

**Using involvement to enhance employee engagement in IT firms:  
Examining leadership initiatives in a key developing national context**

**ABSTRACT**

Many organisational leaders increasingly use employee involvement to serve their interests, spurred by the unitarist rationale of leader-member exchange (LMX). Existing research into employee involvement and participation (EIP) management has mainly focused on manufacturing firms in advanced economies and has not kept pace with developments in settings where practice is primarily governed by organisational leaders plus greater use is made of informal and technologically assisted EIP. Consequently, this paper investigates the management of EIP in IT firms at the forefront of these developments in India. The findings reveal how an array of informal initiatives, including social media, is being used to permeate traditional LMX and EIP boundaries to reinforce unitarist leadership goals. Limitations to these initiatives are elucidated, as they are unevenly used and contested by employees. Thus, the paper contributes to critiques of LMX as an ancillary framework for EIP.

**Keywords:** Leader-member exchange; IT firms; India; Involvement; Participation; Technology; Social media.

## **Using involvement to enhance employee engagement in IT firms: Examining leadership initiatives in a key developing national context**

The nature of employee involvement in business and professional services firms is attracting mounting interest, as these firms are increasingly fostering developments in practice (Boxall and Purcell, 2010; Budd, 2014; Holland, Cooper and Hecker, 2016). This is particularly so in the case of software and IT services (S&ITS) firms (Holtbrügge et al., 2010). This is because these firms rely heavily on human-related capital to sustain their success, which engenders leadership interest in social and relational involvement, often in line with the rationale of leader-member exchange (LMX) theory (Bauer and Erdogan, 2015). However, how this framework influences the scope of employee voice and if and how this is negotiated remains unclear.

Most studies on enhancing employee involvement in S&ITS firms have been situated in advanced economies (e.g., Batt et al., 2002; Major et al., 2007). Less is known about involvement management in developing countries such as India, which has become a critical hub for international IT activity. Recent accounts point to the emergence of a so-called ‘India way’ of leading human resources (Cappelli et al., 2010), which is ideologically unitarist and purportedly embraces the inputs of all employees in decision-making. The nature of this approach, however, requires critical analysis because it may be used to eschew calls for more pluralistic and substantive EIP.

Consequently, this paper examines the following research questions: (1) How do organisational leaders seek to shape involvement parameters and channels in S&ITS

firms in India to foster exchange with other organisational members and reduce turnover? (2) How do these practices contribute to the development of a normative model of direct involvement in S&ITS firms in India?

To address these questions, the paper first examines leadership interest in EIP in S&ITS firms, along with approaches to its management, through the lens of LMX. In the subsequent section, contextual influences on EIP management in India's S&ITS sector are reviewed. The research methodology is then explained and justified, after which the findings are presented, followed by a critical analysis of their implications for LMX as a framework for EIP.

### **Leadership engagement with EIP and its parameters**

Empirical findings have repeatedly underscored how vital human capital is to the strategic interests of S&ITS firms (Holtbrügge et al., 2010; Major et al., 2007). These interests engender corresponding leadership engagement with EIP and often stimulate a high commitment approach to HRM (Boxall and Macky, 2009). This is primarily aligned with a unitarist frame of reference (Fox, 1974), which prioritises managerial interests in EIP through HRM interventions and communication technologies (Bacon, 2008). This is in contrast with a pluralistic interpretation of employment relations, which recognises competing interests and incorporates employee representation into the regulation of EIP (Holtgrewe, 2014).

The LMX framework, which constitutes a more focused and instrumental extension of social network theory (Goodwin, Bowler and Whittington, 2009), is increasingly

being applied in employee involvement research and practice (Park and Nawakitphaitoon, 2018). It advocates the use of direct-exchange relations between organisational leaders and members of their 'in-group' by instilling shared goals (Wang et al., 2005). The aim is to combine social and economic relations to harness the expressive and instrumental behaviour of network members to serve the interests of organisational leaders (Lin, 2001). Accordingly, organisational leaders typically seek to build relationships by helping and listening to in-group organisational members so that they reciprocate by influencing the views and behaviour of those beyond their immediate in-group (i.e. out-group members) using their social capital. Tools increasingly used by organisational leaders to support their goals and build organisational cohesion around their decisions include social media, which enable them to post and discuss news and views of interest to them and network members (Reynolds, 2015; Silverman, Bakhshalian and Hillman 2013).

To strengthen interest alignment, leaders typically involve organisational members in their pursuit of their goals by sharing information and encouraging the exchange of ideas and options (Bauer and Erdogan, 2015). This is largely done through EIP, which can be differentiated according to several key dimensions including degree of formality and involvement, its scope, its direct and/or indirect nature and the breadth and depth to which it is embedded at different organisational levels (for an in-depth review of the primary characteristics of EIP, see Wilkinson et al., 2010).

EIP encompasses a broad and growing range of practices (Budd, 2014), which are commonly grouped in four categories: downward communication, upward problem-solving, financial involvement and representative participation. The first three EIP

types are often moderated or controlled by management and typically target the direct involvement of employees as individuals, with the degree of staff influence mediated by leadership and management openness to EIP (Gastil, 1994). These three forms are more widespread than the fourth type, which enables the exercise of far greater collective and participatory voice.

