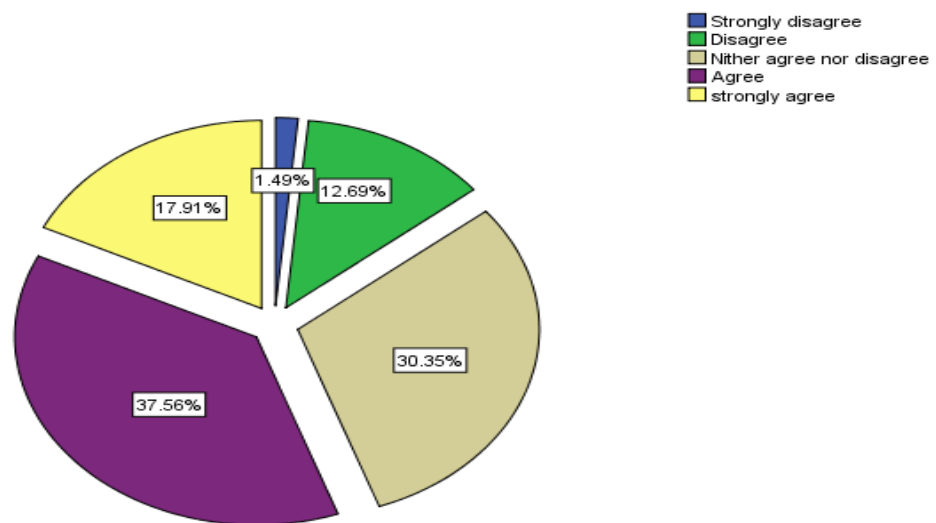


Figure 4.55

From the above table it can be concluded that 18% strongly agree, 38% agree whereas 30% neither agree nor disagree and 13% disagree and 2% strongly disagree with the statement that the favoritism is not an issue in raises or promotions. From the data it can be concluded that majority of the employees are satisfied as favoritism is not done in raises or promotions.

56. Organization’s selection criteria is based purely on ability and performance

The organisation should select its candidate only on the basis of their abilities and performance. No employee should be recruited outside the criteria then there are more chances that the organisation will be able to attract and retain most talented employees.

Ability and performance is the selection criteria of the organisation			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	4	1.0	1.0
Disagree	57	14.2	15.2
Neither agree nor disagree	111	27.6	42.8
Agree	150	37.3	80.1
strongly agree	80	19.9	100.0
Total	402	100.0	

Table-4.56

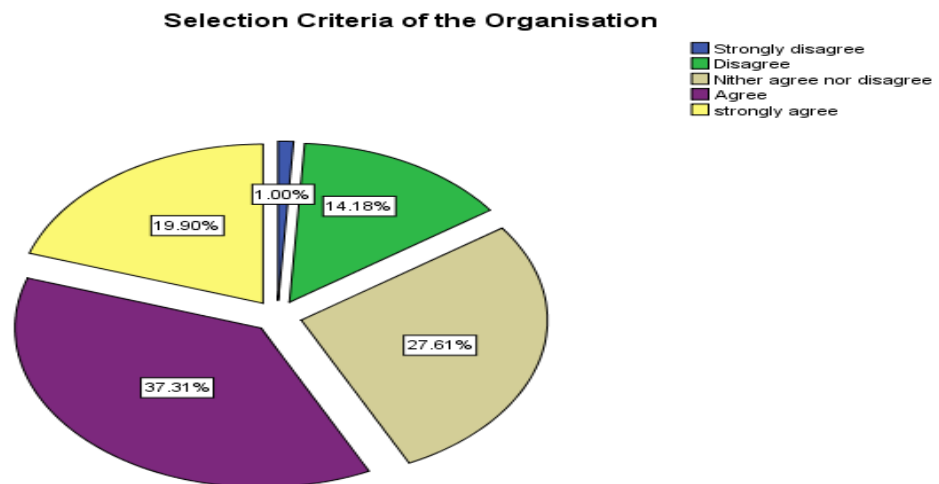


Figure 4.56

From the above table it can be concluded that 20% strongly agree, 37% agree whereas 28% neither agree nor disagree and 14% disagree and 1% strongly disagree with the statement that the organisation's selection criteria is based purely on ability and performance. From the data it can be concluded that majority of the employees are satisfied with the organisation's selection criteria as it is based purely on ability and performance.

57. The Management is unbiased with the employees in salary and benefits

Salary and benefits paid to the employees is considered as one of the important motivational factor. When paid at a competitive rate it pushes employees for better performance but when paid less it leads to decline in the efficiency and productivity of the employees.

No biasness in salary and benefits with the employees			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	4	1.0	1.0
Disagree	56	13.9	14.9
Neither agree nor disagree	123	30.6	45.5
Agree	155	38.6	84.1
strongly agree	64	15.9	100.0
Total	402	100.0	

Table-4.57

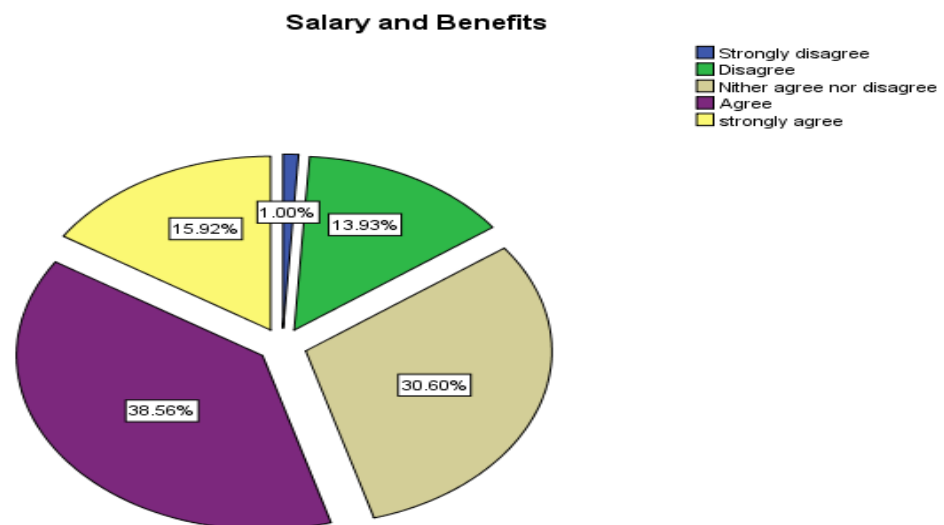


Figure 4.57

From the above table it can be concluded that 16% strongly agree, 39% agree whereas 31% neither agree nor disagree and 14% disagree and 1% strongly disagree with the statement that the management is unbiased with the employees in salary and benefits. From the data it can be concluded that majority of the employees are satisfied as the management is unbiased with the employees in salary and benefits.

58. Organization has established formal Rules of Personal Conduct.

The organisation should make formal rules of personal conduct for the employees for promoting their individual and collective responsibility.

Rules of personal conduct are formed by the organisation			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	3	.7	.7
Disagree	62	15.4	16.2
Neither agree nor disagree	88	21.9	38.1
Agree	163	40.5	78.6
strongly agree	86	21.4	100.0
Total	402	100.0	

Table-4.58

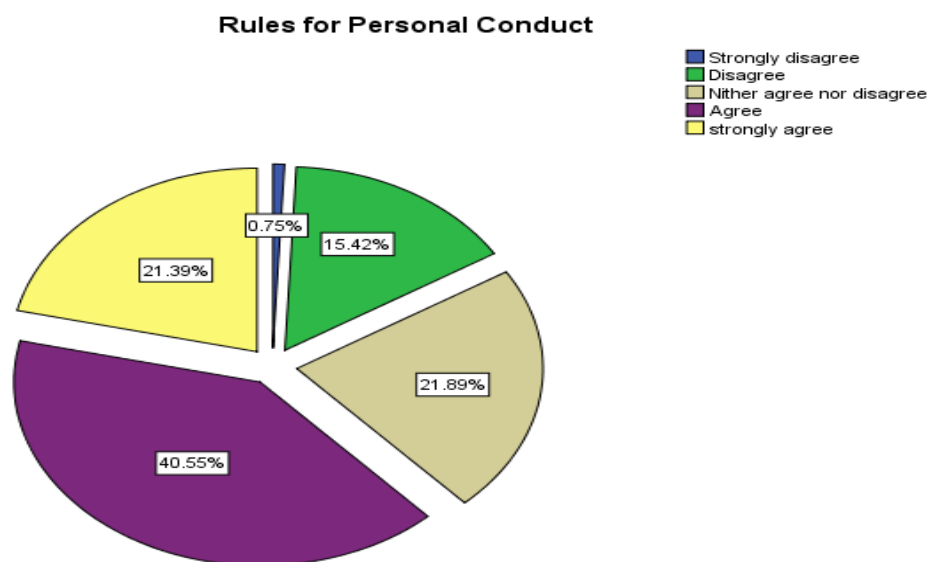


Figure 4.58

From the above table it can be concluded that 21% strongly agree, 41% agree whereas 22% neither agree nor disagree and 15% disagree and 1% strongly disagree with the statement that the organisation has established formal rules of personal conduct. From the data it can be concluded that majority of the employees are satisfied with the organisation's formal rules of personal conduct.

59. Our disciplinary system is employed uniformly.

All the employees of the organisation should be treated at par when it comes to discipline. Though it is necessary to judge each situation on individual basis, arbitrariness in the administration of discipline can make an entire disciplinary system of the organisation totally ineffective.

Uniform application of disciplinary system			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	4	1.0	1.0
Disagree	58	14.4	15.4
Neither agree nor disagree	101	25.1	40.5
Agree	175	43.5	84.1
strongly agree	64	15.9	100.0
Total	402	100.0	

Table-4.59

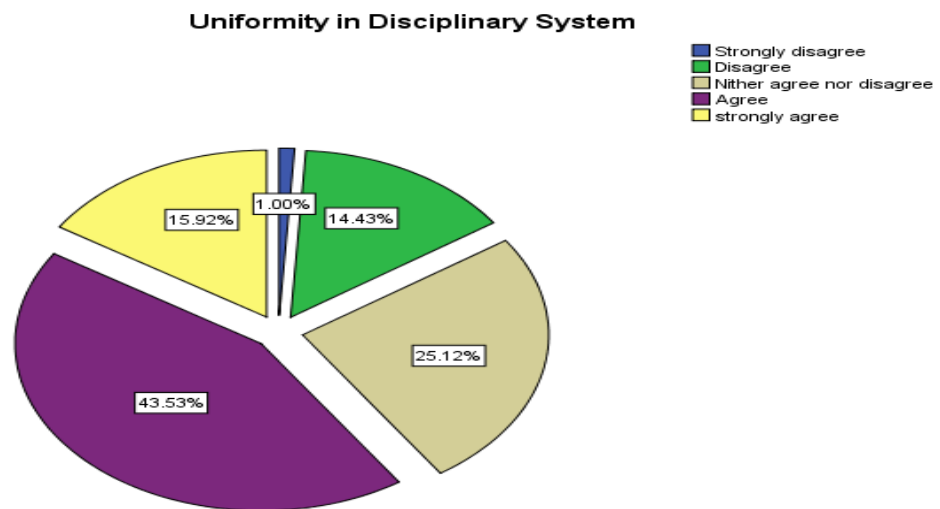


Figure 4.59

From the above table it can be concluded that 16% strongly agree, 44% agree whereas 25% neither agree nor disagree and 14% disagree and 1% strongly disagree with the statement that the disciplinary system is employed uniformly. From the data it can be concluded that majority of the employees are satisfied with the uniform application of disciplinary system in the organization.

60. Organization has a positive relationship with the union.

The organisation should remember that the purpose of union is to promote and protect the interests of the employees, so the organisation should look at union as business partner which might be able to help it in a number of ways.

Positive relationship with the union			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	4	1.0	1.0
Disagree	74	18.4	19.4
Neither agree nor disagree	137	34.1	53.5
Agree	120	29.9	83.3
strongly agree	67	16.7	100.0
Total	402	100.0	

Table-4.60

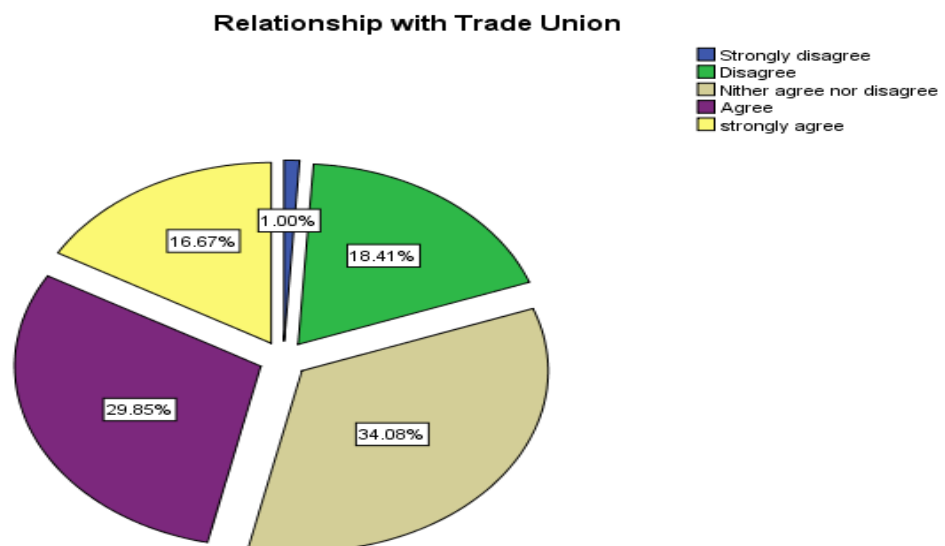


Figure 4.60

From the above table it can be concluded that 17% strongly agree, 30% agree whereas 34% neither agree nor disagree and 18% disagree and 1% strongly disagree with the statement that the organization has a positive relationship with the union. From the data it can be concluded that majority of the employees are not satisfied as the organisation does not have a positive relationship with the union.

61. Organization supports the union for initiatives that results in performance improvement

When the organisation sees and treats union as a business partner, it supports and helps in the initiatives of the union resulting in performance improvement.

Union initiatives resulting in performance improvement are supported by the organisation			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	3	.7	.7
Disagree	64	15.9	16.7
Neither agree nor disagree	144	35.8	52.5
Agree	144	35.8	88.3
strongly agree	47	11.7	100.0
Total	402	100.0	

Table-4.61

Supporting Union initiatives resulting in Performance Improvement

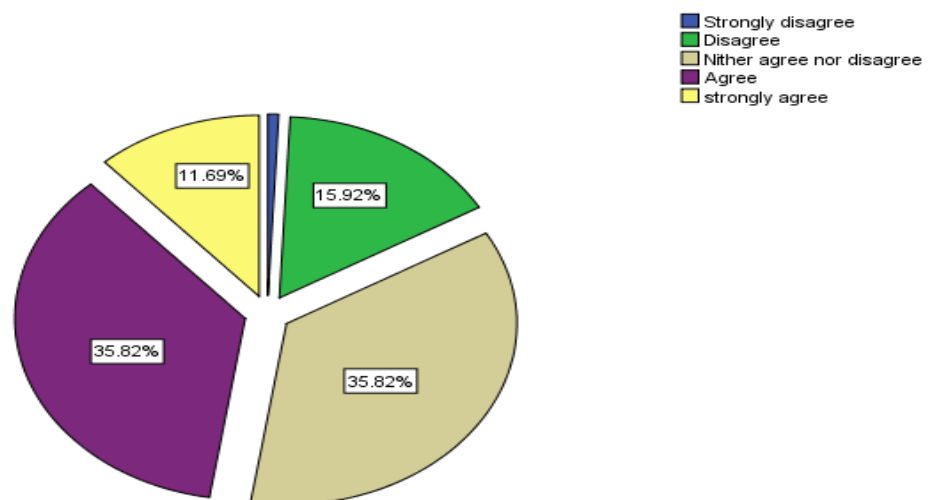


Figure 4.61

From the above table it can be concluded that 12% strongly agree, 36% agree whereas 36% neither agree nor disagree and 16% disagree and 1% strongly disagree with the statement that the organization supports the union for initiatives that results in performance improvement. From the data it can be concluded that majority of the employees are not satisfied because the organization does not support the union for initiatives the can result in performance improvement.

62. Senior management is involved in new employee welfare initiatives and programs.

One way to improve the morale of the employees is that the senior management should develop new welfare initiatives and programmes for improving physical, intellectual, emotional and mental health of employees.

Involvement of top management in employee welfare programs			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	1	.2	.2
Disagree	57	14.2	14.4
Neither agree nor disagree	146	36.3	50.7
Agree	140	34.8	85.6
strongly agree	58	14.4	100.0
Total	402	100.0	

Table-4.62

Involvement of Senior Management in Welfare Programmes

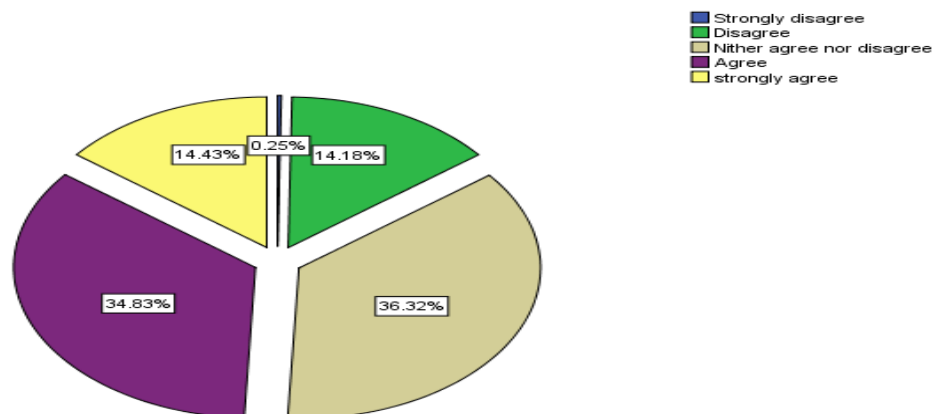


Figure 4.62

From the above table it can be found that 14% respondents strongly agree and 35% agree, whereas 36% neither agree nor disagree and 14% disagree with the statement that senior management is involved in new employee welfare initiatives and programs. From the data it can be concluded that majority of the employees are not satisfied as the senior management is not involved in new employee welfare initiatives and programs.

