# An Analysis of Quality of Employment and Social Structure: The Case of White Collar Employment in Information Technology Sector in India

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## Abstract

Information technology and its enabled services are exponentially growing and promoting trade and commerce along with generating large employment opportunity in India. The limelight of the corporate culture has attracted various professionals to enter into this sector. However, the sector, which operates in a competitive market, has shown imperfection in its working condition. Predominant informalities in the form of job instability, insecurity, de-skilling of the skilled workers, worse working conditions, unequal employment treatment and influence of social networks in the form of regional and linguistic biases has led to imperfect competition in the sector. The research work has highlighted the imperfection in this sector by taking the sample size of eighty white-collar employees working across eleven IT-ITeS company in India. Hence, the research work is an attempt to focus attention towards informalities and imperfections in this sector that has affected the quality of employment and the social structure of employees.

# 1 Introduction

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## 1.1. Brief Introduction of Information Technology and Its Enabled Services (IT-ITeS)

Information technology and its enabled services are exponentially growing its capabilities in India along with generating large employment opportunity. India is the world's largest sourcing destination for the information technology and its enabled services sectors, accounting for approximately 67 percent of the US$ 124-130 billion market in 2015. It is the fourth largest base for new businesses in the world and home to over 3,100 tech start-ups, which expects to increase its base to 11,500 tech start-ups by 2020. In the last few years, the Indian IT-ITeS industry has moved towards the higher end of the global value chain by taking up projects with the global behemoths.

Over the last few decades, this sector proves to be the largest private sector employer in India. It generates massive employment and continues the trend to directly employ nearly 3.5 million professionals, adding over 2, 30, 000 employees in FY2015. Out of the 5.8 million graduates and postgraduates in FY2015, nearly 1.5 million are suited for the industrial job with different domain expertise. (NASSCOM, 2015 and Economic Survey, 2014-15)

Table 1.1: Employment Generation in IT-ITES sector in India

| Sl. No. | Year | Employment Generation in IT-ITES sector in India ( In Millions) |
|---------|---------|--------------------------------------|
| 1. | 2008-09 | 2.2 |
| 2. | 2009-10 | 2.3 |
| 3. | 2010-11 | 2.5 |
| 4. | 2011-12 | 2.8 |
| 5. | 2012-13 | 3.0 |
| 6. | 2013-14 | 3.1 |
| 5. | 2014-15 | 3.5 |

Source: Economics Survey

Being a project focused industry; it mainly addresses global client's business demand, where employees with technical as well as management expertise is the most preferable. The specialized field of ITs and its enabled services recruit professional from diploma and degree courses such as technical and non-technical education, but in the recent years, graduates and postgraduates from the social science stream also placed due client focusing job, where employees with good communication skills are preferred.

## 1.2. Statement of Problem

The sectors set up with high capital investment and holding the global value chain seems to have heterogeneity with respect to the working style. Each enterprise behaves in its own and distinct ways of corporate culture having its own

unique philosophy and practice that it uses in work. The organization, which looks very sophisticated from outside and believes in Taylorism and Bureaucracy system of management is considered as a modern sweatshop from inside. There are ongoing debates in literature towards the predominant informalities in form of job instability, insecurity, and de-skilling of the skilled workers that has led to imperfect competition in this sector. On one side, the limelight on the corporate culture of big companies in India has attracted numbers of professionals to enter it but, on the other side, these employees suffer from deteriorated working conditions and unequal employment-related treatment. Some firms have a strong tradition of caring of their employee's well-being and employment aspirations, while others view employees as a cost problem. Hence, the research work is an attempt to focus attention towards informalities and imperfections in this sector that has affected the quality of employment and the social structure of employees.

## 1.3. Theoretical background of the research study
### Modern Marxist Theory of Labour and Organization

The research work is based on the theoretical understanding of the modern Marxism theory where scholars like (Braverman, 1973 and Burawoy, 1979) have built up their idea on the Marx's anti-labour view of capitalism by adding that organizational development under capitalism serves to "de-skill" workers and obscure the real value of labour. Based on Marxian ideology, Braverman (1973) brings out the critique on the growing degradation in the working conditions of employees in America. A large part of his argument is on "de-skilling" of job in a capitalist economy, where the division of labour and technological advancement has resulted in the reduction of the scope of individual work to one or specialized task.