As noted by Marchington and Suter (2013), existing research has primarily focused on formal EIP, but more informal direct practices are likely to play an important ancillary or alternate role in strengthening engagement and commitment, particularly in settings featuring limited to no union presence. Here, EIP is viewed as a spectrum from the informal *ad hoc* exchange of ideas, views and information, done verbally and/or electronically, to the use or establishment of more formally ‘codified, pre-arranged and regular practices/concrete structures’ (Marchington and Suter, 2013, p.286). The comparatively limited analysis of more informal EIP has fostered knowledge gaps, which need to be addressed given its increasing use (Townsend et al., 2013).

The nature of the EIP practices adopted in an organisation is likely to be affected by leadership style (Wilkinson et al., 2010), along with market and organisational conditions (Boxall and Macky, 2009). Therefore, it is important to gain insight into how and why organisational leaders in S&ITS firms seek to manage involvement and how this is shaped by the nature of the environment in which they operate. India provides not only a significant but also an interesting and developing context in this regard.

## **India's S&ITS sector: A key landscape for developments in organisational leadership**

India is a vast, diverse country that is developing in increasingly uneven and in some cases nuanced ways, with a distinctive class-caste structure (Budhwar and Varma, 2011; Noronha and D'Cruz, 2017). Despite being the seventh largest economy (World Economic Forum, 2017), high levels of economic and employment informality continue to be evident (Gupta, 2017), which makes progress on employee voice a pressing concern. According to the ILO (2017), less than 18% of India's estimated 472 million working-age population are employed in formal jobs, with the services sector accounting for a significant proportion of these jobs, concentrated primarily in urbanised areas, where there is greater digital connectedness.

In recent decades, the S&ITS sector has contributed largely to this growth. The sector now employs 10 million IT workers in India and accounts for 12.3% of the global market (IBEF, 2016), with revenues expected to expand by 11% a year to reach \$350 billion by 2025 (NASSCOM, 2015). To a degree, the scale of this apparent success could be adduced to increased demand for low-cost offshore outsourcing from companies in developed economies, combined with the leadership of its S&ITS firms in this national setting (Hill et al, 2014; Holtbrügge et al., 2010). However, the implications for employees and their voice in employment require critical analysis (Noronha and D'Cruz, 2017). The S&ITS workforce in India is relatively young and male dominated, with recent empirical findings highlighting a range of experiences of working in this field in India (Gupta, Raychaudhuri and Halder, 2015). Union density is low and there is increasing evidence of informal and casual work, worker

discontent, recruitment and retention turbulence, and unstable labour relations (Beale, 2017; Deery, Nath and Walsh, 2013; Holtbrügge et al., 2010; Taylor et al., 2014).

Faced with this context, positive accounts suggest that the leaders of top firms in this country are seeking to advance a distinctive ‘India way’ of managing human resources, which aims to involve all of a firm’s stakeholders in the shared creation of value, rather than just focusing on profit maximisation and shareholder interests (Cappelli et al., 2010). In some IT firms, this includes the proclaimed adoption of an inverted approach to conventional top-down management, emphasising employee interest as a basis for improving organisational performance/productivity and reducing turnover (Nayar, 2010; Hill et al., 2014). If more than just mere rhetoric, the development of such a distinctive leadership model and approach to LMX is likely to be a product of the environment where these organisational leaders and firms operate. At a national level, India exhibits laissez-faire labour market characteristics (Noronha and Beale, 2011), which are strongly pronounced in its S&ITS sector. Features associated with such an environment are conducive to limited management engagement in employee involvement (see Table 12.2 in Marchington, 2008). At varying degrees, these include active and developed external labour markets, a voluntarist approach to worker voice and rights, along with high turnover compounded by low expectations of a long-term career with an organisation.

Such a terrain is likely to intensify the challenges faced by companies seeking to retain talented employees in a growing economy (Deery, Nath and Walsh, 2013). In turn, prompting organisational leaders to embrace involvement due to the emphasis on capital intensity, the replacement difficulties associated with high-level skills, and

employer interest in high-commitment HRM as a means of combating attrition and making the most of their human capital investments (Holtbrügge et al., 2010). However, the parameters of such involvement are primarily management-led in many firms in this sector in India, typically aimed at reinforcing a unitarist framework (Noronha and D’Cruz, 2017). This is because employment rights in India are relatively weak, and despite the growing union representation in S&ITS firms, it remains somewhat patchy (Noronha and Beale, 2011; Taylor et al., 2009).

In sum, S&ITS firms in India provide rich arenas for the development of relatively novel and informal involvement practices (Budhwar and Varma, 2010), which may indicate an emergent model (Cappelli et al., 2010). Existing studies have quantified the incidence of pre-defined formal employee involvement practices and their use in influencing engagement and satisfaction in S&ITS firms in India (e.g., Kamalanabhan, Sai and Mayuri, 2009). Yet we need to understand how and why this environment influences the EIP practices adopted by organisational leaders and how these practices are viewed by employees, particularly because these types of firms act as vectors of practice, which may foster pseudo rather than meaningful EIP and be contested (MacInnes, 1985).

## **Methodology**

To meet the requirement for a rich multi-level insight into EIP in S&ITS firms in India, this study adopted a qualitative approach. The research design adopted is detailed below.