63. Organization has a strategic plan

The organisation’s strategic plan defines its strategy of how the organisation will move from its current position to the desired position.

Strategic plan of the organisation			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	6	1.5	1.5
Disagree	56	13.9	15.4
Neither agree nor disagree	136	33.8	49.3
Agree	137	34.1	83.3
strongly agree	67	16.7	100.0
Total	402	100.0	

Table-4.63

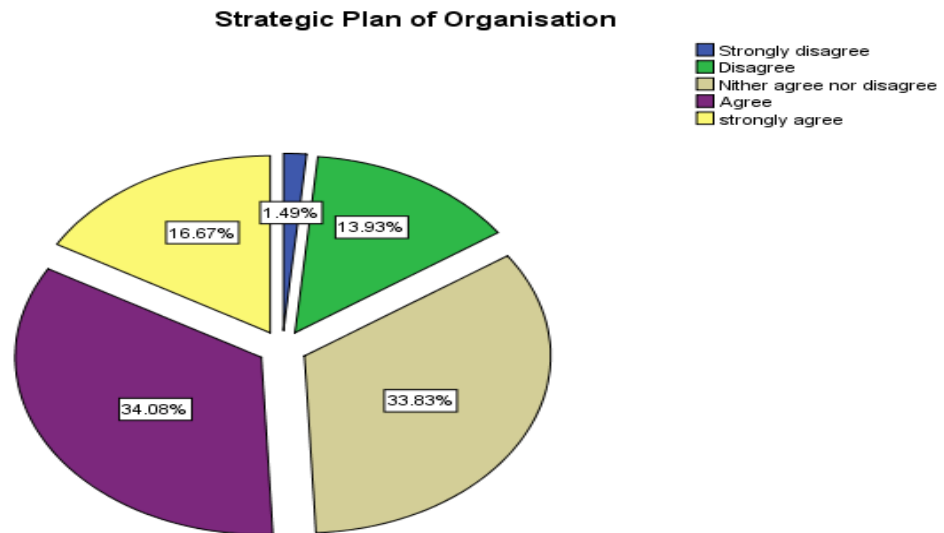


Figure 4.63

From the above table it can be seen that 17% respondents strongly agree and 34% agree, whereas 34% neither agree nor disagree and 14% disagree and 1% strongly disagree with the statement that the organization has a strategic plan. From the data it can be concluded that majority of the employees are satisfied with the strategic plan of the organization.

64. Long-term plans are updated each year.

Long term plans should not be very rigid where there is no scope for changes. In fact plans should be flexible enough to make changes in it as per the changing business environment.

Every year long term plans are updated			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	3	.7	.7
Disagree	47	11.7	12.4
Neither agree nor disagree	141	35.1	47.5
Agree	139	34.6	82.1
strongly agree	72	17.9	100.0
Total	402	100.0	

Table-4.64

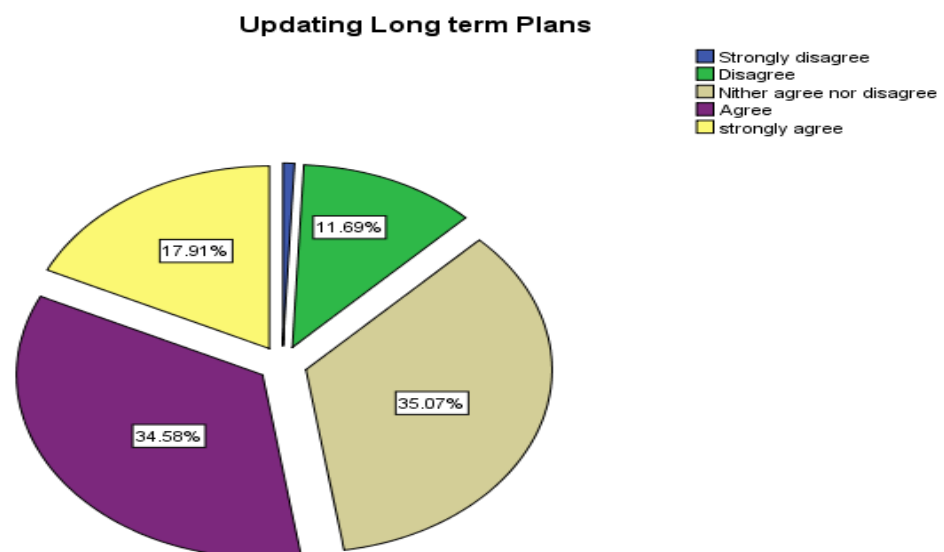


Figure 4.64

From the above table the researcher could found that 20% respondents are strongly agree and 35% agree whereas 35% are neither agree nor disagree and 12% disagree and 1% strongly disagree with the statement that long term plans are updated each year. From the data it can be concluded that majority of the employees are not satisfied with the updating of long term plans each year.

65. Plans are known to employees

Employees implement the plans made by the organization so the organization should share everything regarding their plans with the organization for its effective implementation.

Employees know organizational plans			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	3	.7	.7
Disagree	72	17.9	18.7
Nither agree nor disagree	112	27.9	46.6
Agree	149	37.1	83.8
strongly agree	65	16.2	100.0
Total	401	99.8	
Misng 9	1	.2	
Total	402	100.0	

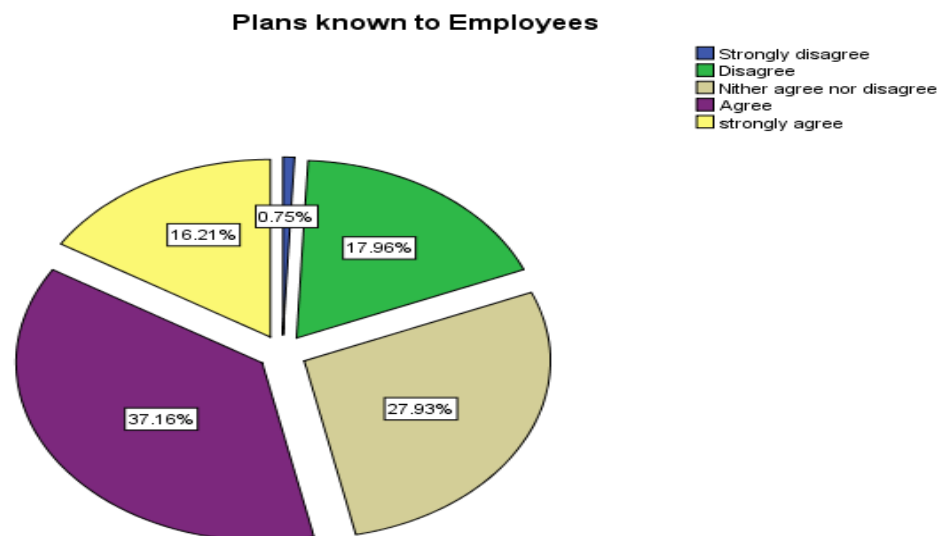


Figure 4.65

From the above table the researcher has found that 16% respondents strongly agree and 37% agree, whereas 30% neither agree nor disagree and 18% disagree and 1% strongly disagree with the statement that Plans are known to the employees. From the data it can be concluded that majority of the employees are satisfied as the organizational plans are known to the employees.

66. Employees are engaged at developing plans at their level.

When the organization involves employees at developing plans they feel valued in the organization and they also feel as they have made the plans it is their duty to see to it that the plans are successful.

Involvement of employees in developing plans at their level			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	3	.7	.7
Disagree	82	20.4	21.1
Neither agree nor disagree	114	28.4	49.5
Agree	132	32.8	82.3
strongly agree	71	17.7	100.0
Total	402	100.0	

Table-4.66

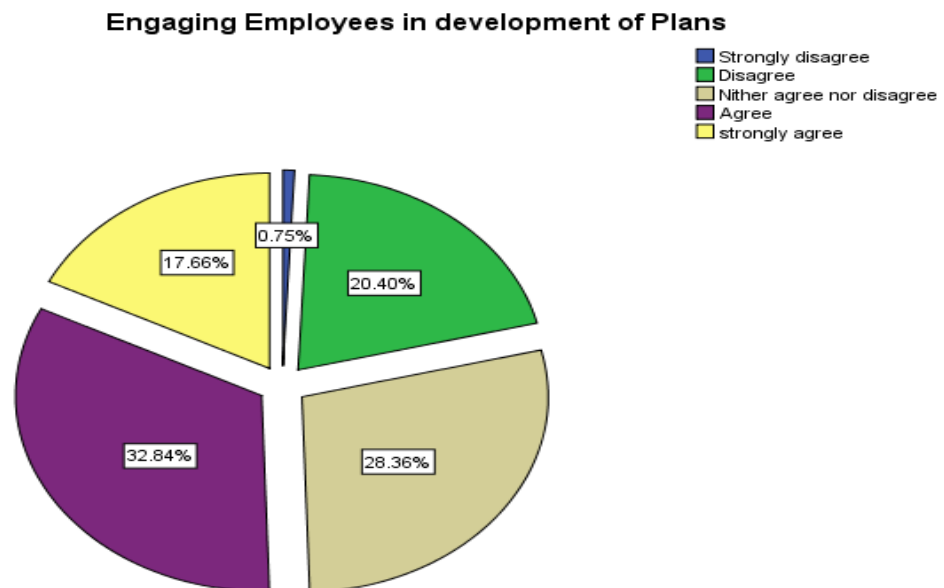


Figure 4.66

From the above table it can be seen that 18% respondents strongly agree and 33% agree that employees are engaged at developing plans at their level. 28% respondents neither agree nor disagree and 20% respondents disagree and 1% strongly disagree with the statement that employees are engaged at developing plans. From the data it can be concluded that majority of the employees are satisfied as employees are engaged at developing plans.

67. Organization has high performance standards.

A high performance organisation is like the boat whose rowers are in sync with each other. It goes farther and faster in the desired direction because the rowers coordinate their movements to reach a common goal.

Performance standards set by the organization are high			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	6	1.5	1.5
Disagree	70	17.4	18.9
Neither agree nor disagree	109	27.1	46.0
Agree	143	35.6	81.6
strongly agree	74	18.4	100.0
Total	402	100.0	

Table-4.67

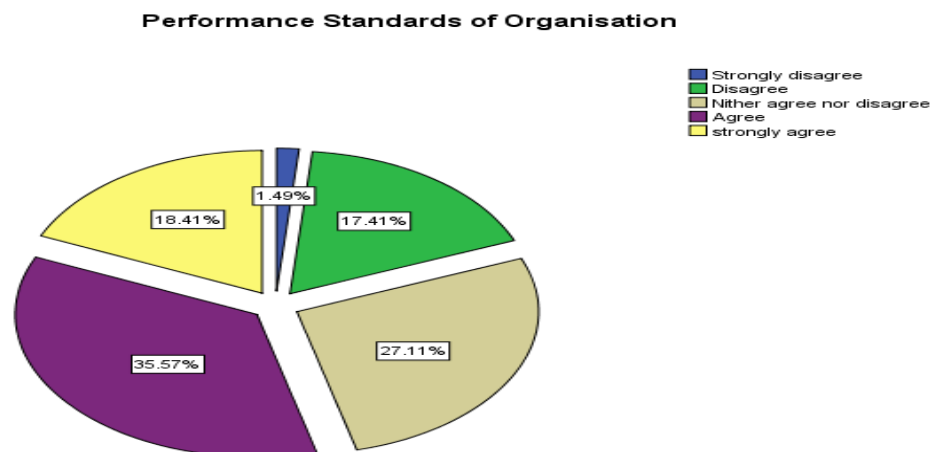


Figure 4.67

In the above table it can be seen that 18% respondents are strongly agree and 37% agree that the organization has high performance standards. Whereas 27% respondents neither agree nor disagree and 17% disagree and 2% strongly disagree with the statement that organization has high performance standards. From the data it can be concluded that majority of the employees are satisfied with high performance standards of the organization.

68. The result of performance measurement is shared regularly with staff.

The organisations should encourage informal meetings and formal appraisals to provide a direct way of checking and encouraging the progress of employees. They allow free exchanges of views by both sides that can be used to improve productivity and performance of the employees.

Performance measurement results are shared regularly with staff			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	2	.5	.5
Disagree	62	15.4	15.9
Neither agree nor disagree	129	32.1	48.0
Agree	137	34.1	82.1
strongly agree	72	17.9	100.0
Total	402	100.0	

Table-4.68

Sharing Performance Measurement with Staff

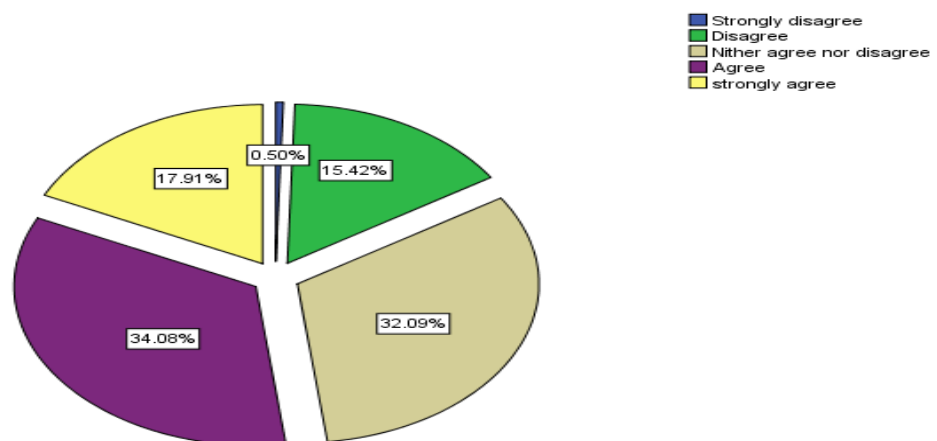


Figure 4.68

In the above table it can be seen that 18% respondents strongly agree and 34% agree, 32% neither agree nor disagree, whereas 15% disagree and 1% strongly disagree with the statement that the results of performance measurement is shared regularly with staff. From the data it can be concluded that majority of the employees are satisfied with the regular sharing of results of performance measurement.

69. Incentive plan is linked to the achievement of objectives.

The purpose of an incentive plan is to motivate employees to work towards achieving company objectives both short and long-term and incorporate those efforts in their day to day activities.

Incentive plans are linked to achievement of goals			
Response	Frequency	Percent	Cumulative Percent
Strongly disagree	5	1.2	1.2
Disagree	66	16.4	17.7
Neither agree nor disagree	116	28.9	46.5
Agree	138	34.3	80.8
strongly agree	77	19.2	100.0
Total	402	100.0	

Table-4.69

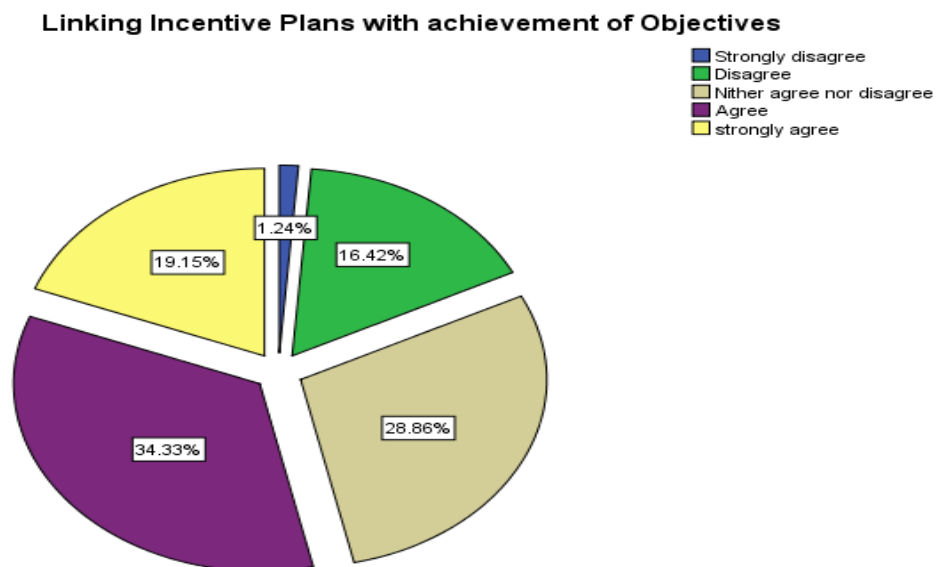


Figure 4.69

In the above table it can be seen that 19% of respondent strongly agree and 34% agree that the Incentive plans are linked to the achievement of objectives. 30% are neither agree nor disagree. Whereas 16% disagree and 1% strongly disagree with the statement that Incentive plans are linked to the achievement of objectives. From the data it can be concluded that majority of the employees are satisfied with the linking of incentive plans with the achievement of objectives.