Similarly, Burawoy (1979) in his work states that management controls workers by giving "illusion of choice" in a highly restrictive environment. According to him, exploitation of labour is not a social movement, but a market driven force. It is consider as a commodification, where market forces act an experience instigator rather than a tool of exploitation. There is a hegemonic methodology of co-optation and subtle coercion where collective bargaining between unions and management just act as a "game" that gives labour the illusion of participation and choice.

### The Theory of Emotional Labour and Emotional Intelligence

With the growing corporate culture, the concept of emotional labour and emotional intelligence is growing its importance to the customer oriented and knowledge based corporate sector. Hochschild (1979) describe the concept of ' Emotional Labour' as  the act of expressing socially desired emotion during the service transaction were as the term 'Emotional Intelligence' coined by two psychologists Salovey and Mayer (1990) describe it as  a form of social

intelligence that involves the ability to monitor own feelings and emotions in the workplace.

Mann (1999) categorized emotional labour into three components i.e. (a) *Emotional harmony*; where displayed emotion is same as the expected emotion and the felt emotion, (b) *emotional dissonance*; were displayed emotion is same as the expected emotion, but different from the felt emotion and (c) *emotional deviance;* were displayed emotion is same as the felt emotion but different from the expected emotion.

The negative impact of the emotional labour includes dissatisfaction, alienation between self and true feeling (Hochschild, 1983), robotic (Albrecht and Zemke, 1985), lack of openness with co-workers (Kahn, 1990), burnout ((Maslach and Jackson, 1981). Burnout is a unique type of stress reaction and termed as tripartite stress syndrome associated with job with more contact with people. Grandey (2000) study explores that emotional labour addresses the stress of managing emotion when the work role demand certain body and facial expression. The art of managing emotions in the workplace is a crucial task for every employee. People with high emotional intelligence can be very successful in the workplace because they can understand their emotions and behave accordingly.

## 1.4. Review on the empirical study

There are great deals of literatures on employees – organization relationship, which shows that organization works for the betterment of their employees and creates a positive and enthusiastic environment. Human capital is the main asset and organization works to improve the productivity of their employees through providing adequate training and improving their work performance. A study of organizational behaviour on job satisfaction by (Pritchard and Bernard, 1973) shows that the job performance and job satisfaction of employees is positively related to good organizational behaviour. However, other sets of literature shows, in spite of the comfort zone of working environment, they also treat their employees as suspicious in the workplace. The survey, conducted by Hay Group (2013) one of the global human resource management consultancy witnesses India to set the highest attrition rate globally with the possibility of one in four employees switching jobs in the country. The analysis covering 5.5 million employees worldwide found some of the key factors for switching jobs among Indian employees are lack of confidence to achieve their career objectives with their current employers, lack of confidence in leadership, excessive autonomy within an organization, lack of a supportive work environment, lack of appropriate benefits and compensation and lack of job security. A similar study was done on job satisfaction of employees by (Rusbult et al. , 1998) have described that job satisfaction is positively related to their investment in a job, such as years on the job, training, familiarity with the supervisor and the organization, non-vested retirement fund, traveling and friends at work. Employees who have a great investment in their job have much to lose by quitting the job and therefore they are more likely to engage with the voice of loyalty and commitment towards the job.

Dissatisfied employees are more likely to quit their jobs or be absent than satisfied employees.

Other issues related to the organization behaviour is the monitoring of the employees in the workplace. On one hand, is it argued that technology is unbiased and does not favour any one, thus performance evaluation is objective, provides instant feedback on the employee's performance, and make them to improve their productivity. On the other hand, it is being argue that the hostile work environment in the workplace leads to lower job interest and monitoring into the privacy of an employee can have detrimental effects on the employee's morality and dignity. Omar (2007) has highlighted the problem of computerized monitoring of the employees and emotional labour in the workplace. His work explores the nature of work in call centers by analyzing the actual experience and the reality of the labour process in call centers in the telecommunications industry in South Africa. He explained the trinary model where the involvement of customers can exert control over workers or management or both.