### *Sampling frame*

Firms operating in Delhi, one of the largest hi-tech hubs or zones in India, were examined in the study. This was because such hubs act as HRM development incubators that extend beyond their boundaries (Saxenian, 2005). Access to a cross section of firms was initially facilitated through contact with industry actors and agencies representing and/or operating in these hubs. The sample composition is set out in Table 1.

Within these firms, access to top-level representatives responsible for leading the management of human resources was sought because of their pivotal role in implementing EIP strategy and practice (Verghese, 2012). Focusing on participants who met these criteria limited the potential sample size in each firm but provided insight into the rationales behind firms' methods to communicate with those in more junior positions and involve them in decision-making.

Access to developers and their line managers was requested to enrich the study and gain insight into their perceptions and assessments of the EIP practices in use, along with their behaviours based on their own accounts. After repeated attempts, it was possible to gain access to developers working for four of the firms.

-----  
Insert table 1 about here  
-----

Overall, the sample included participants from 11 firms. 26 of the interviewees held leadership positions and 8 were software developers. In terms of demographics, twenty-three of the thirty-four interviewees were male, which is broadly in line with the gender balance of the sector. All were educated to degree level or above and were of Indian nationality.

### *Data collection*

Semi-structured interview schedules were conducted to enable the research questions to be addressed and to be responsiveness to lines of interest identified during the interviews (Symon and Cassell, 2012). Participants were asked about the nature and degree of EIP in operation and the influences guiding its management and practice from their standpoint. A draft version of the interview schedule was piloted before its use to eliminate any confusion or misinterpretation over the terms or phrases used in the questioning. This questioning was then adjusted according to a participant's position. The oral data was transcribed and checked to ensure its accuracy and integrity.

The practices accounted for by the interviewees were cross-checked with rudimentary data contained in annual reports, employee guides and recruitment literature. These sources helped consolidate the data set and triangulate the participants' accounts. Further information or clarification was followed up via email and/or telephone.

## *Analysis*

The interview and documentary data was mined using a thematic template-based approach, as this method was well suited to the focus of the research and the nature of the data (King, 2012). The initial categories established were framed by the focus of the research questions, including the character of existent EIP practices outlined above using the LMX framework and the unitarist and pluralist frames of reference identified by Fox (1974). This coding was progressively refined through an iterative process following the systematic analysis of the textual data and its review.

The data in the following section are representative and/or illustrative of the participants' accounts and the identified arrangements. Anonymity and confidentiality of participants were offered in the study and are preserved in the paper.

### **The parameters of EIP and its management in the firms**

The structure of the findings reflects the focus of the two research questions and the division of the literature review. The first section examines the practices introduced by organisational leaders to strengthen exchange relations with developers and how context shaped the choice of these practices. The second examines evidence of an 'India way' of EIP, including the bundles of practices in and across the firms.

*The use of informal EIP practices to support LMX engagement and commitment*

The firm and interview data provided insight into the range of downward communication mechanisms implemented to strengthen direct leader-member exchange relations (Table 2). The main tools used to facilitate this included employee briefings and written communication via email, SMS and intranet channels. Unsurprisingly, these means of communication were relatively consistent across the sample businesses, with the frequency depending on the firm, workforce group and mechanism.

-----  
Insert table 2 about here  
-----

Practice trends stemming from foreign S&ITS firms were also evident, as each firm held ‘town hall meetings’. In firm settings, these are informal periodic gatherings that seek to enable organisational leaders and attendees to share their views and ask questions, as popularised by firms such as Apple. Although purportedly open meetings, the developers indicated that space was limited and select senior employees typically posed questions at such events. As one of the developers from F6 said, ‘only managers or team leaders are supposed to ask any questions ... because usually our questions are not relevant’. If unable to attend in person, it was possible to stream video of the meetings through media devices in or outside work.

Internal social media platforms such as Yammer<sup>1</sup>, firm-specific Facebook pages or equivalent platforms were increasingly being used to facilitate open dialogues with staff and to include organisational members beyond their immediate circle of influence, albeit with inherent limits. The following interview excerpt describes how these channels were used to support LMX and enable EIP in decision-making on the terms of organisational leaders:

Employees can just post whatever they feel like, so there is the CEO asking the question and maybe a very junior subordinate answering that question and it is all un-moderated. For example, the CEO [asked], ‘How would you define an excellent workplace?’ He received around 1,500 replies to his post. (F5, Senior HR Leader)

As with replies to group emails, this meant that communication was not solely top-down and could include the wider workforce in discussions ranging from low-level subject matters to relatively strategic decisions. Indeed, most of the developers had sought to communicate with senior leaders by posting comments and questions, but few had received direct responses, which is unsurprising given the number of posts submitted. Where they did receive a response, it was often from site moderators, drawing into question continuing engagement in this communication channel by both leaders and those occupying more junior positions.

