A STUDY OF THE EFFECT OF MANAGEMENT DECISION MAKING ON THE EMPLOYEE ENGAGEMENT IN ITES INDUSTRIES OF MYSORE

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ABSTRACT

Decision Making is an important skill to everyone to achieve a certain objective and goal of their life. The quality of the decisions made has a direct effect on the success or failure of a business or enterprise. It requires information of past experiences and predictions of future events. Because the future is unknown, each decision made carries a risk which is directly or indirectly affect on their performance. The probability and magnitude of the risk should dictate the level at which a decision is made in the organization. Every Management and the employee should learn to make proper decisions by gaining enough knowledge through learning from other experienced peoples experience or skills and through practically planning it and implementing it in their workplace to achieve their personal and organizational objective. In the advanced world, everywhere there is a huge competition in the corporate world and in the International market. Every professional has to be competitive and should be capable of making proper and effective decisions, which takes them to the top level of the corporate world. India has got a strong and skilled manpower and it has already established itself as a global BPO hub and is fast becoming a popular outsourcing destination for major manufacturers and banking companies across the globe. The paper conceptualizes how the Management Decision Making is affecting the employee engagement and its effectiveness on their work performance in the organizations in present competitive business environments. The respondents surveyed were the employees of the BPO, KPO and Call Centre companies of Mysore. Total number of employees surveyed is 100. The study shows how the Decision making of Management is affecting the employee’s engagement in these organizations.

KEYWORDS:

INTRODUCTION:

“Inability to make decisions is one of the principal reasons executives fail. Deficiency in decision-making ranks much higher than lack of specific knowledge or technical know-how as an indicator of leadership failure”.

John C. Maxwell

A Decision is a choice or a Judgment of what we need to do to achieve a certain objective. Decision-making is a key skill in the workplace, and is particularly important if you want to be an effective leader. Whether you're deciding which person to hire, what training to provide, which supplier to use, or which strategy to pursue, the ability to make a good decision with available information is vital.

Decision making is an integral part of human life. One has to take decisions in one’s day to day life. It is said that the decisions are the principal diet on which a manager thrives in an organization. Therefore, Decision making involves planning a course of action and setting controls to check if the plan is proceeding towards objective. No one is born with awesome decision-making skills. It is a skill that needs to be learned and strengthened (but may not ever be perfected). Each decision presents its own challenges, and we all have different ways of approaching problems. This means the more often you make decisions the better you’ll get at it. It’s a difficult skill to perfect however, since the better you get at decision-making the more challenging problems you’ll face.

Some people get nervous when it comes to making decisions because they’re afraid they’ll make wrong choices. This is the basics of decision-making. Whenever you have more than one option, there’s always a chance you’ll make a ‘better’ or a ‘worse’ decision. Although you can imagine where each decision will take you, you often won’t know how good your decision is until a period of time passes by.

India in the recent years has shown huge developments in the areas of communication, Technology, power and software developments. India has got a strong and skilled manpower and it has already established itself as a global BPO hub and is fast becoming a popular outsourcing destination for major manufacturers and banking companies across the globe. Our country is fast emerging as a winner in this outsourcing services hype. Today, the US and Europe based companies are ranking India to be their first choice as an offshore outsourcing destination. India stands as one of the major players in the outsourcing industry, in terms of well educated, talented, Trained and motivated professionals, low cost and English speaking workforce, excellent IT and networking infrastructure, a fairly stable political scenario, friendly laws and well laid taxes and quality certified software firms.

India is fast becoming a major outsourcing hub to the world and already has a booming $ 2.3 billion ITES market. Many organizations like the NASSCOM consulting group and IDC-India have predicted a highly positive development in the industry. Over the last decade and a half India has emerged as a strong
provider of IT enabled services (ITES) to US, European and Asian companies. Governmental agencies from several western countries have also lately begun to embrace IT outsourcing, and much of this business has been directed towards India.

**Review of Literature:**

It is decision making power which distinguishes a manager from others in an organization. Whatever a manager does, he does through decision making. In the advanced world, every corporate company has realized the value and importance of decision making skills and it has provided the opportunity to its employees in their job areas. This initiative is taken by the corporate world to involve every employees to participate in the decision making process and has shared the common platform among all the employees to make them to take initiative in their area of work and also to get new ideas through their shared opinions. If the management decisions are encouraging the engagement and participation of the employees in a positive way, then we can see positive environment like: better job satisfaction, better performance, better task accomplishment, self motivation, role-playings and team work etc among them in the organization.