70. **Suggestions by employees to improve Employee Involvement**

Employee involvement suggestions by the employees				
Response		Frequency	Percent	Cumulative Percent
1.	Salary structure should be flexible as per the experience and performance of the employee.	119	29.5	29.6
2.	Organisation should use clear, frequent and effective two-way communication.	107	26.6	56.2
3.	More focus should be given to the measurement of training.	74	18.4	74.6
4.	Suggestion box should be put for collecting ideas of employees.	34	8.4	83.1
5.	Proper and effective grievance redressal mechanism should be made.	15	3.7	86.8
6.	Incentives should be attached with achievement of goals.	53	13.2	100.0
	Total	402	99.8	
Missing	System	1	.2	
	Total	403	100.0	

Suggestions by employees to increase employee involvement

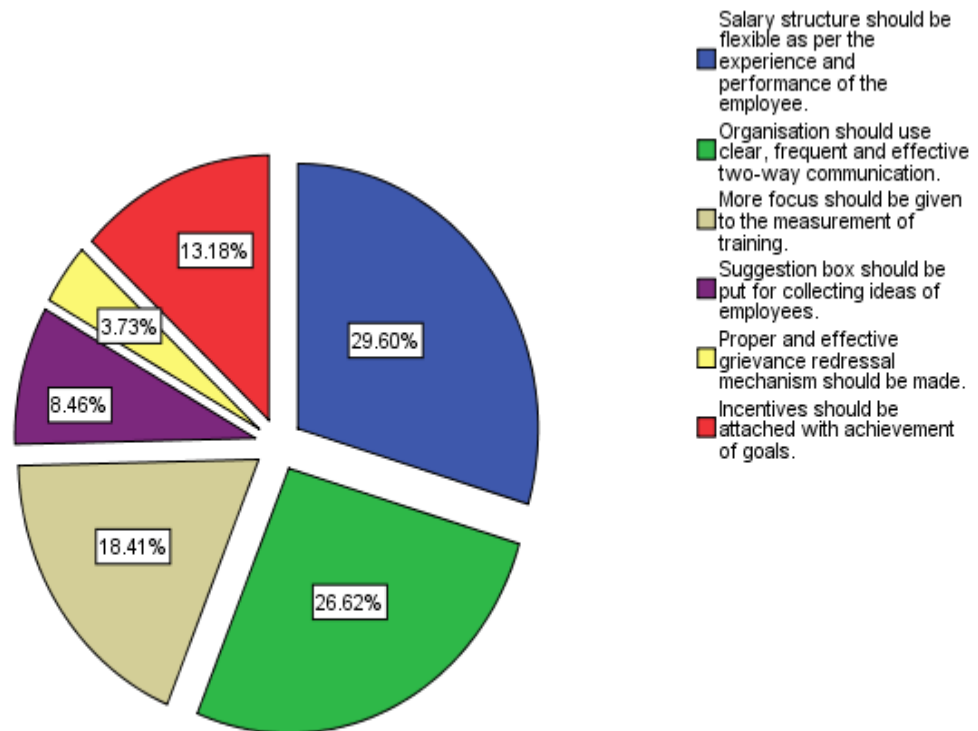


Figure 4.70

From the above table it can be observed that 30 percent respondents have given the suggestion that salary structure should be flexible as per the experience and performance of the employee. 27 percent respondents gave the suggestion that organisation should use frequent, clear and effective two way communication while 18 percent respondents felt that more focus should be given to the measurement of training. 13 percent respondents gave the suggestion that incentives should be linked with achievement of goals whereas 8 percent respondents were of the opinion that suggestion box should be put for collecting ideas and 4 percent respondents suggested for proper and effective grievance redressal mechanism in the organization.

From the data it can be concluded that majority of the employees have suggested for flexible salary structure based on the experience and performance of the employee and clear and effective two way communication.

71. Issues not covered in the survey that needs to be addressed

Important issues not covered in the survey				
	Response	Frequency	Percent	Cumulative Percent
1.	Importance of energy conservation to be communicated to the employees	78	19.4	19.4
2.	Workers education scheme should be initiated in the organization	134	33.3	52.7
3.	Medical benefits given to the employees should cover their family also.	190	47.1	100.0
	Total	402	99.8	
	Missing System	1	.2	
	Total	403	100.0	

Issues not included in the survey that need to be addressed by the organisation

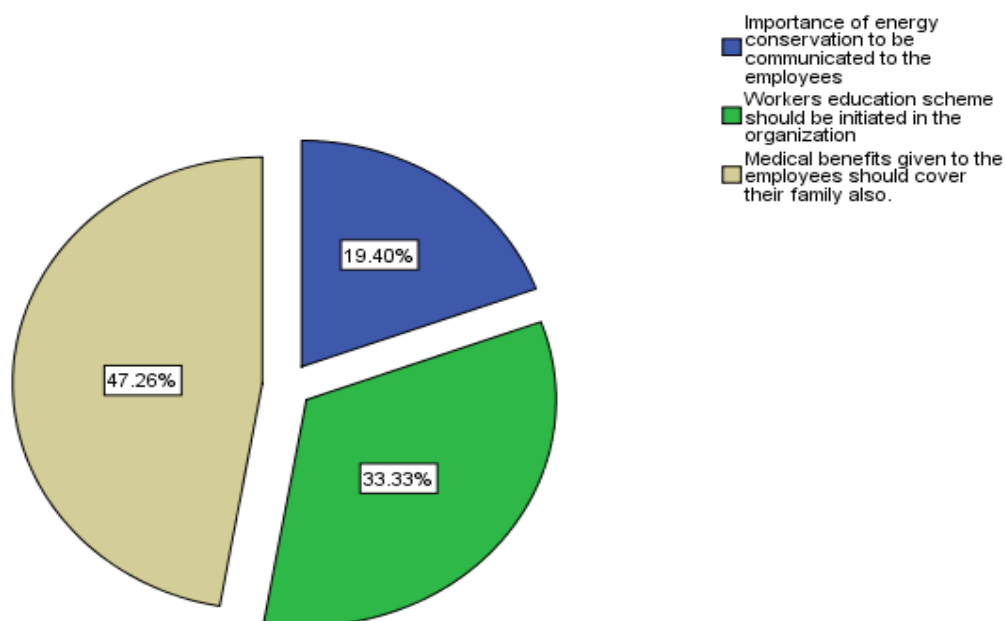


Figure 4.71

From the above table it can be observed that 47 percent of respondents said employee medical benefits should cover their family also while 33 percent of the respondents were of the opinion that workers education scheme should be initiated by the organization and 20 percent respondents felt that importance of energy conservation should be communicated to the employees.

From the data it can be concluded that majority of the employees felt that the issue not covered in the survey which need to be addressed by the organization is the medical benefits given to the employee should cover his family also.

INFERENTIAL STATISTICS

To understand the responses the mean value of the rating is used and analysed to get the detailed analysis. To read the mean scores detail Rating Scale is referred from Table-4.72.

Mean Rating Scale		
Mean Scores	Percentage	Rating
Above 4.0	80.01 & above	Excellent
Between 4.0-3.7	80-74	Very good
Between 3.6-3.3	73-66	Good
Between 3.2-2.9	65-58	Fair
Between 2.8-2.5	57-50	Poor
Below 2.4	49.9 & below	Very Poor
Table 4.72		

Rating Results						
Particulars	N	Sum	Mean	Std. Deviation	Variance	Rating
I am happy with the physical working conditions in this organization	402	1440	3.6	.971	.942	Good
The resources and tools are made available to perform the job	402	1431	3.6	.977	.955	Good
My Organization provides safe and healthy working condition to the employees	402	1412	3.5	1.057	1.118	Good
My Organization provides adequate welfare facilities and amenities to me and my family	402	1342	3.3	1.089	1.187	Good

My job makes good use of my skills and abilities.	402	1405	3.5	.956	.914	Good
My work gives me a feeling of personal accomplishment.	402	1401	3.5	.935	.874	Good
There is enough support given for individual development	402	1374	3.4	1.006	1.012	Good
The voice of the employee is considered by the top management	402	1315	3.3	1.020	1.041	Good
Organization gives me enough recognition	402	1370	3.4	.925	.856	Good
In my Organization performance appraisals are taken seriously	402	1392	3.5	.937	.878	Good
Quality is a top priority for this organization	402	1405	3.5	.911	.829	Good
Employees are treated fairly regardless of religion	402	1421	3.5	.929	.863	Good
Employees are treated fairly regardless of sexual orientation	402	1453	3.6	.954	.911	Good
Organization has proper grievance redressal procedure	402	1420	3.5	.999	.998	Good
There is a spirit of cooperation within the organization	402	1386	3.5	.895	.802	Good
I like the people I work with	402	1388	3.5	.844	.712	Good
Organization places a high value on employee training and development.	402	1411	3.5	.971	.944	Good
Training helped me to do my job more efficiently.	402	1436	3.6	.943	.889	Good
Training in our organization is related to core competencies	402	1380	3.4	.967	.934	Good
There are opportunities available for me to develop new skills.	402	1425	3.5	.915	.837	Good
Information about my progress in my job is recognized and shared with me.	402	1416	3.5	.921	.849	Good
Organization has talent management plan	402	1390	3.5	.904	.817	Good
Talent management plan is updated regularly	402	1359	3.4	.954	.910	Good
Organization encourages teamwork	402	1401	3.5	.948	.899	Good
Team members are accountable for their decisions	402	1360	3.4	.919	.845	Good
Work assignments are distributed appropriately in the team	402	1343	3.3	.945	.894	Good
Organization clearly communicates with the team	402	1381	3.4	.903	.815	Good
Manager cares for employees with humanity	402	1413	3.5	.891	.794	Good
I am always involved in important decisions that affect my work	402	1325	3.3	.960	.922	Good
Employee input is considered before important decisions or changes are made	402	1342	3.3	.929	.863	Good

I am free to apply my knowledge and skills	401	1383	3.5	.937	.878	Good
I feel that I have the opportunity to learn and grow.	402	1441	3.6	.965	.932	Good
Various committees are formed for participation in decision making	402	1415	3.5	1.012	1.023	Good
Employees are involved through regular meetings and joint forums to solve day to day problems	402	1413	3.5	.885	.784	Good
Management gives power and due respect to the employees representatives	402	1349	3.4	.871	.758	Good
The representatives of various committees are capable and competent	402	1333	3.3	.946	.895	Good
Neither management nor employees representatives impose each other in making decisions.	402	1324	3.3	.949	.901	Good
During the process of decision making the conflicts within the committee are minimal	402	1333	3.3	.949	.900	Good
Leaders in my Organization have clear vision & mission	402	1403	3.5	.902	.814	Good
My Leader offers guidance for solving job related problems to me	402	1436	3.6	.913	.834	Good
My Leader listens and pays attention to me	402	1422	3.5	.923	.853	Good
The leaders make themselves available to the employees.	402	1421	3.5	.876	.768	Good
Information about departmental policies and goals is shared with me	402	1395	3.5	.907	.823	Good
New leaders are being identified and groomed by existing leaders.	402	1346	3.4	.939	.881	Good
I am paid appropriately for the work I do	402	1386	3.5	.936	.876	Good
My salary is competitive with similar jobs I might find elsewhere	402	1391	3.5	.978	.957	Good
The benefits I receive are comparable to those offered by other organizations	402	1376	3.4	.991	.983	Good
Information and knowledge are shared openly	402	1392	3.5	.978	.957	Good
In my Organization there is exchange of useful information between departments	402	1360	3.4	.967	.935	Good
Senior management communicates well with the rest of the organization.	401	1375	3.4	.980	.961	Good
Reporting system in the organization is well defined	402	1405	3.5	.956	.914	Good
Appropriate reports are maintained in the organization	402	1410	3.5	.979	.959	Good
Everybody is treated appropriately in the company	402	1397	3.5	.943	.888	Good
Organization's policies for promotion and advancement are always appropriate.	402	1399	3.5	.971	.943	Good

Favoritism is not an issue in raises or promotions	402	1438	3.6	.974	.948	Good
Organization's selection criteria is based purely on ability and performance	402	1451	3.6	.991	.982	Good
The Management is unbiased with the employees in salary and benefits	402	1425	3.5	.952	.907	Good
Organization has established formal Rules of Personal Conduct.	402	1473	3.7	1.003	1.007	Good
Our disciplinary system is employed uniformly.	402	1443	3.6	.954	.911	Good
Organization has a positive relationship with the union.	402	1378	3.4	1.004	1.008	Good
Organization supports the union for initiatives that results in performance improvement	402	1374	3.4	.918	.842	Good
Senior management is involved in new employee welfare initiatives and programs.	402	1403	3.5	.916	.839	Good
Organization has a strategic plan	402	1409	3.5	.977	.954	Good
Long-term plans are updated each year.	402	1436	3.6	.940	.884	Good
Plans are known to employees.	402	1407	3.5	.989	.979	Good
Employees are engaged at developing plans at their level.	402	1392	3.5	1.028	1.057	Good
Organization has high performance standards.	402	1415	3.5	1.029	1.058	Good
The results of performance measurement are shared regularly with staff.	402	1421	3.5	.973	.948	Good
Incentive plan is linked to the achievement of objectives.	402	1422	3.5	1.018	1.037	Good
Table 4.73						

From Table 4.73 it is observed that the responses from the respondents shows good work is done in medium scale organization for employee engagement and organizational effectiveness and researcher could conclude that the organization under study are performing good but still need steps to be initiated to improve the employee involvement for making the organization's more effective.

To understand the significance of rating given by respondents researcher has divided the questions into employee involvement and organizational effectiveness.

1. Purpose: - To study if there is difference in the importance respondents attach to the various factors influencing the organizational effectiveness.

Statistical Test: - Friedman Chi Square Test

Variables and Measurement:-

Respondents (402) were presented with 35 factors that are said to influence organizational effectiveness. Respondents were asked to allocate scores to each factor from 1 to 5.

H₀: There is no difference in the importance attached by respondents to the various factors influencing the organizational effectiveness.

H₁: There is difference in the importance attached by respondents to the various factors influencing the organizational effectiveness.

Level of Significance: $\alpha = 0.05$

N	401
Chi-Square	156.094
df	34
Asymp. Sig.	.000

a. Friedman Test

Table 4.74

Observation:

$\chi^2 (34) = 156.094$, P value (0.000), N= 401

Since the P value (0.000) is less than the level of significance (0.05) the Null hypothesis is rejected. Hence it is concluded that there is difference in the importance attached by respondents to the various factors influencing the organizational effectiveness.

In order to identify where the difference lies we refer to Ranks Table 4.75. Hence it is concluded that top 2 factors influencing organizational effectiveness are **organization has established formal Rules of Personal Conduct** and **Employees are treated fairly regardless of sexual orientation** and bottom 2 factors influencing organizational effectiveness are **the representatives of various committees are capable and competent** and **my organization provides adequate welfare facilities and amenities to me and my family**.

Ranks Table 4.75	
ORGANISATIONAL EFFECTIVENESS	MEAN RANK
I am happy with the physical working conditions in this organization	19.10
The resources and tools are made available to perform the job	18.79
My Organization provides safe and healthy working condition to the employees	18.25
My Organization provides adequate welfare facilities and amenities to me and my family	16.15
Quality is a top priority for this organization	17.87
Employees are treated fairly regardless of religion	18.41
Employees are treated fairly regardless of sexual orientation	19.59
Organization has proper grievance redressal procedure	18.61
There is a spirit of cooperation within the organization	17.29
I like the people I work with	17.03
Organization places a high value on employee training and development.	18.21
Training helped me to do my job more efficiently.	19.03
Training in our organization is related to core competencies	17.25
Organization has talent management plan	17.31
Talent management plan is updated regularly	16.47
Organization encourages teamwork	17.94
Organization clearly communicates with the team	17.31
Manager cares for employees with humanity	18.31
The representatives of various committees are capable and competent	15.78
Leaders in my Organization have clear vision & mission	17.86
Information about departmental policies and goals is shared with me	17.73
In my Organization there is exchange of useful information between departments	16.65
Senior management communicates well with the rest of the organization.	17.15
Reporting system in the organization is well defined	18.14
Appropriate reports are maintained in the organization	18.24
Everybody is treated appropriately in the company	17.85
The Management is unbiased with the employees in salary and benefits	18.81
Organization has established formal Rules of Personal Conduct.	20.24
Our disciplinary system is employed uniformly.	19.26
Organization has a positive relationship with the union.	17.28
Senior management is involved in new employee welfare initiatives and programs.	17.90
Organization has a strategic plan	18.29
Long-term plans are updated each year.	19.12
Plans are known to employees.	18.27
Organization has high performance standards.	18.51

2. Purpose: - To study if there is difference in the importance respondents attach to the various factors influencing the employee involvement.

Statistical Test: - Friedman Chi Square Test

Variables and Measurement:-

Respondents (402) were presented with 34 factors that are said to influence employee involvement. Respondents were asked to allocate scores to each factor from 1 to 5.

H₀: There is no difference in the importance attached by respondents to the various factors influencing the employee involvement.

H₁: There is difference in the importance attached by respondents to the various factors influencing the employee involvement.