Such social media platforms were being used in an attempt to rein in the expression of employee voice through external websites such as Facebook and Glassdoor. The latter

---

<sup>1</sup> Yammer is an enterprise social network used by >200,000 companies.

provides insight into anonymised employee and ex-employee views and experiences on working for an organisation and its management. These sites were not moderated by the firms or their leaders and so provided platforms to express resistance. Consequently, the use of organisational social media sites was encouraged, which enabled employees including those in management to post articles on a company and its activities. A senior organisational leader typically addressed questions, concerns or rumours stemming from these articles. Therefore, the source and nature of this communication was multi-directional, which perhaps indicates shifts concerning the degree of management control over such channels of EIP. Moreover, this loosening of control over direct voice may contribute to strengthening trust in management by demonstrating an open style when responding to varied perspectives and interests.

The leadership participants indicated that a high volume of filtered information and data was shared with staff. This was done to enhance transparency and trust but also in part to address the need to engage with staff to sustain their interest and commitment even though this could often lead to an overabundance of material. As a corollary, the content of this direct communication was perceived by the organisational leaders to be often lost, overlooked or misinterpreted by staff.

The hunger for knowledge and information among staff is creating an appetite for more . . . but it's like eating junk food . . . it creates mental indigestion and so communication is a huge challenge. (F7, Head of HR)

This view was reflected in the accounts of the developers. Nonetheless, each leadership participant reported that they were always seeking fresh ways of

communicating with staff, which reflected the constantly changing nature of IT in their businesses and the need to avoid cynicism and disengagement. New means of communicating information had been introduced, including video messages or chats delivered via the web either to their computers or mobile devices, which the leadership participants deemed more effective than emails, which were often deleted without being read. However, the frequent adoption of new practices meant that existing ones were often short-lived and inadequately applied.

The indirect communication channels used extended beyond the conventional borders of the employment relationship and LMX. For example, leaders at one of the firms organised events for their employees' family members to encourage direct communication with them and use the voice of these relations as a tool to enhance staff engagement. However, adopting a more critical perspective, one could regard this as using families as instruments of unitary control and commitment, as exemplified in the following quote:

The industry being new, people were very apprehensive about what their children or spouses . . . do at work. So we have a Family Day . . . We take them round and show them our facilities. And . . . parents have . . . written notes directly to our CEO saying that I was initially thinking that I didn't want my son or daughter working here, but [now] I'm going to make sure that they work here for the next five/seven years. So that family connect and commitment goes up. (F4, Senior HR Leader 2)

Such initiatives reflect the distinctive features of the industry and societal context in

India. They extend beyond the boundaries of the internal dyadic employer-employee relationship to draw in both external voice and the support of the family system to reinforce a unitarist frame of reference. A sophisticated paternalist approach was therefore being adopted to enhance commitment and assuage interest in or demand for union representation (Purcell and Sisson, 1983).

The extensive use of social media in the firms could be ascribed to their and their staff's particular characteristics as well as their age, working arrangements, communication channels and frequent use of IT and mobile devices. For example, extending their voice through social media rather than attending formal meetings at particular times is perhaps easier or more practical for these workers. Consequently, in such settings, fluid and informal EIP may be more appropriate than traditional methods.

The range of practices used by the firms to facilitate upward communication and problem-solving are set out in Table 2. Each leadership participant reported the adoption of open-door policies to encourage upward communication and problem-solving. This was in part because this practice has almost become a rhetorical management and leadership norm (Townsend et al., 2013). In principle, this provided staff with the scope to access a firm's topmost levels.

We have an 'all hands meet' open-door policy . . . If [an employee] doesn't feel satisfied [by their manager's response], he can go up to the next level. If he doesn't feel satisfied he can go to HR or even right up to the CEO. (F5, Senior HR Leader)



However, India's hierarchical caste-class structure and traditional social culture inculcate submissiveness to formal power and authority (see Sinha, 2008). These norms generate barriers that pervade organisational behaviour and working relations, including those between leaders and those in subordinate positions. Some of the developers would try taking up an issue with their CEOs but acknowledged that this was unlikely to happen because of the need to go through various hierarchical layers. 'I'd speak to my manager first ... it's very hierarchical ... you'd have to contact various people, HR first' (F9, Developer). Others felt that doing this would not be appropriate. 'I wouldn't knock on the door of the CEO. I wouldn't be comfortable. It wouldn't be right' (F2, Developer). Consequently, the uptake and impact of open-door policies in this context is likely to be filtered by these socio-economic structures, but this would require internationally comparative research.

Attempts by organisational leaders to strengthen unitarism and to break down such hierarchical in-group barriers included using Intranet forums. These opened up discussions more broadly, as posts were visible to all staff, so managers were less able to skirt individual and collective comments or requests.

We have forums wherein our [executives] are asked questions and queries from employees. If they want to be anonymous or they want to put out their names they can do that and ask questions and queries, which typically you might be hesitant asking [face-to-face]. (F3, Senior HR Leader)

These channels would appear to provide the firms' employees with clear and relatively unobstructed means of expressing their voice to every function and level in their respective organisations. The 1,500 responses mentioned at the beginning of this section would indicate high-level engagement within these modes of communication. However, 1,500 responses equated to approximately 1%–2% of F5's overall workforce, which could instead signify relatively low levels of employee participation, putting into question the notion of high or widespread engagement and the extent to which individuals felt their views would be heard.