Fraser (2001) in his study pointed out the fear of losing jobs and other financial benefits as well as the lack of better job opportunity, forced employees to bear the pain of abuse and unethical means of control by their employers. (Singh and Tiwari, 2011) did a case study to investigate the relationship between motivation and job satisfaction by collecting data from 45 white-collar employees from BSNL, India. (Thorat and Newman, 2011) interviewed 25 human resource managers and found that although all the managers listed merit as the sole criteria for which employees are hired, subjective requirements, such as "cosmopolitan attitudes" and "family background" are also use to select candidates. These amorphous subjective requirements are loaded against poor, lower-caste candidates who find it difficult to build personal biographies in the private sector.

### 1.5. Objectives of the Study

1. To understand the nature of employment and factors determining stability and mobility of   employees in the IT-ITeS sector.
2. To understand the linear relationship between the hierarchy of firms and the quality of employment within the hierarchy system.
3. An inquiry into the nature of competitive market versus social networks at the time of recruitment and performance evaluation of employees across the organization.
4. An inquiry into the nature of the social impact of the employment relationship and their degree of independence in the workplace.

## 2  Data Collection and Methodology

The research work consists cross-sectional analysis of data by taking the sample size of eighty white-collar employees working across Eleven ITs companies

located in Hyderabad and Bangalore. Out of 86,499 (Lok Sabha Unstarred Question No. 3045, 2012) registered ITs companies under Company Act, 1956 in India, eleven ITs companies are chosen.

With the perspective to determine the organization hierarchy, the selected eleven organizations are categorized into large, medium and small organizations based on the employment size, total revenue of the company, revenue per employees as well as the market value of the company. Similarly, with the perspective to define the hierarchy within the organization, the selected eighty sample employees are divided into the "conception class and the execution class" based on the Braverman's concept of division of labour. The data were collected during the month of February – April 2016 by the mechanism of the snowball sampling method through pre – tested scheduled questionnaire, personal meeting and telephonic interview with the same structured questionnaire. The questionnaire based on Likert Scale is analysed through Principal Component Analysis (PCA) where the mechanism is use to determine the weighted average of the responses of each employee. The hypothesis of the study is test through non-parametric Kruskal-Wallis Test.

### 2.1. Profile of Organization

The selected eleven companies are the top ranked companies in India in terms of their value services to the clients in both domestic as well as overseas market. They are having specialization in the industry of software services, health services, social networking services, corporate financial services and online shopping services.

Table 2.1: Profile of Organization

| Name of company | Total number of employees | Respondents selected from Company unit located in India | Range of number of employees in the unit office | Industry |
|---|---|---|---|---|
| Tata Consultancy Services | 3,53,843 | Hyderabad and Bangalore | 8000-9000 | India's Largest IT Company |
| Oracle | 1,32,000 | Hyderabad | 6000-7000 | Software and Computer Hardware Products And Services. |
| Novartis | 1,33,413 | Hyderabad | 5000-6000 | Healthcare |
| Accenture | 3,23,000 | Hyderabad | 5000-6000 | Management Consulting, Technology and Outsourcing Services. |
| Amazon | 2,30,800 | Bangalore | 4000-5000 | Online Retail Shopping Services |

| Deloitte | 2,25,000 | Hyderabad and Bangalore | 3000-4000 | Audit, Tax, Consulting, Financial Advisory, Enterprise Risk, Legal |
|---|---|---|---|---|
| Capgemini | 1,80,639 | Hyderabad | 2000-3000 | Consulting, Technology, Professional, and Outsourcing Services. |
| I Gate | 31,000 | Hyderabad | 1000-1100 | Technology Consultancy and Services. |
| Facebook | 12,691 | Hyderabad | 400-500 | Social Networking Service |
| Cognizant Technology | 221, 700 | Hyderabad | 300-400 | Information technology, consulting and business process outsourcing services. |
| Copal Partners | 15,000 | Bangalore | 200-300 | Offshore Research and Analytics Services to Global Financial and Corporate Sectors |

Data Source: Forbes Global 2000, 2015 Ranking ( Data available for May 2015 and Company websits

## 2.2. Organization Hierarchy

The Organization hierarchy (globally) is categorize on total income, size of employment, revenue per employees as well as global ranking of the company according to Forbes report (2015).