Level of Significance: $\alpha = 0.05$

N	401
Chi-Square	228.281
df	33
Asymp. Sig.	.000

a. Friedman Test

Table 4.76

Observation:

$\chi^2(33) = 228.281$, P value (0.000), N= 401

Since the P value (0.000) is less than the level of significance (0.05) the Null hypothesis is rejected. Hence it is concluded that there is difference in the importance attached by respondents to the various factors influencing the employee involvement

In order to identify where the difference lies we refer to Ranks Table 4.77. Hence it is concluded that top 2 factors influencing employee involvement are **organization's selection criteria is based purely on ability and performance** and **I feel that I have the opportunity to learn and grow** and bottom 2 factors influencing employee involvement are **The voice of the employee is considered by the top management** and **Neither management nor employees representatives impose each other in making decisions.**

Ranks Table 4.77	
EMPLOYEE INVOLVEMENT	MEAN RANK
My job makes good use of my skills and abilities.	17.96
My work gives me a feeling of personal accomplishment.	17.90
There is enough support given for individual development	17.09
The voice of the employee is considered by the top management	15.38
Organization gives me enough recognition	16.89
In my Organization performance appraisals are taken seriously	17.64
There are opportunities available for me to develop new skills.	18.39
Information about my progress in my job is recognized and shared with me.	18.21
Team members are accountable for their decisions	16.75
Work assignments are distributed appropriately in the team	16.05
I am always involved in important decisions that affect my work	15.59
Employee input is considered before important decisions or changes are made	15.81
I am free to apply my knowledge and skills	17.24
I feel that I have the opportunity to learn and grow.	19.23
Various committees are formed for participation in decision making	18.34
Employees are involved through regular meetings and joint forums to solve day to day problems	18.21
Management gives power and due respect to the employees representatives	16.22
Neither management nor employees representatives impose each other in making decisions.	15.45
During the process of decision making the conflicts within the committee are minimal	15.75
My Leader offers guidance for solving job related problems to me	18.98
My Leader listens and pays attention to me	18.54
The leaders make themselves available to the employees.	18.37
New leaders are being identified and groomed by existing leaders.	16.20
I am paid appropriately for the work I do	17.58
My salary is competitive with similar jobs I might find elsewhere	17.69
The benefits I receive are comparable to those offered by other organizations	17.26
Information and knowledge are shared openly	17.60
Organization's policies for promotion and advancement are always appropriate.	17.86
Favoritism is not an issue in raises or promotions	19.12
Organization's selection criteria is based purely on ability and performance	19.57
Organization supports the union for initiatives that results in performance improvement	17.12
Employees are engaged at developing plans at their level.	17.72
The results of performance measurement is shared regularly with staff.	18.63
Incentive plan is linked to the achievement of objectives.	18.66

HYPOTHESIS TESTING

Hypothesis-1: There is no correlation between Employee Involvement and Organisational Effectiveness.

Statistical Test: - Pearson Correlation analysis

Variables and Measurement:-

Respondents (402) were presented with 34 factors that are said to influence employee involvement. Respondents were asked to allocate scores to each factor from 1 to 5.

H₀: There is no correlation between Employee Involvement and Organisational Effectiveness.

H₁: There is correlation between Employee Involvement and Organisational Effectiveness.

Level of Significance: $\alpha = 0.01$ (2-tailed)

Statements on Employee Involvement	Correlation coefficient (r)	Statements on Organisational Effectiveness
Performance appraisals are taken seriously	0.611	Quality is a top priority
Opportunities to develop new skills	0.641	Training is related to core competencies
Team members are accountable for decisions	0.642	Organization encourages teamwork
Work is distributed appropriately in the team	0.626	Clear communication with the team
Application of knowledge and skills	0.481	Employees like the people they work with
	0.589	Grievance redressal procedure
Involvement through meetings and forums to solve problems	0.582	Physical working conditions
	0.580	Resources and tools
Power and due respect to the employees representatives	0.622	Welfare facilities and amenities
Decisions are not imposed on each other.	0.727	Representatives of committees are capable and competent
During decision making conflicts in the committee are minimal	0.646	Leaders have clear vision & mission
The leaders make themselves available	0.596	Information about departmental policies and goals is shared
Benefits comparable to other organizations	0.594	High value on employee training and development
Information and knowledge	0.532	Spirit of cooperation within

shared openly		the organization
	0.679	Exchange of useful information between departments
	0.670	Appropriate reports are maintained
Policies for promotion and advancement are appropriate	0.804	Everybody is treated appropriately
No favouritism in raises or promotions	0.495	Talent management plan
	0.661	Organization has high performance standards
Selection criteria is based purely on ability and performance	0.699	Management is unbiased with salary and benefits to employees
Union initiatives that results in performance are supported	0.682	Positive relationship with the union
Employees are engaged at developing plans at their level	0.746	Organization has high performance standards
The result of performance measurement is shared regularly	0.598	Safe and healthy working condition
	0.569	Employees are treated fairly regardless of sexual orientation
	0.543	Training helps to do job more efficiently
	0.500	Talent management plan is updated regularly
	0.515	Manager cares for employees with humanity
	0.639	Reporting system is well defined
	0.875	Organization has high performance standards
Incentive plan is linked to the achievement of objectives	0.651	Senior management communicates well with the organization
	0.837	Organization has high performance standards
Table 4.78		

After analysing the data collected for correlation it is found that each variable of employee involvement with organisation effectiveness is positively correlated and correlation coefficient (r) ranges between 0.212 to 0.875. Highest correlation values are shown in the Table 4.78. Thus null hypothesis is rejected and it can be said that there is a positive correlation between Employee Involvement and Organisational Effectiveness.

Hypothesis-2: Success of Employee Involvement greatly depends on the attitude of the management.

Statistical Test: - Pearson Correlation analysis

Variables and Measurement:-

Respondents (402) were presented with 34 factors that are said to influence employee involvement. Respondents were asked to allocate scores to each factor from 1 to 5.

H₀: Success of Employee Involvement does not depend on the attitude of the management.

H₁: Success of Employee Involvement depends on the attitude of the management.

Level of Significance: $\alpha = 0.01$ (2-tailed)

EMPLOYEE INVOLVEMENT ↓	ATTITUDE OF MANAGEMENT →	Senior management is involved in new employee welfare initiatives and programs.	Senior management communicates well with the rest of the organization.
My job makes good use of my skills and abilities.		.457**	.488**
My work gives me a feeling of personal accomplishment.		.447**	.474**
There is enough support given for individual development		.435**	.503**
The voice of the employee is considered by the top management		.450**	.524**
Organization gives me enough recognition		.452**	.484**
In my Organization performance appraisals are taken seriously		.456**	.468**
There are opportunities available for me to develop new skills.		.469**	.472**
Information about my progress in my job is recognized and shared with me.		.464**	.413**
Team members are accountable for their decisions		.413**	.517**
Work assignments are distributed appropriately in the team		.423**	.533**
I am always involved in important decisions that affect my work		.439**	.468**

Employee input is considered before important decisions or changes are made	.499**	.534**
I am free to apply my knowledge and skills	.447**	.564**
I feel that I have the opportunity to learn and grow.	.502**	.604**
Various committees are formed for participation in decision making	.540**	.623**
Employees are involved through regular meetings and joint forums to solve day to day problems	.488**	.554**
Management gives power and due respect to the employees representatives	.506**	.599**
Neither management nor employees representatives impose each other in making decisions.	.442**	.562**
During the process of decision making the conflicts within the committee are minimal	.427**	.501**
My Leader offers guidance for solving job related problems to me	.496**	.415**
My Leader listens and pays attention to me	.472**	.389**
The leaders make themselves available to the employees.	.449**	.390**
New leaders are being identified and groomed by existing leaders.	.457**	.461**
I am paid appropriately for the work I do	.427**	.435**
My salary is competitive with similar jobs I might find elsewhere	.496**	.494**
The benefits I receive are comparable to those offered by other organizations	.477**	.522**
Information and knowledge are shared openly	.489**	.593**
Organization's policies for promotion and advancement are always appropriate.	.522**	.515**
Favoritism is not an issue in raises or promotions	.487**	.534**
Organization's selection criteria is based purely on ability and performance	.467**	.526**
Organization supports the union for initiatives that results in performance improvement	.666**	.497**
Table 4.79		

After analysing the data collected for correlation it is found that each variable of employee involvement with attitude of management is positively correlated and correlation coefficient (r) ranges between 0.389 to 0.666. Correlation coefficient values are shown in the Table 4.79. Thus null hypothesis is rejected and it can be said

that there is a positive correlation between Employee Involvement and attitude of management. Thus success of employee involvement greatly depends on attitude of the management.

Hypothesis-3: New trends in the emerging HR practices give more emphasis on Employee Involvement.

The researcher during the study has observed that some recent HR practices were followed in some of the companies which were selected for the study. These practices were resulting in improved employee involvement resulting in better organisational performance. The major practices were as follows:

- **Gain sharing:** It was observed by the researcher that in some organizations the management and the employees together framed the target or goal and the management informs the employees that if the target is achieved by the employees it will be sharing some part from the profits with them. This motivates the employees for better performance and attainment of set goals in time. This concept of gain sharing has shown improvement in productivity and profitability of these organizations.
- **Job redesign and Job title:** When employees do the same job for a long period of time then it becomes boring and monotonous which leads to decline in efficiency and productivity of the employees. To make the employees again more productive some of the organisations have been redesigning their jobs. They are trying to make the jobs more challenging and creative where the employees can apply their knowledge, abilities and skills to their jobs. Some organizations have changed job titles e.g. workers are now called operators. These organisations are experiencing good results through improvement in quantity and quality production.
- **Employee Relationship Management:** ERM is a process under which the organizations effectively manage their interactions with employees to attain the objectives of the organization. Here the officers and managers are trained and developed on how to effectively create and nurture relationships with the employees. These organizations believe cordial relations will help the employees to concentrate on their jobs and work to their full potential.
- **Career Path Plan:** During the study it was observed by the researcher that to attract and retain talented employees some organisations have come up with career

path plan. The employees are counseled regularly by the managers who make them aware of the growth opportunities they have in the organization.

➤ **Instant rewards:** The organisations which have started with instant rewards say that they inform their employees that their efforts will be rewarded, but does not share with them when and what type of reward will be given. They keep it a surprise for the employees. The organization on any day gives instant rewards to the employees who excel in their jobs. These rewards are monetary and non-monetary in nature. This surprise on rewards motivates the employees for better performance.

➤ **Employee ownership:** The organization provides such an environment which helps to inculcate a feeling of ownership among the employees. The employees are empowered to take some decisions related to their jobs which make them believe that they own their jobs. The employees are also given the freedom to apply their knowledge, skills and abilities in their jobs which develops a sense of personal accomplishment in them. Their morale is improved and they become more satisfied with their jobs leading to growth of employees and the organisation.

All the practices were for employee involvement and concentrated towards employees. Thus it can be said that new trends in the emerging HR practices give more emphasis on Employee Involvement.

Chapter-5

Conclusions

Manufacturing companies play a vital role in the development and growth of the economy of the area in which they are operational. For a company to attain effectiveness it is necessary that apart from the best tools, raw material, technology it should have skilled, talented and motivated employees. The company should have employee involvement practices to attract and retain the best human resource available because employee involvement can also be summarized as a positive attitude held by the employees towards the company and its values. However the study by the researcher has revealed that on an average employee involvement practices in the participating companies is low. This indicates that the top management of the companies had not yet understood the benefits of employee involvement as they still believe that decision making is the job of top management because of their high qualification and authority and lower level employees are less qualified to be involved in the process of decision making.

The results or findings of this study clearly indicate that there is a significant relationship between employee involvement and organizational effectiveness. The results also revealed that companies with high employee involvement had been more effective than the companies low on employee involvement. It has been proved in the study that high level commitment of the company towards employee involvement can enhance the performance of the companies. This study has helped researchers to understand the relationship between employee involvement and organizational effectiveness in the manufacturing companies of MIDC, Ahmednagar. The company should therefore recognize the efforts of its employees as they will be making the difference in the fortune of the company. Thus, if the companies want to grow and be more productive the top management should encourage increased involvement in employee involvement practices which should be a continuous process of learning, improvement, measurement and action.

The study done by the researcher has proved that certain factors as organizational culture, communication, performance management, participative management, leadership, fairness, training and growth opportunities, compensation management, and employee relations are important in promoting employee involvement in the organization.

The study conducted by the researcher has concluded that approximately 82% of the companies included in the research were employing 201 – 500 employees and 70% of

companies were running in two shifts. All the respondents covered under the study are male. The respondents included in the study were 57% workers/operators, 25% supervisors, 12% officers/executives and 6% managers and their educational qualification was 58% SSC/HSC examination, whereas 32 % Graduates and 9 % Post Graduates. As regards to working experience 76% respondents were having experience of more than 9 years, 19% around 7 – 9 years and 5% respondents 3 – 6 years. 40% respondents were drawing salary in the range 20000-30000, 31% 10000-20000, 18% 30000 – 40000 and 11% more than 40000. Majority of the respondents 52% were there with the current organization for more than 5 years.

The researcher has drawn the following conclusions on the basis of the data collected from the respondents:

1. Physical working conditions in the organization

The researcher has concluded that 57% respondents were satisfied with the working conditions available in the organization whereas 43% were not satisfied with the working conditions. There is scope for further improvement in working conditions as in it can lead to improved productivity, job satisfaction and morale of the employees working in the organization.

2. The resources and tools available to perform the job

It had been observed 58% respondents say that they were provided resources and tools by the organization to perform their job. Approximately 42% respondents were not satisfied with resources and tools made available for operation of the organization.

3. Organization provides safe and healthy working condition to the employees

The researcher observed that 56% respondents were satisfied with the safe and healthy working conditions, whereas 44% were not satisfied with the existing conditions. The organization should provide working conditions such as temperature, cleanliness, lighting, noise, safety, air quality etc. where the employees feel good to work that will minimize work related injury or disease and promote well-being of employees at work.

4. Organization provides adequate welfare facilities and amenities to employee and family

It was noticed that 47% respondents were satisfied with the welfare facilities and amenities provided to them and their family, whereas 53% were not satisfied with the existing facilities. The organization should provide facilities to employees and their family too because when the employees are free from the tension related to their welfare and health they keep more concentration on their work which help in increasing their productivity and these facilities will also improve their work life and personal life and keep their motivation levels high.

5. Job makes good use of employee's skills and abilities.

From the data it can be concluded that 52% respondents were satisfied that their job makes good use of their skills and abilities. Approximately 48% were not satisfied as their skills and abilities were not used. The employees are more likely to stay in the organisation and be more committed to its growth, when they have a job which gives them opportunity to use their abilities and skills.

6. Work gives employee a feeling of personal accomplishment.

It can be observed that 52% respondents were satisfied that their job gives them a feeling of personal accomplishment, whereas 48% said that their work does not give them feeling of personal accomplishment. An inspired employee works to the fullest of his potential and he always try to do his best because he enjoys working in the organization as his job gives him a feeling of personal accomplishment.

7. There is enough support given for individual development

The study conducted concluded that 49% respondents were provided enough support for individual development whereas 51% were not provided enough support. The organization should assist its employees to develop their full professional potential and it should prepare them for advancement.

8. The voice of the employee is considered by the top management

It was noticed that 41% respondents were satisfied with the statement that the voice of the employees is considered by the top management whereas a majority 59% were not satisfied with above statement. The best way to understand the employees and to

respond to their needs and requirements is to consider their voice. It helps the organization to retain its best employees.

9. The Organization gives employees enough recognition

Observation was made that 50% respondents were satisfied with the recognition given by the organization for their work whereas remaining 50% were not satisfied with the recognition. The organization should recognize the efforts of the employees because praising their good performance motivates them to work hard and deliver value for the organisation.

10. Performance appraisals are taken seriously by the organizations

The researcher had observed that 52% respondents were satisfied with the performance appraisals in the organization whereas 48% were not satisfied with the performance appraisals. When the organization takes performance appraisals seriously it assures the employees that they will be treated fairly and at the same time it increases the credibility of the organization too.

11. Quality is a top priority for the organization

Observation was made that 55% respondents were satisfied with quality as top priority for the organization whereas 45% were not satisfied as quality was not top priority for their organization. The organisation can bring quality with the help of policies related to strict and consistent commitment to certain standards that will achieve uniformity of a product in order to satisfy specific customer or user requirements.

12. Employees are treated fairly regardless of religion

It was noticed that 55% respondents were treated fairly regardless of religion the remaining 45% were not satisfied with the organisation's fair religion policy. The company should provide equal opportunities to the employees and encourage them to make the best use of their skills and experience regardless of their religion. It will have a positive effect on their morale which can be seen through improvement in their efficiency and productivity.

13. Employees are treated fairly regardless of sexual orientation

The study has concluded that 60% respondents were treated fairly regardless of sexual orientation while 40% were not satisfied with the organisation's policy related to sexual orientation. The company should have a clear policy on fair treatment which implies that recruitment and selection, promotion, transfer, training, conditions of work, pay and benefits etc. will be based purely on merit and not on sexual orientation of the employees.

14. Organization has proper grievance redressal procedure

It was observed from the study that 56% respondents were satisfied with the grievance redressal procedure of the organization whereas 44% were not satisfied with the grievance procedure. The organization should have easy and clear grievance redressal procedure which should be known to all the employees, so that they know if they have grievance who is the authority they should go to resolve it.

15. There is a spirit of cooperation within the organization

Observation was made by the researcher that 53% respondents were satisfied with the spirit of cooperation in the organization whereas 47% were not satisfied with the spirit in the organization. The organisation should provide a work environment which promotes spirit of cooperation within the organisation. This will help the organisation to build up a highly motivated, dedicated and efficient team of employees.

16. Employees like the people they work with.

It was notice during the study that 52% respondents like to work with their colleagues, subordinates and superiors in the organization while 48% were not satisfied with to work with their colleagues, subordinates or superiors. The organization should provide such working environment that helps employees enjoy working with their colleagues, subordinates and superiors and look forward to interacting with them. It improves their inter relationship which creates a win-win situation for both the employees and the organisation.

17. Organization places a high value on employee training and development.

It was concluded in the study that 57% respondents said that the organization places high value on the training and development of the employees while 43% were not satisfied with the training given by the organisation. The organisation should have a

training programme that develops employees towards long-term career goals and also promote greater job satisfaction. A more satisfied employee is likely to stay longer and be more productive.

18. Training helps employees do job more efficiently.

The researcher had observed that 56% respondents said that training has helped them to do their jobs more efficiently whereas 44% were not satisfied with the training. The training should be detailed enough to help employees to deal with specific situations during their work and at the end of the training session the company should ensure that employees are walking away with the knowledge, they need to perform their jobs more efficiently. Training provides an opportunity employee to expand their knowledge, skills and abilities.