Kofi Osei Akwoko et al. (2012) avers that willingness and commitment can be exhibited by employees towards work if employees are involved in decision making and do participate in the affairs of the organization and for management to win the commitment of employees to get work done properly, individual employees should not be treated in isolation, but must be involved in matters concerning themselves and the organization. So, for this reason that management should allow employee involvement in decision making on matters that affect workers in organizations to show their commitment to achieve organizational goals.

G. Rathnakar (2012) opines that there is significant relationship between education and employees’ involvement in decision making, and as well as between frequency of employees’ consultation and organizational commitment and there is a growing desire of non-management employees in the work environment to exercise greater involvement in the decision making process of the enterprise. Further he states that, the managerial decision-making process at different levels by various forms in the organization is influenced by workers participation in management through giving scope to workers.

Hamidah Sarat Hosseini et al. (2012-2013) believe that human beings are engaged in thinking and decision making at every moment of their personal life. These two show their importance in organizational structure. The prominence of thinking and decision-making in organizational structure is because an organizational human being is the one who is permanently involved in decision-making activities. They claims that, because of this capability we can say that knowing about different thinking styles and decision-making activities can help the personnel in a company to think and make decision in a better way. Further
they also opine that, there is a negative relation between thinking styles and some styles of decision-making, and there is no relation between thinking styles and some styles of decision-making.

Lawrence KokMalefane Johannes Lebusa and Pierre Joubert, 2014 claims that, Employee involvement exists in organizations that intentionally establish work cultures, systems and processes to encourage and make use of employee input and feedback. So, Involving employees more in decision making has become increasingly common in early 21st century organizations as companies see benefits in keeping employees at all levels actively engaged in core activities. Further they states that, Direct involvement of employees help an organization fulfill its mission and meet its objectives by allowing employees applying their own ideas, expertise, and efforts towards solving problems and making decisions and Employee involvement in decision-making has resulted in successful value creation in many organizations.

Ojokuku et al. (2014) deems that employee participation in decision making has been recognized as a managerial tool for improving organizational performance by striving for the shared goals of employees and managers. So, this is actualized by way of allowing workers’ input in developing the mission statement, establishing policies and procedures, pay determination, promotion, and determining perks. They also opines that, Employee participation in decision making has become a significant topic in human resource management and is regarded as one of the chief ingredients of employee voice.

Dominic Addai (2013) asserts that participation or involvement in decision making constitutes an intrinsic form of motivation while monetary benefits and other material incentives constitute the extrinsic form of motivation. He also states that seminars should be organized to educate workers on alternative forms of incentives. This will enable them to appreciate other reasons or incentives for work including: inner satisfaction through participation in decision making and recognition. Employee involvement involves given workers opportunity to participate in the decision making process and therefore recognizing their potential and contributions. This participation and recognition is expected to make workers feel good about themselves and their work environment.

Morteza Shahsavari et al. (2014) avers that one way to increase employees’ participation in activities is to involve them in decisions to be made in an organization and The communication between employees, colleagues and supervisors will improve, when involvement in decision-making increases. They also opines that employees have more opportunities for understanding others’ formal and informal expectations in connection with work, policies and formal and informal procedures of organization and the differences between these two which leads to reduce ambiguity in the role of the employees in the organization.
Mvelo Mchunu (2010) believes that, Employee participation is the process whereby employees are involved in decision making processes, rather than simply acting on orders and Employee participation is part of a process of empowerment in the workplace. He claims that It is important for employees to participate effectively in decision making, and strengthen their level of influence to all existing structures. Organization need to develop and enact Participation in decision making policies and procedures that are aligned to Labour Relations Act. Further he also opines that, Management must sufficiently acknowledge the contribution made by employees to participation in decision making process and the government must promote the concept of employee participation in all work places.

B.V. Sangvikar and Prafulla Pawar (2012) asserts that the decisions related to maintaining product and service offering, promotion schemes, displays, point of purchase, presentation and many other decisions are very crucial and all the employees working with the retail organization are connected with it. So, there is a need to understand participation of employees in decision making process of a retail firm. They have also stated that, Whether they are consulted in taking marketing decisions and what role employees are playing in execution of the marketing decisions of a retailer. If employees are convinced fully about any marketing task there are more chances of getting success in the long Run of the business. Further they also believes that, Employee participation in marketing decision making of the organization allows employees to get associated in the process of making decisions in the organization and The employees own the responsibility to execute the decision taken with greater rigor and enthusiasm.