With regard to the use of financial involvement, the interview and documentary data revealed that stock options were available to senior executives of the firms in the sample. However, several more distinctive financial involvement practices were also identified. Because of the degree of recruitment and retention turbulence experienced by IT firms in India (Holtbrügge et al., 2010), new starters and/or junior members of the firm were often financially tied to their employer either by two-year employment bonds or investments in their higher education through 'education at work' programmes to counter pressure from employees' families to pursue a degree in the US. Again, these could be viewed as control mechanisms that draw on India's aforementioned socio-economic structure and tradition of deference to formal power and authority (Sinha, 2008).

Other practices extended beyond firm borders and formal employment relationship. At F5, employee innovations were rewarded and then put up for auction, with the firm and its clients acting as potential buyers.

We have our own innovation centre wherein employees come up with white papers or suggestions. And we run those suggestions and give them points and ratings . . . those ideas are then developed with the help of other employees and then we [and our customers] bid to buy those ideas.

Innovation is one of the core values that we have. (Senior HR Leader)

At F6, financial involvement transcended the firm's borders and employment relationship. If an employee was to leave and set up a business and this was deemed to present an investment opportunity, the firm would either support the new business financially or buy a stake in it. The implications of such a practice within the firm-individual relationship have not been adequately explored in existing LMX and EIP literature.

If we think it's a good idea, we'll co-invest . . . a few percentage points. [We have] produced more than 100 entrepreneurs who are very successful . . . it's a culture that values empowerment and independence. [At our annual] meetings a lot of these ex-employees walk in'. (F6, Head of HR)

However, the notion that the firm's culture valued empowerment and independence is questionable given the relatively low levels of engagement and the organisational leaders' sentiments against union representation (see below). Such initiatives also extended and/or ran counter to the established parameters of LMX and EIP, which are in line with those of high-commitment HRM. Similar efforts may present tensions, as they may inadvertently encourage the exit of key staff and change the status and nature of the employment relationship. Consequently, they require the revision of

existing EIP and LMX frameworks so that they are no longer limited to the boundaries of the firm or the formal duration of the employment relationship.

*The role of organisational leaders in generating a normative approach to EIP*

In any analysis of organisational practice, nuances in implementation existed between and within the firms at a micro level. However, a high degree of commonality across the practice bundles was evident (Table 2). As indicated in the previous section, many of these practices were approached in the context of an ‘India way’ using technological developments, while others were more distinctive, framed by the national-sectoral operating environment, including family involvement.

The employee-focused practices were introduced to enable employees to get involved in collaborative activities, exchange feedback and knowledge, contribute ideas, engage in upward problem-solving with senior managers and air any concerns or disagreements. The leadership participants’ accounts revealed that adopting these practices reflected waves of interest stimulated by the introduction or presence of these mechanisms in competitor firms. This included identification with an ‘India way’ and practices associated with organisational founders and/or leaders (for example, Nayar, 2010).

The leadership participants stated that these practices had come to be expected by staff, and failure to adopt them would impact employee engagement as well as recruitment and retention. Therefore, firm and sector isomorphic pressures in the national context examined played a strong role in propagating the degree of EIP

practice commonality in evidence and the continuity of management and employee interest.

The interview and documentary data indicated that, rather than adopting an overtly adversarial position, the organisational leaders concentrated their efforts on the direct involvement of employees and did not consider union representation as necessary or appealing. The following quote provides a standpoint-laden account of the reasons for this stance:

There is not much call or need for union. We look after our people. A lot are young and they don't see the point. If they are not happy, they will just get another job. (F2, Senior HR Leader)

The claim that IT employees in India do not see the merit in union membership clearly cannot be taken at face value, given its unitarist underpinnings and the preferences of the organisational leaders. Indeed, research evidence suggests that union engagement in India is drawing increased interest (Taylor et al., 2009).

Each of the sample firms supported groups representing the heterogeneous interests of employees by age, gender and intra-national diversity. These groupings provided a collective channel for employees to participate in policy development, pay setting and management decision-making. Adopting a broader and more inclusive definition of representative participation, these groups provided a limited degree of direct collective voice. However, compared to union representation, they offered inferior

voice in that they did not provide a substitute for collective bargaining or union labour withdrawal for strike or negotiation purposes.

Beyond these networks, evidence of representative participation in decision-making relayed by the research participants and firms' documents was either limited or non-existent across the sample organisations. That said, there was movement towards a quasi form of representative participation in F6:

We have formed employee representative councils who decide how to spend the welfare budget . . . there is a high degree of de-centralised administration of the budget . . . so far it has resulted in quite a good number of benefits in terms of employee commitment and involvement'.

(Head of HR)

However, the nature and degree of this participation was localised and restricted, and the participant stated there were no plans to extend or expand this model. Without the structures and institutions in place to support or extend this representative participation, the role and degree of these initiatives will likely be confined to low-level subject matters unless there is greater sustained demand from staff. The developers indicated that they had not thought about joining a trade union and did not feel an immediate need for union representation. In part, this may be attributed to the salience of leadership influence in comparison to that of unions in this environment, which may of course change.