19. Training in the organization is related to core competencies

It was noticed that 47% respondents were satisfied with the training related to core competencies given in the organization whereas majority 53% were not satisfied with training related to core competencies. The organization should develop competency-based training which will increase the skills and abilities of employees rather than a common training for all the employees which are very popular among the employees. To maximize the effectiveness of training the organisations must constantly assess the core competencies of the employees and they should be trained on that basis.

20. There are opportunities available for employees to develop new skills

Observation was made by the researcher that 54% respondents were satisfied with the opportunities to develop new skills whereas 46% were not satisfied with the opportunities to develop new skills. One key factor in employee motivation and retention is the equal and impartial opportunities available for the employees to develop new skills.

21. Information about progress in job is recognized and shared with the employee.

It was concluded in the research that 53% respondents were satisfied with the information about progress and job is recognized and shared with them while 47% were not satisfied with information sharing of the organisation. Sharing information about progress in job helps the organization to make the employees aware of their standing in terms of performance in the organisation. There should be a policy made

by the organisation regarding reviewing long term and short term goals on a weekly basis.

22. *Organization has talent management plan.*

Observation was made from the study that 50% respondents were satisfied with the talent management plan of the organization while the remaining 50% were not satisfied with the talent management plan. Good talent management plan is essential to have right employees necessary for executing the business precisely. It allows employees to utilize their talents to the fullest. This leads to greater job satisfaction, improved morale and employee retention. Talent management involves individual and organizational development in response to a changing and complex operating environment.

23. *Talent management plan is updated regularly*

The researcher had concluded that 45% respondents were satisfied as the talent management plans are updated regularly. Whereas majority 55% were not satisfied and felt talent management plans are not updated regularly. The organization should have the ability to rapidly train and retrain employees according to business needs. It should support the employees with better research and analysis of existing and future market conditions.

24. *Organization encourages teamwork.*

It was concluded from the study that 53% respondents were satisfied with the way the organization encourages teamwork. While 47% were not satisfied with the encouragement to teamwork. The organization should choose the team members who are willing to work together and on the basis of their strengths and weaknesses to ensure the best combination of skills because building a team involves more than just putting the right people together

25. *Team members are accountable for their decisions*

Observation was made that 48% respondents were satisfied that the team members are accountable for their decisions while a majority 52% were not satisfied with accountability among team members. When the employees fail to take responsibility they will fail in their jobs, they will fail their teams and they will fail to grow as

individuals. All of this makes it important for the organisation to see to it that that team members should be accountable for their decisions.

26. Work assignments are distributed appropriately in the team

The researcher had observed that 53% respondents were satisfied with work assignment in the team, whereas 47% were not satisfied with appropriate work assignments in the team. Employees who work in teams learn more than their routine jobs in the organisation. They learn important skills about how to cooperate with others to get tasks done. All this goes well in the organisation where work is distributed appropriately among the team members as per the competencies of the team members.

27. Organization clearly communicates with the team.

The researcher had observed that 48% respondents were satisfied with the organization's clear communication with the team whereas a majority of 52% respondents were not satisfied organisation's communication with team. The organization should have a culture of open communication where employees are encouraged to share their ideas and concerns, both positive and negative, gives employees the sense that they are valued. This feeling of value in turn leads to a greater sense of ownership among the employees.

28. Manager cares for employees with humanity

Observation was made from the research study that 55% of the employees were satisfied as the manager cares for employees with humanity. While 45% were not satisfied as the manager was lacking in human approach. As employees are human beings they are different from machines. The manager should understand this and treat his employees with humanity. This will improve the overall work environment in the organisation.

29. Employees are always involved in important decisions that affect work.

It was noticed that 46% respondents were always involved in important decisions that affect their work whereas 54% were not satisfied with the non-involvement in decision making. Shared decision making can improve the quality and acceptance of decisions. In other words, several people working together can potentially generate better solutions than the some people working alone. It can also promote employee

motivation and self-esteem, increase sense of ownership and improve interpersonal relations between the management and the employees.

30. Employees inputs are considered before important decisions or changes are made

It was observed that 42% respondents said that their inputs were considered before important decisions or changes are made while 58% were not satisfied as their inputs were not considered before important decisions or changes in the organisation. When the organization seeks inputs from the employees before major decisions it gains respect from the employees and instill a sense of responsibility in them that they should do everything for the progress of the organisation.

31. Employees are free to apply knowledge and skills

The researcher had concluded that 50% respondents were satisfied for free to apply their knowledge and skills in the job. Remaining 50% were not satisfied as they were not encouraged to apply their skills and knowledge in the job. The goal of training is to enhance the skills, knowledge and abilities of employees. But even more important is that the organisation should provide an environment where the employees can apply the new information, skills and knowledge in their jobs.

32. Employees have the opportunity to learn and grow

It was noticed that 59% respondents were satisfied with the opportunities to learn and grow in the organisation while 41% were not satisfied with learn and grow opportunities. When the organization provides opportunities to employees to learn and grow it becomes an important source of motivation and job satisfaction for them.

33. Various committees are formed for participation in decision making

Observation was made that 54% respondents were satisfied with the various committees formed for participation in decision making whereas 46% were not satisfied with the formation of committees. The organization should always remember that the basic purpose of creation of committees is to ensure communication and representative type of employee participation in the decision making process.

34. Employees are involved through regular meetings and joint forums to solve day to day problems

The researcher had concluded that 58% respondents were satisfied that the employees are involved through regular meetings and joint forums to solve day to day problems. While 42% were not satisfied with the above statement. The organization should involve employees through meetings and forums and empower them to tackle small work related problems at the workplace.

35. Management gives power and due respect to the employees representatives

Observation was made that 45% respondents were satisfied with the power and respect given to the employees representatives by the management while majority 55% were not satisfied as the management did not give power and due respect to employee representatives present in various committees. When the organisation respects the employees representatives it helps in changing their attitude towards the management in a positive manner.

36. The representatives of various committees are capable and competent

It was concluded by the researcher that 45% respondents were satisfied with the capabilities and competence of the representatives of various committees while 55% were not satisfied with the capability and competency of various committee representatives. Capable and competent representatives of committees contribute to all aspects of business performance as part of a demonstrable commitment to continuous improvement.

37. Neither management nor employees representatives impose decision on each other.

It was noticed that 44% respondents were satisfied as management and employee representatives does not try to impose their decisions on each other while 56% were of the opinion that management and employee representatives does try to impose their decisions on each other. The best way to come to take decision is through consensus because then there will be fewer chances that it will be opposed by the either party. The principles of labour laws also emphasis on encouraging both parties to a collective agreement to reconcile and resolve their differences and disputes.

38. During the process of decision making the conflicts within the committee are minimal

The researcher concluded that 42% respondents said that the level of conflicts during the process of decision making within the committee were minimal whereas majority 58% said that there were high levels of conflicts within the committee during the process of decision making. Good decision is the result of consultation or consensus so during the process of decision making there should be no conflict between the representatives of the employees and the management.

39. Leaders in the Organization have clear vision & mission

It was observed from the study that 42% respondents were satisfied with the clarity of vision and mission of their leaders whereas majorities 58% were not satisfied with clear vision and mission of their leaders. Leaders should have clear vision and mission, than only they will be able to lead the organisation in the proper direction for achievement of objectives. The vision of the leaders shows the environment or culture of the organisation to the outsiders.

40. Leader offers guidance for solving job related problems to the employee.

It was noticed that 57% respondents were satisfied with their leader's performance as they offered them guidance in solving job related problems whereas 43% said their leader did not offered them guidance for solving problems. Leaders should make sure that they are able to solve job related problems job related problems of the employees.

41. Leader listens and pays attention to the employee

It was observed that 54% respondents were satisfied as their leaders listens and pays attention to them while 46% were not satisfied with their leader's listening skills. The organization should see to it that the leaders are deep listeners and not shallow listeners. Employees feel special when leaders listen to them without distraction. It also makes the leader to understand employee problems. A good listener can gain much information from the ideas and opinions of others.

42. The leaders make themselves available to the employees.

The researcher concluded that 56% respondents were satisfied with their leaders as they were available as and when they needed them while 44% were not satisfied as leaders were not available when they needed. Leaders who have good knowledge of emotional intelligence listen and understand the situation before responding to it. If

they don't understand something they ask open ended questions so that they can gather more information and they are always available to the employees who have problem.

43. Information about departmental policies and goals is shared with the employees

Observation was made that 53% respondents were satisfied with the information about departmental policies and goals are shared with them whereas 47% were not satisfied with departmental information sharing. Information related to departmental policies should always be shared with the employees because without knowing the clear goal and policies they cannot work to their full potential. They should also be aware of the benefits once they reach the goals.

44. New leaders are being identified and groomed by existing leaders.

The researcher concluded that 46% respondents were satisfied with the organizational policies regarding identifying and grooming new leaders by the existing leaders while majority 54% said that new leaders are not identified and groomed by the existing leaders. The existing leaders of the organization should identify high-potential employees who know their business, possess ambition, can work within teams and respect others and groom them to be effective leaders in future.

45. Employees are paid appropriately for the work

❖ Observation was made that 50% respondents were satisfied with the salary and feel that it was appropriate for the work done by them whereas the remaining 50% were not satisfied with the salary. The organization should make sure that salary of employee should match with his job. This policy will help it in attracting the best talent.

46. My salary is competitive with similar jobs I might find elsewhere

Conclusion was drawn from the collected data that 53% respondents were satisfied as there salary is competitive with similar jobs elsewhere while 47% were not satisfied with their salary. The organization should pay competitive salary to retain its best employees who helps to meet the objectives set by the organization.

47. The benefits I receive are comparable to those offered by other organizations

It was concluded that 53% respondents are satisfied with the benefits provided by the organization as they are comparable to those offered by other organisations while 47% were not satisfied with the benefits. Benefits and incentives affect the productivity and happiness of employees, as well as the ability of the organization to effectively realize its objectives. The organisation can attract and retain its talent if it provides better benefits incentives than the other organisations.

48. Information and knowledge are shared openly

The researcher observed that 51% respondents were satisfied with the organizational policy of open sharing of information while 49% were not satisfied with lack of information and knowledge sharing. The old saying that “Knowledge is Power” becomes true when knowledge is shared openly with the employees. These benefits the entire organization and it becomes more effective. Employees will be working to their full potential only when they do not have doubts on the policies of the organisation.

49. In my Organization there is exchange of useful information between departments

Conclusion was drawn from the study that 47% respondents were satisfied with inter department exchange of information while 53% were not satisfied with information sharing between departments. The organisation should encourage the passing on of ideas and information between its departments. The policy of information exchange should to be structured in such a way as to maximize the benefits of communication processes.

50. Senior management communicates well with the rest of the organization

Observation was made that 51% respondents were satisfied as senior management communicates well with the rest of the organization whereas 49% were not satisfied with the communication of senior management. When the senior management communicates well with rest of the organisation it minimizes the chances of doubts and confusion. This can motivate, build trust and create shared identity among the employees.

51. Reporting system in the organization is well defined

The researcher concluded that 56% respondents were satisfied with the well-defined reporting system of the organization whereas 44% were not satisfied with the reporting system of the organization. The organization should have a well defined structure known to all the employees. Everybody should be aware of the policies and rules framed by the organisation for its better operations.

52. Appropriate reports are maintained in the organization

It was noticed that 54% respondents were satisfied as appropriate reports are maintained in the organization whereas 46% were not satisfied with the maintenance of reports. If the organization fail to treat all of employees fairly it can result in lost productivity, disgruntled workers and a lack of trust from employees on the organisation.

53. Everybody is treated appropriately in the company

It was noticed that 53% respondents were satisfied as everybody is treated appropriately in the organization while 47% were not satisfied with the unequal treatment. Organisational policies should include respecting one another and it should be promoting and achieving equality of opportunity and valuing diversity.

54. Organization's policies for promotion and advancement are always appropriate.

The researcher concluded that 51% respondents were satisfied as the organization's policies for promotion and advancement are always appropriate whereas 49% were not satisfied with the promotion and advancement policies. The organisation can improve employee satisfaction and retention if its policies for promotion and advancement are always appropriate. It also helps in controlling absenteeism and staff turnover.

55. Favoritism is not an issue in raises or promotions

Observation was made that 56% respondents were satisfied as favoritism is not done in raises or promotions whereas 44% were not satisfied with favoritism prevalent in the organization. At the time of promotion the organization should promote the best employee on the basis of merit, but it should never make raises or promotions on the closeness of employee with the top management.

56. *Organization's selection criteria is based purely on ability and performance*

It was noticed that 57% respondents were satisfied with the organisation's selection criteria as it is based purely on ability and performance while 43% were not satisfied with the selection criteria. One of the important criteria for the success of the organisation is right type of person should be selected for the right job. Selection should be based on the skills and abilities of the employee.

57. *The Management is unbiased with the employees in salary and benefits*

It was noticed that 54% respondents said that the management was not biased with employees salary and benefits while 46% said organisation was biased on that. Salary and benefits paid to the employees is considered as one of the important motivational factor. When paid at a competitive rate it pushes employees for better performance but when paid less it leads to decline in the efficiency and productivity of the employees

58. *Organization has established formal Rules of Personal Conduct.*

The researcher concluded that 62% respondents were satisfied with the organisation's formal rules of personal conduct while 38% were not satisfied with the rules. In order to maintain an environment where the organizational goals can be achieved the organization should make rules of personal conduct for the employees that will promote their individual and social responsibility.

59. *Our disciplinary system is employed uniformly*

It was noticed that 60% respondents were satisfied with the uniform application of disciplinary system in the organization whereas 40% were not satisfied disciplinary system. All employees should be treated uniformly when it comes to discipline. Although it is necessary to judge each situation on a case-by-case basis but arbitrariness in the administration of discipline can make an entire disciplinary system totally ineffective.

60. *Organization has a positive relationship with the union.*

Observation was made from the study that 47% respondents were satisfied as the organization have a positive relationship with the union whereas a majority 53% were not satisfied with the organisation's relationship with the union. The organization

should remember that the union is created to protect the interest of the employees. When the organization looks at union as business partner and then there are more chances that union instead of creating problems may be suggesting ideas for improving productivity of the organisation.

61. Organization supports the union for initiatives that results in performance improvement

It was concluded that 48% respondents were satisfied because the organization support the union for initiatives the can result in performance improvement whereas 52% were not satisfied as they feel that the organisation is having a negative attitude towards the union and because of this it does not support the initiatives of union that can result in performance improvement for the organisation.

62. Senior management is involved in new employee welfare initiatives and programs.

The researcher observed that 49% respondents were satisfied as the senior management is involved in new employee welfare initiatives and programs whereas a majority of 51% were not satisfied with the non involvement of senior management in employee welfare initiatives. When the senior management is involved in employee welfare initiatives and programs the workplace becomes more holistic that takes into consideration the physical, spiritual, environmental, intellectual, emotional, occupational and mental health of employees.

63. Organization has a strategic plan

The researcher concluded that 51% respondents were satisfied with the strategic plan of the organization while 49% said that the organisation does not have a strategic plan. Strategic planning is an organization's process of defining its strategy, direction and making decisions on allocating its resources to pursue the strategy.

64. Long-term plans are updated each year.

It was concluded that 52% respondents were satisfied with the statement that long term plans are updated in their organization whereas 48% were not satisfied with updation of plans. Long term plans should not be very rigid where there is no scope for changes. In fact plans should be flexible enough to make changes in it as per the changing business environment.

65. Plans are known to employees

Observation was made that 53% respondents were aware of the organizational plans whereas 47% respondents were not clearly aware of the plans. Employees implement the plans made by the organization so the organization should share everything regarding their plans with the organization for its effective implementation.

66. Employees are engaged at developing plans at their level.

The researcher concluded that 50% respondents said that organisation involves employees in developing plans while 50% respondents said that employees are not involved in plan development. When the organization involves employees at developing plans they feel valued in the organization and they also feel as they have made the plans it is their duty to see to it that the plans are successful.

67. Organization has high performance standards.

It was observed that 55% respondents were satisfied with high performance standards of the organization while 45% were not satisfied with the performance standards. A high performance organisation is like the boat whose rowers are in sync with each other. It goes farther and faster in the desired direction because the rowers coordinate their movements to reach a common goal. The same thing happens in the organisation where the performance standards are high and its policies are transparent and unbiased.

68. The result of performance measurement is shared regularly with staff.

Conclusion was made by the researcher that 52% respondents were satisfied with the regular sharing of results of performance measurement while 48% said performance measurement results were not shared with them. Informal meetings and formal appraisals provide a very practical and direct way of monitoring and encouraging the progress of individual employees. They allow exchanges of views by both sides that can be used to drive up productivity and performance of employees.

69. Incentive plan is linked to the achievement of objectives.

The researcher had observed from the study that 53% respondents are satisfied with the linking of incentive plans with the achievement of objectives whereas 47% said incentive plans were not linked with attainment of objectives. The purpose of an

incentive plan is to motivate employees to work towards achieving company objectives both short and long-term and incorporate those efforts in their day to day activities.

The researcher has studied the correlation between employee involvement and organizational effectiveness in the 14 medium scale companies of MIDC, Ahmednagar. During the study the researcher has developed model of employee involvement which will help the organizations to fill the gap between employee involvement and organizational effectiveness found by the researcher during the research study. The model of Employee Involvement is shown in Figure-5.1.

➤ **Working Conditions**

The researcher has observed that although majority of respondents were satisfied with the working conditions the organisation should provide better working conditions to the unsatisfied respondents which may include better resources and tools, better health and safety facilities, welfare and medical facilities to the family of the employee, job enrichment etc. because better working conditions of a workplace can have a direct impact on the productivity, job satisfaction and morale of the people working in it. It can make the employees more productive, qualitative, efficient and effective.