Jayarathna S. M. D. Y, (2014) reveals there are several practices which affects the job satisfaction of the employees. There are several practices of an organization which uses to administer the organization. Thus the reward management and decision making play a vital role in the organization. Decision making and Reward management focuses on planning, organizing, directing and controlling the activities and drives the organization for its success. So she believes that, Participation in decision making has a positive influence on high performance and employee job satisfaction in both public and private organizations.

STATEMENT OF THE PROBLEM:

The quality of the decisions made has a direct effect on the success or failure of a business or enterprise. It requires information of past experiences and predictions of future events. Because the future is unknown, each decision made carries a risk which is directly or indirectly affect on their performance. In many organizations, including BPO, KPO and Call centers, The decisions made by the management has affected the employees engagement like: their participation, their imitativeness, performance, motivation, teamwork and task accomplishment got affected. In many BPO and Call centers organizations, the employees are not allowed to make decisions on certain
aspects. Though the employees perform as per their expectation, they are not appreciated in terms of monetary benefits, Rewards or promotions because the management fears about the employee’s demand. They may demand for the hike in their salary and may demand for the higher position, more facilities and other newly joined employees will also start demanding it. Though earlier several researches have conducted research on the impact of Management decision making on the employees of the public and private sector organizations, there is a gap between the employment engagements over the decision made by the management in the ITES organizations as their culture is different than other corporate companies. To understand this Gap and influence of the management decisions on the employee engagement, this research is very important.

OBJECTIVES:

1. To identify the relationship between Management Decision Making and employee engagement in ITES Industries.

2. To analyze what are the factors influencing Management Decision making on male and female Employee engagement and participation in ITES industries.

3. To Study whether the employee engagement and participation in the Management Decision making are affecting their job performance positively or negatively in ITES industries.

4. To analyze whether the management decision making will influence either male and female participation or it is gender bias in ITES industries.

RESEARCH METHODOLOGY:

The employees working with various organized BPO, KPO and Call Centers in Mysore were surveyed with the help of structured questionnaire. The device used for sample size selection process was non probability convenience sampling and the researcher decided on a sample size of 100 employees working with BPO, KPO and Call Centers in Mysore city. Our analysis and findings are based on consensus findings from the survey and are supported by quantitative and qualitative inputs from the respondents. As the employees are hesitated to share their opinions and participate in the survey inside their office during the duty hours, their opinions were collected during the lunch and coffee breaks. The questions focused on the influence of management decision making on employee Engagement and participation. The data presented in this report is based on information received from the respondents and has been collated to represent an ITES industry trend.

METHODS OF DATA COLLECTION:

The primary data collected for the research was by means of questionnaires administered to the Respondents working with Different BPO, KPO and Call Centres of Mysore. The questionnaire was designed to fulfill the objectives of the interview. Self-administered
questionnaire was useful for the research since the researchers could reach many respondents within a short time. The questions were close ended and both male and Female Respondents were interviewed and collected the opinions through survey Questionnaires. BPO, KPO and Call Centre respondent’s opinions were categorized into five-point scale, which are given below. Secondary data was obtained from books, journals, Newspapers, Search Engines [Google, Yahoo Etc] and magazines.

DATA ANALYSIS AND INTERPRETATION:

General and overall observations - Statistics

Total number of employees surveyed – 100 (Population size)

Number of female employees – 35 (35%)

Number of male employees – 65 – (65%)

Number of Graduates- 67%

Under graduates 33%

Tabulation of the survey results

Table No. 1 – Gender wise Distribution of Respondents with Respect to various factors

<table>
<thead>
<tr>
<th>Gender</th>
<th>Participation</th>
<th>Job satisfaction</th>
<th>Training</th>
<th>Leadership Attitude</th>
<th>Inter-Personnel Relations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Females</td>
<td>21.68</td>
<td>21.74</td>
<td>21.6</td>
<td>20.77</td>
<td>22.11</td>
</tr>
<tr>
<td>Male</td>
<td>21.09</td>
<td>21.03</td>
<td>20.15</td>
<td>20.20</td>
<td>20.35</td>
</tr>
<tr>
<td>Overall</td>
<td>21.3</td>
<td>21.28</td>
<td>20.66</td>
<td>20.4</td>
<td>20.97</td>
</tr>
</tbody>
</table>

Figure No. 1- Overall rating by all employees

Scatter diagram of the employee rating

Male female correlation

Female

- Average total score of Females – 109.91
- Standard deviation of female opinion – 8.56
Male

- Average total score of males – 102.84
- Standard deviation of male opinion – 9.90

Female employees have a higher opinion of the company and their opinion is more consistent

Gender and Participation

<table>
<thead>
<tr>
<th>S. No</th>
<th>Gender</th>
<th>Rank Correlation Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Females</td>
<td>0.660174901</td>
</tr>
<tr>
<td>2</td>
<td>Male</td>
<td>0.635557192</td>
</tr>
</tbody>
</table>

Female employees have a higher participation percentage in the company than the male counterparts.