Organisational leaders therefore drove the emphasis on direct channels of involvement, with limited internal and external pressure for pluralistic EIP. This reinforced engagement with informal practices and technologies tailored to address the challenges presented by the context in India and provided organisational leaders with a means of enhancing the engagement of employees and their contributions in a highly competitive environment. Isomorphic pressures diffused such practices more broadly. Accordingly, this led to a degree of consistency in the practices adopted by the firms, some of which were relatively distinctive and illustrative of an 'India way'. This approach was characterised by the permeation of conventional boundaries and embraced the dynamic use of new technologies to support direct informal involvement, enhance employee engagement and limit the demand for indirect collective voice in line with firm interests. However, evidence of a radically different approach to member input into high-level leadership decision-making was limited and instead more nuanced.

## **Discussion**

The findings from this study have cast light on the role of organisational leaders in seeking to set the parameters of organisational EIP in a key developing sector and country that is of increasing international interest. With regard to the first research question, the findings reveal how the sampled organizational leaders sought to use informal EIP such as social media to manage direct exchange relations on their terms, with the aim of improving cohesion around their unitarist goals and reducing turnover. In the case of the second question, the practices used were relatively consistent across the firms and some were reflective of the national context. However,

they offered only limited employee input into organizational decision-making, drawing into question the notion of a progressive ‘India way’ of managing EIP. These findings enable novel contributions to existing literature by highlighting the uneven and contested nature of EIP generated by the nationally influenced LMX framework for EIP examined in this paper.

The leaders sampled embraced involvement in line with the reasoning of LMX (Lin, 2001; Park and Nawakitphaitoon, 2018; Wang et al., 2005). This was in part due to a desire to avert junior employees feeling the need to seek indirect collective representation internally or externally. The number and types of practices in operation were implemented to provide a controlled range of EIP channels that supported the inculcation of business interests and enabled employees to voice their concerns to help reduce turnover given the high levels of employer dependency because of labour shortages (Noronha and D’Cruz, 2017). The degree of firm and management engagement with EIP expounded by organisational leaders is likely to heighten employee expectations as to the resolution of their concerns. Where these practices merely serve to conjure pseudo EIP and fail to address the higher-order needs of employees (MacInnes, 1985), particularly when they are diluted due to changing contexts, this is likely to compound rather than address the turnover challenges that these organisations already face (Holtbrügge et al., 2010).

Interestingly, the scope of these practices extended beyond traditional LMX and EIP boundaries. With social media increasingly utilised in employee involvement (Holland, Cooper and Hecker, 2016; Reynolds, 2015; Silverman, Bakhshalian and Hillman 2013), the interview data revealed that conventional boundaries between



downward communication and upward problem-solving have become blurred, as current practices traversed these involvement channels. However, the use of social media was not as widespread or inclusive as it could have been and served to some extent to sanitise and silence the expression of employee views. It is therefore important for future research to critically evaluate whether communication flows are actually becoming more open and less controlled by management in organisations because of developments in social media or whether such media is being used to surreptitiously suppress employee views.

In addition, involvement was not solely limited to employees. Some of the sample firms drew on family involvement to enhance employee commitment. Others, meanwhile, created financial ties either as a means to enhance retention or to retain a link between them and their previous employee(s) in case any subsequently developed innovations enjoyed commercial success. Some of these practices such as family involvement may be relatively distinct in their orientation to the Indian national context whereas the financial involvement practices adopted by these organisations may lead to broader developments affecting the continuity and nature of the employment relationship. However, the wider prevalence of these mechanisms would need to be investigated by follow-on research because this was beyond the scope of this study.

A weak form of representative participation was operating in each firm through affinity groups. Such groups provided an outlet for representative participation while avoiding the need to deal with this type of voice from the broader workforce, enabling management to accommodate and yet defuse the impact of fragmented employee

voice in decision-making. Through social media, organisational leaders and managers were able to collate the views of a large number of staff. However, heterogeneous individualised voice obfuscated the clarity of a distilled collective message.

The limited evidence of representative participation can be partly attributed to the relatively new nature of the sector and the average age of firms and workers within it, along with limited profile of labour market institutions not only in this sector (Batt et al., 2010) but also in the national context (Noronha and Beale, 2011). This meant that the range of mechanisms in place offered basic consultation rather than unrestricted or effective participation because of management dominance (Upchurch et al., 2006). Where EIP was extended, it was primarily task-focused and did not allow for broader or more strategic influence in decision-making (Major et al., 2007). There was some evidence of representative participation, but this was constrained to influencing relatively low-level concerns in one of the sample firms. Unfortunately, this is likely to limit the extent of fully achieving high performance in this as well as the other sample organisations.

Some of the practices adopted were shaped by context and reflective of an 'India way' (Cappelli et al., 2007; Nayar, 2010; Hill et al., 2014), but fell short of offering high quality EIP. The role of industry actors in reinforcing this model and shaping unitarist and pluralist engagement with EIP in firms needs to be incorporated into future analyses (Marchington, 2015), particularly because hard institutional forces and coordination are currently limited in India.

Where variation did occur between the firms, it stemmed from the relative importance of workforce groups to a particular firm. For example, the extension of these practices was influenced by the size of the workforce segment, the strength and depth of its voice and its centrality to firm interests, which ultimately mitigated the impact of the voice from different workforce segments on management decisions and actions. Furthermore, it is important to recognise that the implementation of practices by managers at an individual level is likely to introduce further nuances. Consequently, future research ought to examine how line managers adopt and enact practices to gain greater insight into the scope, range, depth and impact of existing practices.