➤ **Organizational Culture**

To make more employees satisfied, the organisation should try to improve upon it for better organizational culture, also the organisation shall treat its employees fairly irrespective of their religion or sexual orientation, proper grievance handling procedure, recognition to the deserving employees and the organisation should inculcate the spirit of cooperation among the employees because better organizational culture may help the employees to reach their fullest potential both as individuals and as members of the organisation. It may also improve job performance as well as increase levels of personal satisfaction.

➤ **Training and Growth Opportunities**

The researcher has observed that although majority of respondents were satisfied with the training and growth opportunities of the organisation a good number employees were unsatisfied. To satisfy and motivate these employees the organisation should design its training programme after conducting a thorough 'training need analysis'.

The training given to the employee should be based upon the training need of that employee.

One type of training should not be given to all the employees but it should be related to their core competencies. It should help the employees to develop new skills and abilities. Better training and growth opportunities may help the organisation to attract and retain talented employees because training process moulds the thinking of employees and leads to quality performance of employees. It provides an opportunity to expand the knowledge base of all the employees.

➤ **Participative Management**

It has been observed that although respondents were satisfied with the participative type of management of the organization but an organisation which sincerely want to implement participative management should consider the inputs of employees before any important decisions or change, employee should be involved in decision making, forums or committees consisting representatives of employees should be formed to solve day to day problems, management should give due respect and authority to the employee representatives etc. because shared decision making can improve the quality and acceptance of decisions, promotes employee motivation and self-esteem, increases sense of ownership and improve interpersonal relations between the employees and the management.

➤ **Leadership**

An organisation should see to it that its leader possesses certain qualities essential for good leadership such as a leader should have clear vision and mission, he should be a good listener, should be able to solve the problem of his employees and should be available whenever the employees need him. It has been proved that there are various benefits of good leadership i.e, Leaders share their dreams with the employees and help them to fulfill it, and leaders are like shepherds protecting their flock from harsh surroundings, by offering the employees guidance in solving job related problems.



➤ **Compensation and Benefits**

It was also observed that there were many employees who were not satisfied with the compensation and benefits which had made them less motivated, less satisfied and they were not involved fully in their work which was hindering there as well as the growth of the organisation. A good compensation policy is linked to performance of employees. The salary should be competitive and comparable to salary offered by similar other organizations. A good compensation policy may help the organisation to retain its best employees who helps to meet the business goals which includes sales, operations and financial goals. It also affects the productivity and happiness of the employee as it is well known that ‘a happy employee is a more productive employee’.

➤ **Communication**

Better communication signifies open sharing of knowledge and information, smooth exchange of information between departments and well defined reporting system. Better Communication can help motivate, build trust and create shared identity. It provides a way for individuals to express emotions, share hopes and ambitions and celebrate and remember accomplishments.

➤ **Fairness**

There were respondents who said that everything was not fair in the organisation. In order to be more productive and growing the organisation should be fair in everything it does. Fairness means the policies of selection and promotion should be purely based on abilities and performance, every employee should be treated equally, no favoritism in the employee’s salary, incentives and benefits. Fairness in organizational policies can improve employee satisfaction and retention. It can help in controlling absenteeism and staff turnover.

➤ **Employee Relations**

There were respondents who said bad employee relations have led to fight between employees and the management which has many times resulted in strikes and lockouts. To make good employee relations the organisation should have a positive relationship the union. It should support the initiatives or suggestions of the union which can result in performance improvement. There should be uniformity in discipline and rules of personal conduct for all the employees. One of the major benefit of cordial and smooth employee relations is it minimizes the conflicts and

helps to change the attitude of employees towards management and vice versa which may result in improved efficiency and productivity of the employees as they will be concentrating more on their job than anything else. For better employee relations the Organisation should look at the union as business partner and remember that union might be able to help it in number of ways.

➤ **Performance Management**

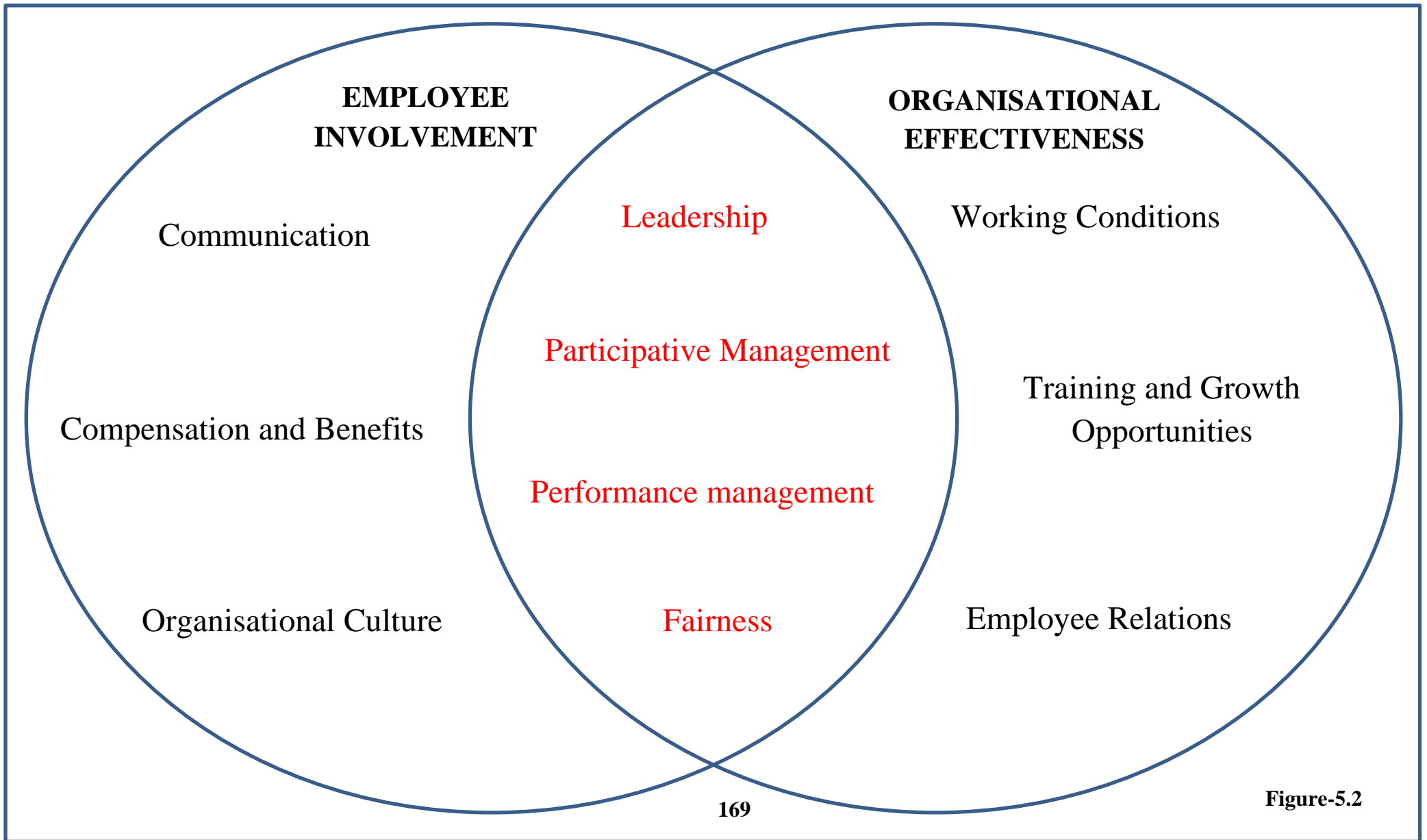
The major problem with the existing system in most of the organization was inability to measure the performance of the employees. Promotions and benefits were given on the basis of seniority of the employees and not on performance which was generating unhappiness among the employees whose performance always exceeded targets. An organisation which wants to be successful in the long run it is necessary that it should have a good performance management system. Performance of every employee should be measured and promotions and raises should be based on performance and not seniority. If the organisation links its incentive plan to performance of employee it can motivate the employee for better performance.

The present research study was carried out by the researcher in the 14 selected medium scale companies of MIDC area of Ahmednagar with the prime aim whether there is any correlation between employee involvement and organizational effectiveness. To study the correlation, employees who were working with the organization for more than three years were considered as a sample for the research work. Employees from the category of Workers/Operators, Supervisors and Executives/Officers were included as sample size.

The results of the research have clearly stated that there exist strong correlation between the employee involvement and organizational effectiveness.

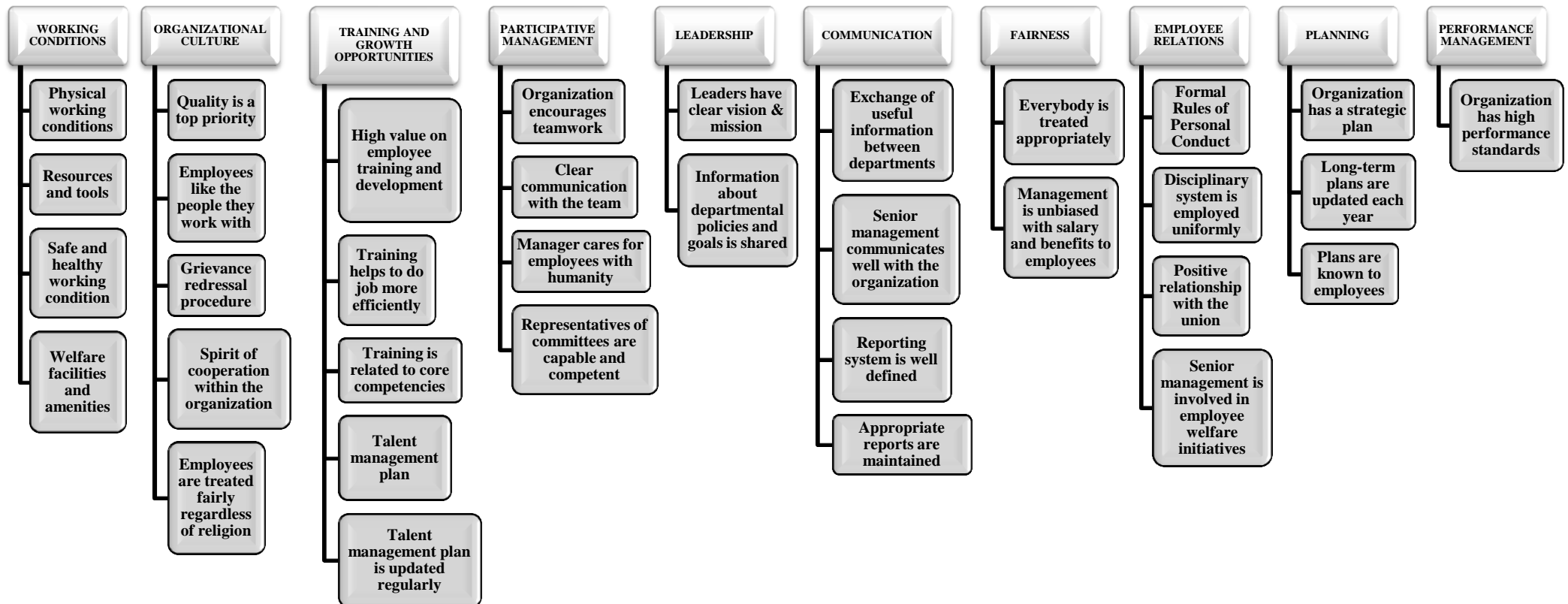
The researcher with the help of data collected from the selected companies and study of literature on employee involvement and organizational effectiveness has drawn some factors which lead to employee involvement such as organisational culture, communication and performance management. The factors leading the organization to organizational effectiveness are: working conditions, compensation and benefits, training and growth opportunities and employee relations. During the study it was also found that there are certain factors which are related to both employee involvement and organizational effectiveness such as Leadership, Participative Management and Fairness.

The conclusion drawn by the researcher states that an organisation can become an effective organisation if it provides good leadership, promotes participation in decision making, transparent and unbiased policies, good working conditions, effective communication, opportunities for the growth and development of employees and appropriate compensation and benefits.



ORGANISATIONAL EFFECTIVENESS

Figure-5.3



Organisational effectiveness can be achieved by making improvements in the factors shown in Figure 5.3. The elements of effectiveness are further subdivided into important factors which directly affect the organisation's performance if taken with proper care.

➤ **Physical working conditions**

The major importance of the physical working conditions is that it can affect the satisfaction of employees and, to some extent, their ability to perform. Employees who are unsatisfied with the working conditions are unlikely to perform to their fullest potential, whereas good working conditions can improve the morale of the employees and help the employees to give their best in the job.

➤ **Resources and tools**

Modern technology has provided better tools and resources which can make the organization far more efficient and productive compared to the tools and resources used two – three decades ago. Organisations should provide its employees advance training to use modern tools effectively and be more productive with respect to quantity and quality.

➤ **Safe and healthy working condition**

Workplace health and safety procedures are necessary for the well-being of both employers and employees. It helps in preventing injury and illness in the workplace. Diseases and other health concerns also affect a worker's ability to effectively perform his job. Now a days organisation have understood the impact injuries have on their bottom line, so they are more willing to implement programs to keep their workers healthy and safe.

➤ **Welfare facilities and amenities**

It is binding for every organization to provide the statutory welfare measures but now some organizations are providing some more welfare facilities and amenities to not only the employees but his family also so that they may retain the employees and improve their quality of work life. As the welfare facilities are extended to the families their involvement in job gets increased which results in increased productivity of the organization.

➤ **Quality is a top priority**

Every organisation likes to think that it has a commitment to quality. If that were truly the case, then, no product would ever disappoint, and no service would result in a complaint. For making quality the top priority of the organisation there has to be commitment from the top management it should provide its employees everything needed for quality production. Apart from commitment the organisation should be able to track and overcome mistakes. Investment should be made in training, formation of quality circles for involvement in decision making and finally the employees should have a right attitude towards the work and the organisation.

➤ **Grievance redressal procedure**

There are problems with employees even in the best run organization. If problems arise the organization should deal with it promptly and fairly otherwise pending problems can lead to resignations or tribunal claims. A good grievance redressal system is a clear written procedures and policies which should be known and understood by all employees.

➤ **Spirit of cooperation within the organization**

Every organization wants to have an appropriate degree of spirit because they want their employees to be energized and motivated. It guard against feelings of negativity in the workplace. Spirit of cooperation can put a stop to worker rivalries, encourage employees to cooperate with one another and achieve common goals

➤ **Employees like the people they work with**

Every employee in an organisation shares a certain relationship with his colleagues, subordinates and superiors. Employees are not machines who can start working just at the push of a button. They need people to talk to, discuss ideas with each other and share their happiness and sorrows. It is very important for the organisation that employees are comfortable with each other and work together as a single unit towards a common goal.

➤ **High value on employee training and development**

Many organisations have started giving high value to training and development because they have realized that one of the key factors in employee motivation and retention is the opportunity provided to employees to continue to grow and develop job and career enhancing skills.

➤ **Training helps to do job more efficiently**

Every job requires training. A average employee can become more productive after training as it helps him to develop his skills, abilities and knowledge about his job. Training can help employees understand how their work fits into their company's structure, mission, goals and achievements. As a result, employees can become more motivated and excited about their work as they understand how what they do matters to the success of the organization.

➤ **Training is related to core competencies**

The organization where training is related to core competencies makes it the strength or ability of that an organization that differentiates it from others, gives it competitive advantage, and contributes to its long-term success.

➤ **Talent management plan**

An organization in order to succeed in the hypercompetitive and increasingly complex global economy must be commitment to recruit, retain, and develop the most talented and superior employees available in the job market. It should also be aware that they must manage talent as a critical resource to achieve the best possible results.

➤ **Talent management plan is updated regularly**

The only way to reduce the effect of lost talent is through a strong talent planning program that identifies and fosters the next generation of employees through mentoring, training and stretch assignments, so they are ready to take the responsibility.

➤ **Organization encourages teamwork**

Every organisation should encourage teamwork because team involves different people from different departments of the organisation working together to maximize their efficiency and reach a common goal. The benefits of team work include increased innovation, efficiency and morale.

➤ **Clear communication with the team**

Working as a team has many benefits, including the possibility to create new friendships, a sense of group accomplishment and distribution of responsibilities. But, teamwork also may cause tension and anxiety among employees because of poor communication. Effective communication can eliminate much of the stress and

negative feelings sometimes associated with working closely as a team. The organization should also encourage. This is more important for smaller companies, whose employees often must work closely with one another.

➤ **Manager cares for employees with humanity**

Proper management of human resources is critical in providing a high quality of work life to the employees because they can make or break the organization through their efficiency and productivity. A manager to be successful should possess effective human resources management strategies to achieve better outcomes by motivating the employees to come up with ideas which can result in better production and management.

➤ **Leaders have clear vision & mission**

The leader of organization should always concern about the Vision and Mission Statement because it will help people to understand the organisation in the first look. It gives people the idea about how the companies work, plans and its strategy. Vision should include organization values which can inspire employee for better performance.

➤ **Information about departmental policies and goals is shared**

The job of the leader is to get the things done with the help of all the available resources. He should encourage the employees to participate in decision making and to win the trust of employees he should share all the information about departmental policies and goals with them. This will initiate the employee to come up with innovative practices for the success of the organization.

➤ **Exchange of useful information between departments**

Sharing of information about departmental policies and goals is very important for the overall effectiveness of the organisation. There should always be two way communications between the different departments consisting of accurate, timely and consistent information. If the employees have important operational information it can help them to be more successful in achieving the goals set by the organisation.

➤ **Senior management communicates well with the organization**

Good communication from the top management is essential for organisational success. To improve communication within the organisation it simply needs the will

to improve it. The communication will be successful if the top management is honest, show respect to employees, and work on building trust. Better communication helps the employees to perform to their potential which can be seen through improve attendance, morale, performance and productivity.