<table>
<thead>
<tr>
<th>S. No</th>
<th>Gender</th>
<th>Rank Correlation Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Females</td>
<td>0.410872619</td>
</tr>
<tr>
<td>2</td>
<td>Male</td>
<td>0.577818258</td>
</tr>
</tbody>
</table>

Male employees show a higher job satisfaction than female employees.

<table>
<thead>
<tr>
<th>S. No</th>
<th>Gender</th>
<th>Rank Correlation Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Females</td>
<td>0.723773434</td>
</tr>
<tr>
<td>2</td>
<td>Male</td>
<td>0.762153124</td>
</tr>
</tbody>
</table>

Training and development leads to a high overall score for the company as the correlation coefficient is high.

<table>
<thead>
<tr>
<th>S. No</th>
<th>Gender</th>
<th>Rank Correlation Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Females</td>
<td>0.75444722</td>
</tr>
<tr>
<td>2</td>
<td>Male</td>
<td>0.72660344</td>
</tr>
</tbody>
</table>

Females express a higher opinion on the leadership attitude in the company.

<table>
<thead>
<tr>
<th>S. No</th>
<th>Gender</th>
<th>Rank Correlation Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Females</td>
<td>0.656997842</td>
</tr>
<tr>
<td>2</td>
<td>Male</td>
<td>0.806028858</td>
</tr>
</tbody>
</table>

Male employees express a higher inter-personnel skill level in the company.

Similarly we can do analysis between
Qualification (under graduate/graduate) and the above 5 factors

Fresher/Experienced and the above 5 factors

**Table No. 7 - Correlation between Qualification and participation**

<table>
<thead>
<tr>
<th>S. No</th>
<th>Qualification</th>
<th>Rank Correlation Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Undergraduate</td>
<td>0.723108</td>
</tr>
<tr>
<td>2</td>
<td>Graduate</td>
<td>0.406799</td>
</tr>
</tbody>
</table>

**Inference:** Graduate qualified employees express a much higher opinion of the participation factor in the company than the under graduate employees.

**Table No. 8 – Correlation between Qualification and job satisfaction**

<table>
<thead>
<tr>
<th>S. No</th>
<th>Qualification</th>
<th>Rank Correlation Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Undergraduate</td>
<td>0.478872</td>
</tr>
<tr>
<td>2</td>
<td>Graduate</td>
<td>0.562934</td>
</tr>
</tbody>
</table>

The higher qualified employees (Graduates) in the organization show a higher level of job satisfaction than the under graduates.

**Cross Factor Analysis**

**Job satisfaction and participation**

Does higher job satisfaction lead to higher participation or vice versa?

Correlation coefficient between Job satisfaction and participation is = 0.1211

No – says the data of the survey (Low correlation)

Similarly we can do analysis of each of the 5 factors against any other factor.

**Factor matrix correlation coefficient**

Similarly we can conduct an analysis of the various factor combinations and fill the matrix which can help in understanding the factor relationships.

**Findings:**

The survey data reveals the following information

- Overall gender correlation
  - Female employees have a higher opinion of the company and their opinion is more consistent.

- Correlation between gender and participation
  - Female employees have a higher participation percentage in the company than the male counterparts.

- Gender and Job satisfaction
  - Male employees show a higher job satisfaction than female employees.

- Gender and Training and development
  - Training and development leads to a high overall score for the company as the correlation coefficient is high.

- Gender and leadership attitude
  - Females express a higher opinion of the leadership skill in the company.
Gender and Inter-personnel relations

- Male employees express a higher inter-personnel skill level in the company.

Cross-factor relation ship

- Higher job satisfaction lead to higher participation or vice versa
- There is a very poor correlation between training and job satisfaction level in the company.

Conclusions:

The above methodology provides a quantitative Statistical and objective procedure for analyzing employee opinion data in any organization which can provide useful information to the management for effective decision making.

- The Data collection should represent the overall employee group.
- The data collected should be checked for its consistency and accuracy.
- The data collected should be anonymous and confidential.

LIST OF REFERENCES:


Mvelo Mchunu, (2010) “Impact of Employee Participation in decision making at Engen” Graduate School of Business, Faculty of Management Studies, University of KwaZulu-Natal pp.1-94.