## **Conclusions**

The findings from this study contribute to growing critiques of LMX as a model for high-quality and inclusive EIP by elucidating its limitations for EIP and how the adoption of associated practices are contested. First, given LMX's focus on in-groups, its employee reach is not as open as it should be, and as revealed by the findings from this study, engagement is likely to be sporadic and momentary. Even in a sector such as IT, social media is disparately used for communicating views with variations in initial and continuous individual engagement, device ownership and connectivity. The sanitation of views is unlikely to dissipate conflict in the relationship. Second, organisational leaders may seek to instil informality and practice consistency to avert calls for stronger pluralistic employee voice where it is not firmly embedded. However, this provides a poor substitute for meaningful EIP, thus the need to challenge the rationale of LMX where appropriate.

## References

- Bacon, N. (2008), 'Management strategy and industrial relations'. In P. Blyton, N. Bacon, J. Fiorito and E. Heery (eds) *The SAGE Handbook of Industrial Relations*, pp. 241-257 (London: Sage)
- Batt, R., A. Colvin and J. Keefe (2002), 'Employee voice, human resource practices, and quit rates: evidence from the telecommunications industry'. *Industrial and Labor Relations Review* 55, 4, 573–594.
- Batt, R., H. Nohara and H. Kwon (2010), 'Employer strategies and wages in new service activities: A comparison of co-ordinated and liberal market economies'. *British Journal of Industrial Relations* 48, 2, 400–435.
- Bauer, T. and B. Erdogan (eds.) (2015), *The Oxford handbook of leader-member exchange*. Oxford: OUP.
- Beale, D. (2017). 'India at the crossroads? Economic restructuring, deregulation and the instability of labour relations'. In E. Noronha and P. D'Cruz (eds) *Critical perspectives on work and employment in India, chapter 15* (Singapore: Springer).
- Boxall, P. and K. Macky (2009), 'Research and theory on high-performance work systems: progressing the high-involvement stream'. *Human Resource Management Journal* 19, 1, 3–23.

Boxall, P. and J. Purcell (2010), 'An HRM perspective on employee participation'. In A. Wilkinson et al, *The Oxford handbook of participation in organizations* (Oxford: OUP, 29–51).

Budd, J. (2014), 'The future of employee voice'. In A. Wilkinson, T. Donaghey, T. Dundon and R. Freeman (Eds.). *The handbook of research on employee voice* (Cheltenham: Edward Elgar, 477-488).

Budhwar, P. and A. Varma (2010), 'Emerging patterns of HRM in the new Indian economic environment'. *Human Resource Management* 49, 345–351.

Cappelli, P., H. Singh, J. Singh and Useem (2010). *The India Way: How India's Top Business Leaders Are Revolutionizing Management* (Boston: Harvard Business Review).

Deery, S., V. Nath and J. Walsh (2013), 'Why do offshored Indian call centre workers want to leave their jobs', *New Technology, Work and Employment*, 28, 3, 212-226.

Dundon, T. and P. Gollan (2007), 'Re-conceptualizing voice in the non-union workplace'. *International Journal of Human Resource Management* 18, 7, 1182–1198.

Fox, A. (1974), *Beyond Contract* (London: Farber and Farber).

Gastil, J. (1994), 'A definition and illustration of democratic leadership'. *Human*

*Relations* 47, 8, 953-976.

Goodwin, V., W. Bowler and J. Wittington (2009), 'Social Network Perspective on LMX Relationships: Accounting for the Instrumental Value of Leader and Follower Networks'. *Journal of Management*, 35, 4, 954-980.

Gupta, R. (2017). *Statistical analysis of informal economy and employment in India*. Delhi: Independently Published.

Gupta, S. D., A. Raychaudhuri and S. Haldar (2015). 'Information technology sector in India and gender inclusivity'. *Gender in Management: An International Journal*, 30, 2, 94-108.

Hill, L., G. Brandeau, E. Truelove and G. Lineback (2014), *Collective genius: The art and practice of leading innovation* (Boston: Harvard Business Review Press).

Holland, P., B. Cooper and R. Hecker (2016), 'Use of social media at work: a new form of employee voice?' *The International Journal of Human Resource Management*, 27, 21, 2621-2634.

Holland, P., B. Cooper and A. Pyman (2012), 'Trust in management: the role of employee voice arrangements and perceived managerial opposition to trade unions'. *Human Resource Management Journal* 22, 4, 377-391.

Holtbrügge, D., C. Friedmann and J. Puck (2010), 'Recruitment and retention in foreign firms in India: A resource-based view'. *Human Resource Management*, 49, 3, 439–455.

Holtgrewe, U. (2014), 'New new technologies: the future and present of work in information and communication technology'. *New Technology, Work and Employment*, 29, 1, 9-24.

IBEF (2016). India IT and ITeS Industry Analysis. [ibef.org/industry/indian-iT-and-iTeS-industry-analysis-presentation](http://ibef.org/industry/indian-iT-and-iTeS-industry-analysis-presentation) (accessed 15/04/16)

ILO (2017). *India Labour Market Update July 2017*. ILO Country Office for India.

Kamalanabhan, T., L. P. Sai and D. Mayuri (2009) 'Employee engagement and job satisfaction in the Information Technology Industry'. *Psychological Reports*, 105 (3): 759-770.