➤ **Reporting system is well defined**

In an organisation, a number of activities are performed. These activities are required to be coordinated. A well designed reporting system facilitates the smooth functioning of the organisation. It helps the employees to understand the relationships among individuals and positions in an organisation. It also coordinates and motivates employees so that they cooperate and work together to achieve the goals.

➤ **Appropriate reports are maintained**

An organisation should have proper records management system which can manage organizational information so that it is accurate, complete, timely, cost-effective, accessible and useable. Through better record management the organisation can access the required information at the right time which can differentiate it from the other organizations.

➤ **Everybody is treated appropriately**

An organisation can operate smoothly with all employees satisfied and productive if it provides an environment which treats all the employees equally by insisting on an open, honest and clear communication and prompt responses to all employee concerns.

➤ **Management is unbiased with salary and benefits to employees**

One of the major benefits the organisation gets when the management is unbiased with salary and benefits is that the employees spend less time looking for another job and they spend more time working for the organisation and getting the goals set by it.

➤ **Formal Rules of Personal Conduct**

The main purpose that an organisation should have rules of personal conduct is it provides a clear framework within which employees are expected to conduct themselves. It helps the organisation to maintain a work environment which can inculcate in employees honesty, integrity and respect for fellow employees. Better

personal behaviour and standards of conduct minimizes conflicts and improves to the performance of the employee.

➤ **Disciplinary system is employed uniformly**

Uniformity in discipline implies orderliness, obedience and proper subordination among employees irrespective of religion, gender, relation etc. It ensures productivity and efficiency and encourages harmony and co-operation among employees as well as acts as a morale booster for the employees. If there is no uniformity in discipline there will be confusion, chaos and disobedience in the organization.

➤ **Positive relationship with the union**

The main purpose of the existence of a trade union is to promote and protect the interest of the employees. In this context the organisation should have a positive relationship with it. It should understand that the union is existing not only to do strike, but it can come up with some ideas which can help the organisation to improve upon its production. Positive relations can change the attitude of employees towards the management.

➤ **Organization has a strategic plan**

Strategic planning is to set priorities, strengthen operations, focus energy and resources and assess and adjust the organization's direction in response to a changing environment. It should be communicated to all the employees so that they can know the goals and the actions needed to achieve those goals.

➤ **Long-term plans are updated each year**

With the external environment changing so rapidly it is very difficult for the organisation to do long term planning. It is designed to help the organization define its vision for the future and then determine systematically how it will get there, understanding obstacles and figuring out ways to overcome them.

➤ **Plans are known to employees**

Plans should be known to all the employees of the organisation because it will make them aware of the goals and action required to attain those goals. Employee motivation is likely to be enhanced if he clearly sees how his work contributes to the broader organizational goals. When employees at all levels have a clearer

understanding of performance expectations this is likely to lead to improved performance.

➤ **Organization has high performance standards**

An organisation should have high performance standards as it will indicate to the employees how well they have to do their job. Performance standard helps in the success of the organisation if all the employees are communicated the expected requirements and expectations at every level of their job performance.

It is also observed that involvement of employees in important decision making as well as showing confidence in their abilities. Figure-5-4 gives details of elements of employee engagement.

➤ **Employee's skills and abilities**

The organization should provide its employees opportunities for development and use of their skills and abilities. It will help employees expand their skills, abilities and knowledge and apply it on their jobs. It can increase employee motivation and job satisfaction and help employees to manage their job more effectively. This will help the organization in enhancing organizational effectiveness and improving work quality and also the organization would be able to attract and retain top-quality employees.

➤ **Feeling of personal accomplishment**

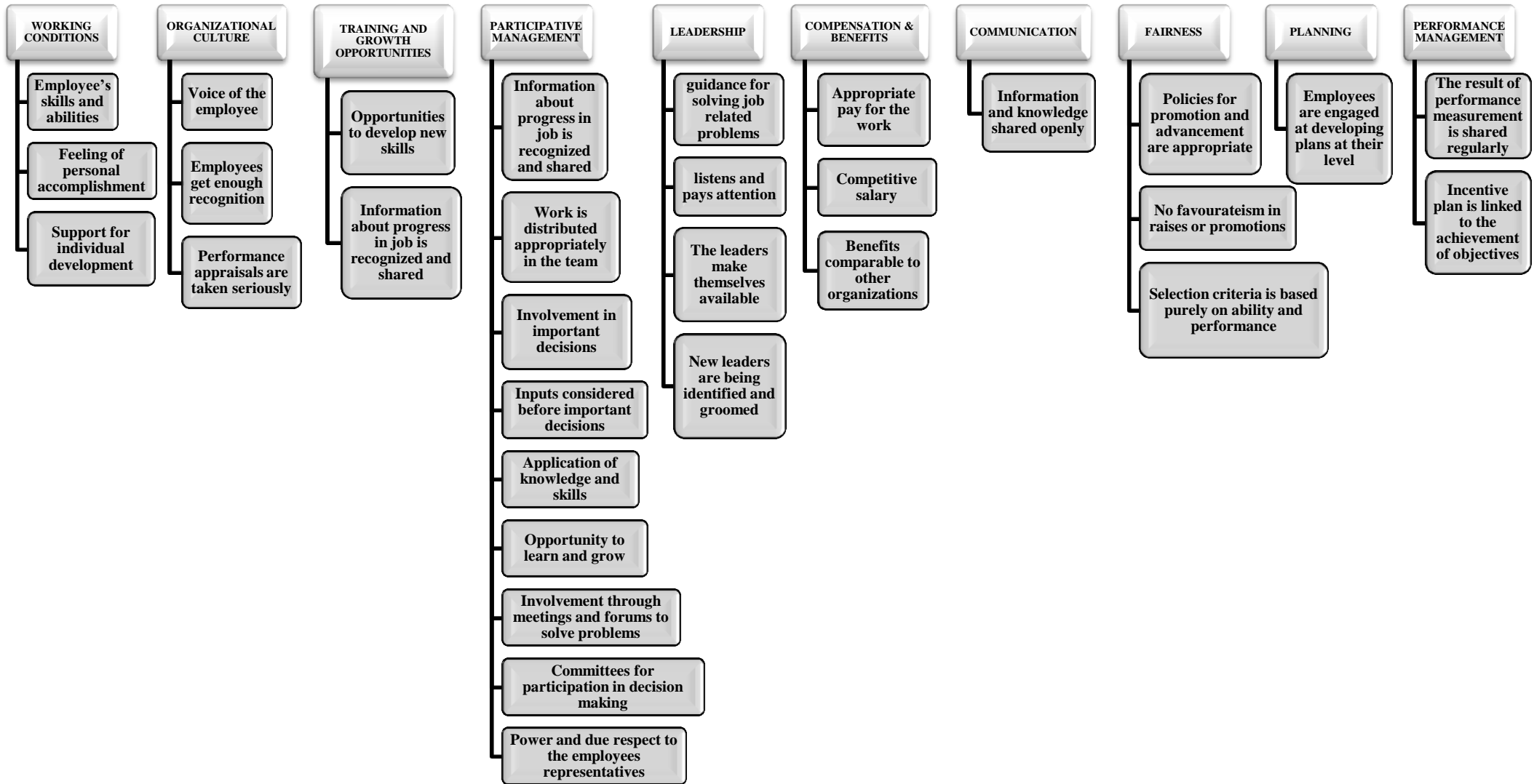
Employees are happier when the job they are doing gives them a feeling of personal accomplishment. Many organisations have rigid rules and procedures which limit the employee's personal ability to perform, grow and develop in the organization. Once these obstacles are removed and employees have the opportunity to do more than they were allowed in the past. They develop a sense of accomplishment that brings most people pleasure and a feeling of importance and become more enthusiastic and interested in their job.

➤ **Support for individual development**

The organization should provide enough support to its employees so that it can keep them up to date with the rapidly changing knowledge. If the employees are supported for development and enhancement of skills, competence and knowledge they will be able to perform better at work. This process will benefit the employees, superiors, organisation and the country as a whole.

EMPLOYEE INVOLVEMENT

Figure-5.4



➤ **Voice of the employee**

The organisations need to create the culture and structures where the voice of the employee is considered by the top management and they are encouraged to communicate ideas and suggestions. The organization should use the best ideas for formulating its strategy and management decision making. The openness to employee voice can motivate the employees and make them willing to produce extra effort for the company.

➤ **Employees get enough recognition**

Recognition of the efforts of outstanding employee is essential for the organization because every employee wants to be respected and valued for their contribution. Everyone feels the need to be recognized for the work well done and wants a 'pat on the back' to make them feel good and employees morale is improved when they receive recognition or reward for their work.

➤ **Performance appraisals are taken seriously**

Performance appraisal is done by the organization to monitor employee's performance. When the organization takes it seriously it motivates and improves morale of the employees. Monitoring employee performance requires routine documentation and is completed by a performance appraisal form. The employees become aware that the company is mindful of their performance and that they could be rewarded with raises and promotions they work harder to reach the goals set by the organisation.

➤ **Opportunities to develop new skills**

When the organization provides its employees opportunities to develop new skills it has numerous benefits. It makes them a much more valuable asset to the organisation, employees recognise and appreciate that organization is investing in them, helping with retention and morale. On the job training is one of the best ways to help the employees to develop new skills under the supervision and help of a coach or mentor.

➤ **Team members are accountable for decisions**

Organization should create a culture where employees can speak openly, admit to mistakes without fear. The biggest fear people have about accountability is that they will be punished for their actions. In many successful organisations mistakes by team members are celebrated as learning opportunities. The focus is shifted from finger pointing to jointly figuring out how things should be done differently in the future. Use of such strategies fosters a culture of shared accountability.

➤ **Involvement in important decisions**

The foundation of any successful company is its people and involving them in the decision-making process not only empowers them to contribute to the success of an organization, but also saves the company time and money in the form of increased productivity. This also improves the relationship between management and employees and encourages a strong sense of teamwork among workers.

➤ **Inputs considered before important decisions**

The organization should allow employees to share their inputs before decisions but before that it should also provide the employees all the information or training required by them before they give their ideas or suggestion on a particular matter. The benefit of this is wider choice of options, when all employees instead of a few managers or executives, are given the opportunity to participate, there are more chances that a valid and unique idea will be suggested.

➤ **Application of knowledge and skills**

When the organization gives its employees a chance to apply their knowledge, skills and abilities to their job there are more possibilities that the employees will be working to their full potential and it will improve the morale of employees and makes them more satisfied and motivated which will result in increased productivity and responsiveness in meeting departmental and organizational objectives.

➤ **Opportunity to learn and grow**

Organisation should encourage its employees to improve their personal skills and qualities so that they can learn and develop themselves. These employees will be more knowledgeable and innovative, hence they will be suggesting novel solutions to the problems faced by the organisation. It also ensures that the employees will be able to cope up with a changing environment those that exist in modern times.

➤ **Committees for participation in decision making**

The organisation should encourage committees for participation in decision making because the members of committee are drawn from different departments and they are well aware of the matters of their departments. It helps to bring together a variety views, interests, and expertise together for taking a good decision beneficial to both the employees and the organisation.

➤ **Decisions are not imposed on each other.**

The organisation should provide such an environment which can ensure that in the committee meetings of employee representatives and management representatives no

party imposes their decisions on each other. Both should try to reach decision with consensus. This will help to improve the relationship between the management and employees which can lead to minimization of conflicts and increased morale and productivity of the employees.

➤ **Leader offers guidance for solving job related problems**

Anyone in the organisation can be placed in a leadership role, but not everyone will excel without the right combination of skills, abilities, knowledge, training, motivation and talent. A good leader before coming to the conclusion tries to go to the root cause of the problem. The organisation will be benefitted if it has a able leader who can offer guidance for solving job related problems of the employees.

➤ **Leader listens and pays attention**

A good leader is good listener. Employees like to be in the company of someone who not only listens but also pays attention to their views and problems. Listening skills helps the leader to understand his followers in a better manner and signifies his attitude that he does not know each and everything and there are many things which can be learned from the subordinates also.

➤ **New leaders are being identified and groomed**

It is very essential that new leaders should be identified and groomed by the existing leaders because if a leader leaves the organisation without its apparent successor there will be pressure to hire an outsider. He will need time to learn how the company works, its culture as well as to come at comfort level with the employees. To avoid such situation the organisation should develop a system to identify and develop future leaders who have the potential to take on a more senior role.

➤ **Appropriate pay for the work**

The small and medium scale companies find it difficult to figure out how much employees should be paid. On one hand it wants to keep as much money in the business as possible to maximize profits. But on the other hand it also want good employees to achieve its set objectives. Hence before deciding appropriate pay for work the organisation should do calculate all aspects of business because a good salary will help it to attract and retain its talented employees.

➤ **Competitive salary**

To reduce employee turnover and absenteeism they should be paid competitive salary. The salary should be decided on the basis of job. The organisation should make sure

that it is paying enough to attract and retain the best employees and it is also not paying employees so much which can affect its budget adversely. The best way to find out competitive salary in your area is to find out what other organisations are paying for the same type of work to their employees.

➤ **Benefits comparable to other organizations**

One of the important ways to retain and motivate employees is to provide them with benefits comparable to other organizations. It should be given to the exceptional employees for reaching their goals, achieving milestones or simply doing a good job. Better benefits increases productivity, motivation and loyalty of the employees towards the organisation.

➤ **Information and knowledge shared openly**

The success of an organisation on many times depends upon its knowledge sharing practices. It enables organizations to develop the skills and competencies of its employees which helps to increase their value and sustain their competitive advantage. When information and knowledge is shared openly in the organisation it creates a new unique knowledge resource that competitors cannot easily imitate. It also leads to better employee satisfaction and superior productivity.

➤ **Policies for promotion and advancement are appropriate**

As promotion is the transfer of an employee to a job which pays more money or one that carries some preferred status the organizational policies regarding it should be clear, transparent and unbiased. When the organisation has merit based promotion policy it motivates its employees because everybody knows that he has to earn promotion through his merit and not on the basis of his seniority or closeness to the top management.

➤ **No favoritism in raises or promotions**

Favoritism happens when management gives benefits to those who they like, rather than who is doing the best job for the company. An organisation which wants to be successful should see to it that employees get promotions, raises, incentives and benefits only on the basis of their merit and not on the basis of their closeness to the top management. It is very difficult for the talented employees to work in an organisation which allows favoritism to flourish. It lowers the morale, diminishes performance and productivity of the employees because their good work goes unrecognized which forces them to move on to better opportunities.

➤ **Selection criteria is based purely on ability and performance**

The success of an organisation largely depends on its selection criteria, because if these criteria are based on abilities and performance of the employees then only the organisation will be able to get right type of person for the job which is very important for the future success of the organisation. It should do a systematic analysis of exactly what the job requires and what skills are needed to fulfill that role. Effective employee selection will almost always result in an employee who will not only work well for the organisation but will enjoy it too.

➤ **Union initiatives that results in performance are supported**

The major objective of a union is to promote and protect the interest of employees. To deal successfully with the union the organisation should develop strong and trusting relationship with it. Organisation should look at union as business partner and should always support the union initiatives that can result in better performance. This will change the attitude of the union towards the organisation which may result in improved morale and satisfaction among the employees.

➤ **Employees are engaged at developing plans at their level**

The organisation can provide clarity about the purpose of its existence to all the employees by involving them at all levels of strategic planning process. The best way to communicate with employees is that they have a voice in building organizational plans which will be guiding the growth of the company. The employees empowered to participate in planning are naturally more involved in their job resulting in better chances for achievement of goals.

➤ **The result of performance measurement is shared regularly**

Performance measurement is a forward looking and continuous process. Once the organisation completes the process of measurement the results should be shared with the employees so that they can come to know where they stand in the organisation in terms of performance. It will help the employee to be satisfied with the positive results of measurement and make necessary changes where their performance is not up to the optimal level

➤ **Incentive plan is linked to the achievement of objectives**

The purpose of an incentive plan is to motivate employees to work towards achieving company objectives. When the organisation link incentive plans to the attainment of objectives it may result in better motivation and satisfaction among the employees. The employees remain focused throughout the year on performance enhancing initiatives that result in sustainable improvements to the organization.

Further from Table 4.73 it is observed that the responses from the respondents shows good work is done in medium scale organization for employee engagement and organizational effectiveness and researcher could conclude that the organization under study are performing good but still need steps to be initiated to improve the employee involvement for improving the organizational effectiveness.

Researcher has prepared questionnaire based on likert scale where rating ranges from 1 to 5. Researcher has applied Friedman Chi Square Test to prove that ranking given by respondents are significant or not and rejected the Null hypothesis for organizational effectiveness. Hence it is concluded that there is difference in the importance attached by respondents to the various factors influencing the organizational effectiveness. The top 2 factors influencing organizational effectiveness are **organization has established formal Rules of Personal Conduct** and **Employees are treated fairly regardless of sexual orientation** and bottom 2 factors influencing organizational effectiveness are **the representatives of various committees are capable and competent** and **my organization provides adequate welfare facilities and amenities to me and my family**.

Similarly for the responses towards factors of employee engagement also the Null hypothesis is rejected. Hence it is concluded that there is difference in the importance attached by respondents to the various factors influencing the employee involvement. Hence it is concluded that top 2 factors influencing employee involvement are **organization's selection criteria is based purely on ability and performance** and **I feel that I have the opportunity to learn and grow** and bottom 2 factors influencing employee involvement are **The voice of the employee is considered by the top management** and **Neither management nor employees representatives impose each other in making decisions**.

HYPOTHESIS TESTING

Hypothesis-1: There is no correlation between Employee Involvement and Organisational Effectiveness.

After analysing the data collected for correlation it is found that each variable of employee involvement with organisation effectiveness is positively correlated and correlation coefficient (r) ranges between 0.212 to 0.875. Highest correlation values

are shown in the Table 4.78. Thus null hypothesis is rejected and it can be said that there is a positive correlation between Employee Involvement and Organisational Effectiveness.