Table 2.1: Organization Hierarchy

| Organization Hierarchy Based On Total Income | Total Income | Organization Hierarchy Based On Revenue Per Employees | Revenue Per Employees (In USD) |
|---|---|---|---|
| Amazon.Com | (USD, Billion) | Facebook | 1412812.23 |
| Novartis | 107.00 | Amazon.Com | 463604.85 |
| Oracle | 53.60 | Novartis | 401759.95 |
| Deloitte | 38.84 | Oracle | 294242.42 |
| Accenture | 35.20 | Deloitte | 156444.44 |
| Facebook | 32.78 | Accenture | 101486.07 |
| Tata Consultancy Services | 17.93 | Capgemini | 77502.64 |
| Capgemini | 16.54 | Cognizant Technology | 56021.65 |
| cognizant Technology | 14.00 | Tata Consultancy Services | 46743.89 |
| I Gate | 12.42 | I Gate | 40967.74 |

Data Source: Forbes Global 2000, 2015 Ranking ( Data available for May 2015) and NASDAQ
 Note: Revenue per Employee = Total Revenue / Total Number of Employees

Table 2.2: Organization Hierarchy Based on Size of Employment

| Large Companies Employment Size (5000-9999) | Medium Company Employment Size (1000-4999) | Small Company Employment Size (100-999) |
|---|---|---|
| 1. Tata Consultancy Services<br>2. Novartis<br>3. Accenture<br>4. Oracle<br>5. Facebook | 1. Amazon<br>2. Deloitte<br>3.Capgemini<br>4. I Gate | 1. Cognizant Technology<br>2. Copal Partners |

### 2.3. Hierarchy within the Organization

The Hierarchy within the organization is categorize on employment designation based on Braverman's concept of division of labour.

2.3.1. *High level in the hierarchy system (Conception Class)* - Employees specialize as conception class holds scientific and technical knowledge as well as have the power to participate in the decision-making process in the organization. They can also steer and manage employees who specialize as execution.

2.3.2. *Medium Level in the hierarchy system (Execution Class with a requirement of minimum work experience)* - Employees specializes as execution class also holds scientific and technical knowledge, but do not have any participation in the decision-making process in the organization. They are assign work and have to obey the instructions given by conception as well as the management.

2.3.3. *Low level in the hierarchy system (Execution Class without a requirement of minimum work experience)* **-** In the entry-level job, employees are mainly recruited for the ad-hoc and routinized based work in the organization.

 Employees with designation level, such as, vice president, HR manager, team lead, module lead and project lead across organization belong to high level in the hierarchy system who specializes as conception class. Employees with the designation level, such as, software developer (level 5), software engineer, application engineer, business analyst, associate analyst are placed in medium level in the hierarchy system. However, employees with the designation level, such as postgraduate engineering trainee, software engineer (level 4) and analyst are the entry-level job and therefore placed in the lower level in the hierarchy system. The employees in the medium and lower level are specialized as execution class. The separation of conception from execution is used to determine the employee hierarchy in the organization.