King, N. (2012), 'Doing template analysis'. In G. Symon and C. Cassell, C. (eds), *Qualitative Research* (London: Sage, 426–450).

Lin, N. (2001), *Social capital* (Cambridge: Cambridge University Press).

MacInnes, J. (1985), 'Conjuring up consultation: The Role and Extent of Joint Consultation in Post War Private Manufacturing Industry'. *British Journal of Industrial Relations*, 23, 1, 93–144.

Major, D., D. Davis, L. Germano, T. Fletcher, J. Sanchez-Hucles and J. Mann (2007), 'Managing human resource in information technology practices of high-performing supervisors', *Human Resource Management* 46, 3, 411–427.

Marchington, M. (2015), 'The role of institutional and intermediary forces in shaping patterns of employee involvement and participation (EIP) in Anglo-American countries'. *International Journal of Human Resource Management*, 26, 20, 2594–2616.

Marchington, M. (2008), 'Employee voice systems'. In P. Boxall, J. Purcell and P. Wright (eds), *The Oxford handbook of human resource management* (Oxford: OUP, 231-250).

Marchington, M. and J. Suter (2013), 'Where Informality Really Matters: Patterns of Employee Involvement and Participation (EIP) in a Non-Union Firm'. *Industrial Relations: A Journal of Economy and Society*, 52, 284–313.

Nayar, V. (2010), *Employees First, Customers Second: Turning Conventional Management Upside Down* (Boston: Harvard Business School).

Noronha, E. and D. Beale (2011), 'India, neo-liberalism and union responses – unfinished business and protracted struggles'. In G. Gall, A. Wilkinson and R. Hurd (eds.) *The International Handbook of Labour Unions: Responses to Neo-Liberalism* (Cheltenham: Edward Elgar, 167-186).



Noronha, E. and P. D'Cruz (eds.) (2017), *Critical perspectives on work and employment in India* (Singapore: Springer).

Park, J-Y. and K. Nawakitphaitoon (2018), The cross-cultural study of LMX and individual employee voice: the moderating role of conflict avoidance. *Human Resource Management Journal*, 28, 1, 14-30.

Purcell, J. and K. Sisson (1983), 'Strategies and practice in the management of industrial relations'. In G. S. Bain (ed.), *Industrial Relations in Britain* (Oxford: Blackwell).

Ramsay, H (1976), 'Participation: the shop floor view', *British Journal of Industrial Relations*, 14, 2, 128–41.

Reynolds, N-S (2015), 'Making sense of new technology during organisational change'. *New Technology, Work and Employment*, 30, 2, 145-157.

Silverman, M., E. Bakhshalian and L. Hillman (2013), Social media and employee voice: the current landscape. London: CIPD. [https://www.cipd.co.uk/Images/social-media-and-employee-voice-2013-current-landscape-sop\\_tcm18-10327.pdf](https://www.cipd.co.uk/Images/social-media-and-employee-voice-2013-current-landscape-sop_tcm18-10327.pdf) Accessed 20/03/18.

Sinha, J. (2008), *Culture and organizational behaviour* (Delhi: Sage).

Symon, G. and C. Cassell (eds), (2012), *Qualitative Research* (London: Sage).

Taylor, P., P. D’Cruz, E. Noronha and D. Scholarios (2014), ‘From boom to where? The impact of crisis on work and employment in Indian BPO’. *New Technology, Work and Employment* 29, 2, 105-123.

Taylor, P., P. D’Cruz, E. Noronha and D. Scholarios (2009), ‘Indian call centres and business process outsourcing: A study in union formation’. *New Technology, Work and Employment*, 24, 1, 19-42.

Townsend, K., A. Wilkinson and J. Burgess (2013). ‘Filling the gaps: Patterns of formal and informal participation’. *Economic and Industrial Democracy* 34, 2, 337–353.

Upchurch, M., M. Richardson, S. Tailby and A. Danford (2006), ‘Employee representation and partnership in the non-union sector: a paradox or intention?’ *Human Resource Management Journal* 16, 4, 393–410.

Vergheze, A. (2012). *Internal communication: Insights, practices and models* (Delhi: Sage).

Wang, H., K. Law, R. Hackett, D. Wang and Z. Chen (2005), ‘Leader-member exchange as a mediator of the relationship between transformational leadership and followers’ performance and organizational citizenship behavior’. *Academy of Management Journal* 40, 1, 82-111.

Wilkinson, A., P. Gollan, M. Marchington and D. Lewin (2010). (eds), *The Oxford handbook of participation in organizations* (Oxford: OUP).

World Economic Forum (2017). *The world's 10 biggest economies in 2017*.

[https://www.weforum.org/agenda/2017/03/worlds-biggest-economies-in-2017?utm\\_campaign=Feed%3A+inside-the-world-economic-forum+%28Inside+The+World+Economic+Forum%29&utm\\_medium=feed&utm\\_source=feedburner](https://www.weforum.org/agenda/2017/03/worlds-biggest-economies-in-2017?utm_campaign=Feed%3A+inside-the-world-economic-forum+%28Inside+The+World+Economic+Forum%29&utm_medium=feed&utm_source=feedburner)