Hypothesis-2: Success of Employee Involvement greatly depends on the attitude of the management.

It is observed that each variable of employee involvement with attitude of management is positively correlated and correlation coefficient (r) ranges between 0.389 to 0.666. Correlation coefficient values are shown in the Table 4.79. Thus null hypothesis is rejected and it can be said that there is a positive correlation between Employee Involvement and attitude of management. Thus success of employee involvement greatly depends on attitude of the management.

Hypothesis-3: New trends in the emerging HR practices give more emphasis on Employee Involvement.

The researcher during the study has observed that some recent HR practices were followed in some of the companies which were selected for the study. These practices were resulting in improved employee involvement resulting in better organisational performance.

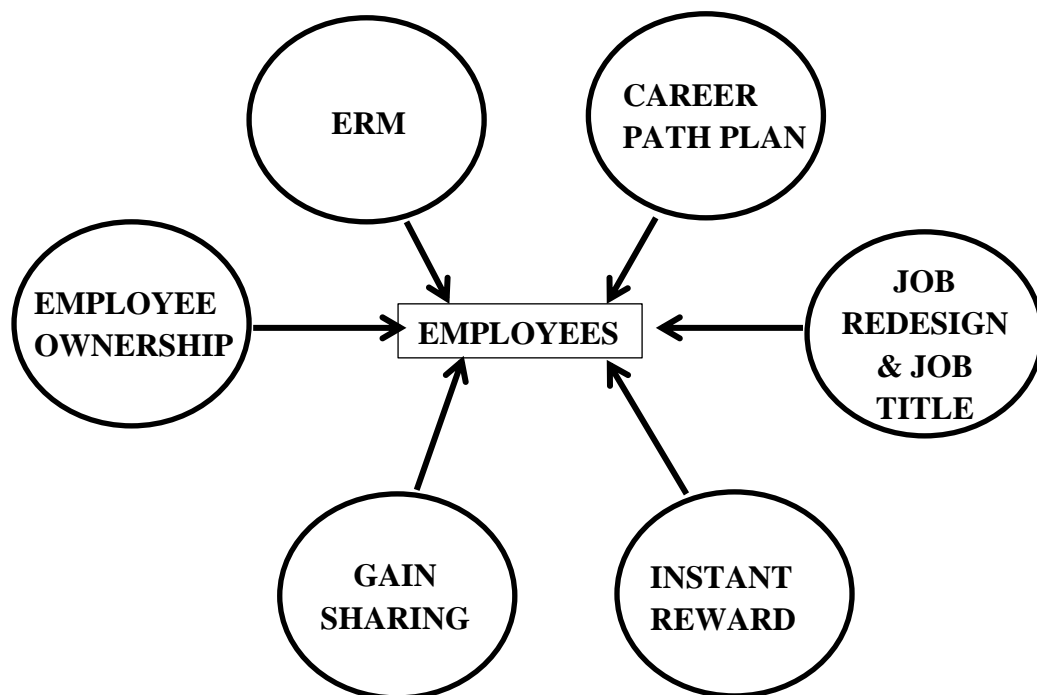


Figure 5.5

All the practices were for employee involvement and concentrated towards employees. Thus it can be concluded that new trends in the emerging HR practices give more emphasis on Employee Involvement.

Chapter-6

Suggestions

The researcher has studied the correlation between employee involvement and organizational effectiveness in the select medium scale companies of MIDC, Ahmednagar. Based on the conclusion and findings derived from the study the researcher has mentioned some suggestions that can be followed by the organisation for better employee involvement and organizational effectiveness:

1. Organizational Culture

To make more employees satisfied, the organisation should provide them better organizational culture. The organization should treat its employees fairly irrespective of their religion or sexual orientation, there should be proper grievance handling procedure, recognition to the deserving employees and the organisation should inculcate the spirit of cooperation among the employees because better organizational culture may help the employees to reach their fullest potential. It will help the organization with improved job performance and increase in job satisfaction.

- Fair treatment irrespective of religion or sexual orientation: The policy of recruitment and selection of the organization should be based of skills, knowledge, abilities and qualification of the employee and not on the basis of his/her religion or sexual orientation.
- Proper grievance handling procedure: As in every organization human beings are involved there are chances that there will be grievances between them because everybody has different feelings, emotions and temperament, so the organization should develop clear and easy grievance redressal procedure which should be known to all the employees for fair and prompt redressal of grievances of the employees.
- Recognition: Every employee who is doing a good job wants a pat on back by his superior. The organization should always recognize the efforts of good employees. This recognition should be done in front all the employees which will motivate them for better performance. They will feel if they increase their performance next time their effort will be recognized in front of all the employees.

2. Working Conditions

The organisation should provide better working conditions to the employees for better results. It includes better resources and tools, better safety facilities, welfare and

medical facilities to the family of the employees, job enrichment etc. because better working conditions of a workplace can have a direct impact on the productivity, job satisfaction and morale of the people working in it. It can make the employees more productive, qualitative, efficient and effective.

- Better resources and tools: The organization should provide its employees good quality of resources and tools then only it can expect qualitative production from its employees.
- Welfare and health facilities to the employees and their family: When organisation provides these facilities to employees and their family the employees are free from the tension related to their welfare and health. They concentrate more on their work which help in increasing their satisfaction, efficiency and productivity.
- Job enrichment: Organization should make a study of all the jobs and try to enrich them by making them more challenging where the employees can apply their knowledge, abilities and skills in their jobs. The employees are more likely to stay in the organisation and be more committed to its growth

3. Training and Growth Opportunities

To satisfy and motivate employees the organisation should design its training program after conducting a thorough 'training need analysis'. The training given to the employee should be based upon the training need of that employee. One type of training should not be given to all the employees, but it should be related to their core competencies. It should help the employees to develop new skills and abilities. Better training and growth opportunities helps the organisation to attract and retain talented employees because training process moulds the thinking of employees and leads to quality performance of employees. It provides an opportunity to expand the knowledge base of all the employees. As regards to growth opportunities the organisation should first consider its internal talent once there is vacancy in the organisation. This policy will make the employees believe that they have ample growth opportunities because if they have talent they will be the first preference in case of vacancy.

- Training should help the employees to do their job more efficiently: If the organization believes in the policy of one-size-fits-all i.e one regular training can be given to all the employees will not be beneficial. On the contrary the

organization should develop different training programmes for different category of employees depending upon their training needs then only the employees will be able to do their job more efficiently.

- Training should be related to core competencies: To maximize the effectiveness of training the organisations must constantly assess the core competencies of the employees and they should be trained on that basis.

4. Participative Management

An organisation which sincerely wants to implement participative management should consider the inputs of employees before any important decisions or change, employee should be involved in decision making, forums or committees consisting representatives of employees should be formed to solve day to day problems, management should give due respect and authority to the employee representatives etc. Shared decision making improves the quality and acceptance of decisions, promotes employee motivation and self-esteem, increases sense of ownership and improve interpersonal relations between the employees and the management.

- Organization should encourage teamwork: The teamwork among the employees in an organisation is as important as collaboration among the members of a sporting team. The organization should choose the team members who are willing to work together and on the basis of their strengths and weaknesses to ensure the best combination of skills because building a team involves more than just putting the right people together. Work assignments in the team should be distributed as per the knowledge, skills and abilities of the team members. Clear and effective communication with the team removes confusion and promotes a healthy and happy organisation. In such organisation work is done more quickly and efficiently.
- Employee involvement in decision making: Shared decision making can improve the quality and acceptance of decisions then single handed decision making. It fosters employee motivation and self-esteem, improves the relations between the management and employees and increases the sense of ownership among the employees. The organisation should believe that good ideas of many smart people will produce a better outcome than good ideas of few smart people.

- Opportunities for employees to learn and grow: In today's work environment, productivity improves when employees work smarter than harder. This is the reason why organizations which promotes learning are attracting better employees.

5. Leadership

Organisation should have leaders who possess certain qualities essential for good leadership such as he should have clear vision and mission, he should be a good listener, he should be able to solve the problem of his employees and should be available whenever the employees need him. It has been proved that there are various benefits of good leadership i.e, Leaders share their dreams with the employees and help them to fulfill it. Leaders are like shepherds protecting their flock from harsh surroundings by offering the employees guidance in solving job related problems.

- Leaders should have clear vision and mission: The leaders will be able to lead the organisation in the proper direction for achievement of objectives when they have clear vision and mission. The vision of the leaders shows the environment or culture of the organisation to the outsiders.
- Leader should be a good listener: Employees feel good when their leaders listen to them patiently without distraction. The leader should be a deep listener and not a shallow or artificial listener. Deep listening skills help him to understand the problems of the employees and accordingly their resolution.
- Open and clear communication: The leader should share all the information relating to policies and goals of his department with all the employees of the department. He should also communicate the employees the benefits once they achieve the set goals.

6. Compensation and Benefits

The best compensation policy is that which is linked to performance of employees. The salary should be competitive and comparable to the salary offered by similar other organizations. A good compensation policy may help the organisation to retain its best employees who helps the organization to meet its objectives. It also affects the productivity and happiness of the employee as it is well known that 'a happy employee is a more productive employee'.

- Employees should be paid competitive salary: The organization will be able to attract and retain its talented employees if it pays competitive salary. It should

be at par with the similar organization in that area. It was found by the researcher that one of the best motivator for the employees of medium scale companies is competitive salary.

- Benefits and incentives should be offered to the employees: Benefits and incentives affect the productivity and happiness of employees, as well as the ability of the organization to effectively realize its objectives.

7. Communication

One of the major factors of a successful organisation is communication. The organisation should have a clear, unbiased and transparent communication policy signifying open sharing of knowledge and information, smooth exchange of information between departments and well defined reporting system. Better Communication helps employees to motivate, build trust and create shared identity.

- Information and knowledge are shared openly: To survive in the increasingly competitive business environment organizations must share information and knowledge openly to develop capabilities that will provide them competitive advantage. The employees will be working to their full potential only when they do not have doubts on the policies of the organisation.
- Senior management communicates well with the rest of the organization: Clear communication from the senior management motivates, builds trust and create shared identity among the employees.

8. Fairness

The policies of selection and promotion of employees should be purely based on abilities and performance and not on the basis of closeness of an employee with the top management. Every employee should be treated equally and there must not be favoritism in deciding employee's salary, incentives and benefits. Fairness in organizational policies can improve employee satisfaction and retention. It can help in controlling absenteeism and staff turnover.

- Selection criteria should be based on ability and performance: The success of the organization depends upon the availability talented employees. The organization should have a firm policy stating that the selection criteria will be merit of the employee and not on his closeness to the top management. The organisation can improve employee satisfaction and retention if its policies for

promotion and advancement are always appropriate. It also helps in controlling absenteeism and staff turnover.

- Everybody is treated appropriately in the company: It should be promoting and achieving equality of opportunity and valuing diversity. Organisational policies should be based on equality. Every employee should respect one another. In the event of promotion merit of the employee should be considered and not his closeness to the management.

9. Employee Relations

To make good employee relations the organisation should have a positive relationship the union. This will change the attitude of union members towards the organisation and there are more chances that they will be coming up with ideas or suggestions which can result in performance improvement. One of the major benefit of cordial and smooth employee relations is it minimizes the conflicts and helps to change the attitude of employees towards management and vice versa which may result in improved efficiency and productivity of the employees as they will be concentrating more on their job than anything else. For better employee relations the Organisation should look at the union as business partner and remember that union might be able to help it in number of ways.

- Organisations should have rules for personal conduct: The organisation should make formal rules of personal conduct for the employees for promoting their individual and collective responsibility. All the employees should be treated uniformly when it comes to discipline because there are many chances that disciplined approach will lead to better results than otherwise.
- Positive relationship with the union: The organization should respect the trade union and its members and look at it as business partner. This will make the union feel good about the organization and then it may come up with suggestion which may lead to better organisational performance.

10. Performance Management

An organisation which wants to be successful in the long run it is necessary that it should have a good performance management system. Performance of every employee should be measured and promotions and raises should be based on performance and not seniority. If the organisation links its incentive plan to performance of employees it can motivate the employees for better performance.

- Organization has high performance standards: A high performance organisation is like the boat whose rowers are in sync with each other. It goes farther and faster in the desired direction because the rowers coordinate their movements to reach a common goal.
- The result of performance measurement is shared regularly with staff: The organisations should encourage informal meetings and formal appraisals to provide a direct way of checking and encouraging the progress of employees. They allow free exchanges of views by both sides that can be used to improve productivity and performance of the employees.
- Incentive plans should be linked to the achievement of objectives: The organization to motivate the employees for better performance should link incentives with attainment of objectives so that the employees doing better job should get more incentives than the others. This will motivate others also to improve their performance.

FUTURE SCOPE FOR THE STUDY

The researcher in the present study has selected medium scale companies because majority of the previous research on employee involvement and organizational effectiveness had covered large scale or multinational companies. As there is very less information available on the employee involvement practices in medium scale companies, further studies and researches can be undertaken on employee involvement practices in medium scale companies in other parts of the country.

Future studies can include employees working only in managerial levels such as junior, medium and senior managers. Case study approach can be undertaken on best employee involvement practices in mid-size companies.

Chapter-7

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Annexure

QUESTIONNAIRE

Important Notes:

- (1) The contents of this form will be treated as *strictly confidential*.
- (2) The information given will be used only for academic purposes
- (3) Please tick mark () appropriate box.

Section I

Organisation Profile:-

- a) Name of the organization:
- b) Owners name:
- c) Address:
- d) Phone nos.:
- e) Number of employees: 50-200 201-500 501 & above
- f) Number of working shifts: Ist shift Ist&IInd shift Ist, IInd&IIIrd shift

Personal Information

- a) Gender Male Female
- b) Age 20-29 30-39 40-49 50& above
- c) Education SSC/HSC Graduate Post Graduate
- d) Designation _____
- e) Salary _____
- f) Total Work Experience _____
- g) Experience in Current Organisation _____

Section II

Please use the following scale to indicate the extent to which you agree or disagree with the following statements:

1-Strongly Disagree 2-Disagree 3-Neither Agree nor Disagree 4-Agree 5-Strongly agree

Sr. No.	Statements	1	2	3	4	5
1	I am happy with the physical working conditions in this organization					
2	The resources and tools are made available to perform the job					
3	My Organization provides safe and healthy working condition to the employees					
4	My Organization provides adequate welfare facilities and amenities to me and my family					
5	My job makes good use of my skills and abilities.					
6	My work gives me a feeling of personal accomplishment.					
7	There is enough support given for individual development					
8	The voice of the employee is considered by the top management					
9	Organization gives me enough recognition					
10	In my Organization performance appraisals are taken seriously					
11	Quality is a top priority for this organization					
12	Employees are treated fairly regardless of religion					
13	Employees are treated fairly regardless of sexual orientation					
14	Organization has proper grievance redressal procedure					
15	There is a spirit of cooperation within the organization					
16	I like the people I work with					

17	Organization places a high value on employee training and development.					
18	Training helped me to do my job more efficiently.					
19	Training in our organization is related to core competencies					
20	There are opportunities available for me to develop new skills.					
21	Information about my progress in my job is recognized and shared with me.					
22	Organization has talent management plan					
23	Talent management plan is updated regularly					
24	Organization encourages teamwork					
25	Team members are accountable for their decisions					
26	Work assignments are distributed appropriately in the team					
27	Organization clearly communicates with the team					
28	Manager cares for employees with humanity					
29	I am always involved in important decisions that affect my work					
30	Employee input is considered before important decisions or changes are made					
31	I am free to apply my knowledge and skills					
32	I feel that I have the opportunity to learn and grow.					
33	Various committees are formed for participation in decision making					
34	Employees are involved through regular meetings and joint forums to solve day to day problems					
35	Management gives power and due respect to the employees representatives					
36	The representatives of various committees are capable and competent					
37	Neither management nor employees					

	representatives impose each other in making decisions.					
38	During the process of decision making the conflicts within the committee are minimal					
39	Leaders in my Organization have clear vision & mission					
40	My Leader offers guidance for solving job related problems to me					
41	My Leader listens and pays attention to me					
42	The leaders make themselves available to the employees.					
43	Information about departmental policies and goals is shared with me					
44	New leaders are being identified and groomed by existing leaders.					
45	I am paid appropriately for the work I do					
46	My salary is competitive with similar jobs I might find elsewhere					
47	The benefits I receive are comparable to those offered by other organizations					
48	Information and knowledge are shared openly					
49	In my Organization there is exchange of useful information between departments					
50	Senior management communicates well with the rest of the organization.					
51	Reporting system in the organization is well defined					
52	Appropriate reports are maintained in the organization					
53	Everybody is treated appropriately in the company					
54	Organization's policies for promotion and advancement are always appropriate.					
55	Favoritism is not an issue in raises or promotions					
56	Organization's selection criteria is based purely on ability and performance					
57	The Management is unbiased with the employees in salary and benefits					

58	Organization has established formal Rules of Personal Conduct.					
59	Our disciplinary system is employed uniformly.					
60	Organization has a positive relationship with the union.					
61	Organizationsupportsthe union for initiatives that results in performance improvement					
62	Senior management is involved in new employee welfare initiatives and programs.					
63	Organization has a strategic plan					
64	Long-term plansare updated each year.					
65	Plansare known to employees.					
66	Employees are engaged at developing plans at their level.					
67	Organization has high performance standards.					
68	The results of performance measurement is shared regularly with staff.					
69	Incentive plan is linked to the achievement of objectives.					

70	What suggestions do you have for the company to increase employee involvement?
i	
ii	
iii	
71	What other issues not included in this survey need to be addressed in your organization?
i	
ii	

Thanks for sparing your valuable time. Your support will help me in my research study