Table 2.3: Employees Hierarchy within Organization based on Designation Level

| Employees Hierarchy | Large Organization | Medium Organization | Small Organization |
|---|---|---|---|
| **1. Conception** (High Level) Employees Specialize in Conceptions | Vice President (1) Module Lead (1) | HR Manager (2) Team Lead (1) Project Lead (1) | Team lead (1) |
| **2. Execution** (Medium Level) Employees Specialize in Executions (with work experience) | Associate Software Developer (1) Application Engineer (2) Associate Analyst (4) Business Analyst (4) | Software Developer (Level 5) (1) Software Developer (9) Associate Analyst (7) Business Analyst (3) Software Engineer (2) | Software Engineer (1) Application Engineer (1) |
| (Low level) Employees Specialize in Execution with Entry-level Job in Organization | Analyst (4) Software Engineer (Level 4) (2) Post Graduate Engineering Trainee (6) | Software Engineer (Level 4) (12) Analyst (11) | Analyst (3) |
| Total Number of Employees (80) | 25 | 49 | 6 |

Data Sources: Field Survey (February- April 2016)
Note: Figures in parenthesis are a number of employees within an organization.

### 2.4. Division of Sample Employees as Conception and Execution

Overall, observed that the size of the conception class varies positively with the size of the organization. It is observe from data collected from the respondents that for large organizations, 20 percent of the total employees belong to the conception class and the remaining are from the execution class, whereas for medium and small organization the conception class range from 10 to 15 percent. An extrapolation of the above statistics can be made with reference to the total workers employed in this sector that out of 3.5 million employees (Economic

Survey, 2013-14), approx. 15 percent, i.e. 5, 25, 000 employees, specializes as conception class, whereas the remaining employees specialize as execution class. Hence, there is greater difference in the proportion of conception and execution class in the total labour force; therefore, it is necessary to understand the difference in the working condition and their degree of independence in the workplace. The whole analysis of the quality of employment and the social structure of the employees across as well as within the organization is based on principle of conception and execution class throughout the research work.

## 3  Results and Discussion

### 3.1. Determinant Factor for Employment

Work experience and educational qualification along with professional skills act as a determinant factor for an employee selection as well as for determining the wages and salaries for different designation level within the hierarchy system. It is observe that employees at higher designation level possess high professional skill and work experience, but even at the lower level entry job, employees are placed with the same high degree of educational background. The employees at lower level entry job responded that the scrutiny of employees is based on immediate client requirements without considering the professional skills.

On the other hand, it is recorded that employees with maximum years of work experience are settled at the lower designation level. Out of the eighty sample employees, 12 percent of the experienced employees were found to work in the same position in spite of having work experience. (Appendix 2)

With respect to wages and salary, the maximum salary recorded during the survey was more than 10 lakhs per annum, whereas at the lower level entry job the range of salary was recorded 2.5 to 3.5 lakhs per annum which are from large and medium organization. More than 50 percent of the sample employees were recorded with the average salary range of  3.5-4.5 lakhs per annum. The hike in the salary ranges from 20-30 percent for the conception class, 10-15 percent of the execution class, whereas 5-10 percent  of the low-level entry job across the organization. The findings also show that the variation in the salary (per annum) of employees while changing jobs also varies within the hierarchy system. In a competitive market, 30 percent hike in the present salary is given to employees while changing job from one company to another. Employees in the conception class receive better hike, which is more than 30 percent of the salary while changing jobs, but the same is not observe in the execution class and the low-level entry job. Sixteen percent of the total experience employees from the large and small organization have responded that they have changed the company without getting the hike in the salary in their present organization. (Appendix 3)

### 3.2. Reasons for Leaving the Previous Organization and Accepting the Work in Current Organization

It is important to understand what factors govern the overall turnover rate of organization and the reason for changing the job from one organization to another. During the survey, it was found that a maximum of two to three times, employees has changed their job in the course of their work tenure and therefore, it is necessary to know the reason for leaving the previous job as well as accepting the current job with the present organization. During the survey, 65 percent of the sample employees were found to have the first job with the current organization, but 35 percent of them were recorded with an experience to work with the previous organization.Within this 35 percent, there is a difference in the view between the conception and the execution class. On one hand, the conception class looks for the opportunity to grow, diversification of work, better place to enhance the professional skill, high perks and remuneration, position in the organization and job stability while changing jobs, whereas on the other hand, the execution class responded with better employment treatment, decent salary, recognition, and reputation of company, leave benefits and job security. (Appendix 4)

### 3.3.Nature of Work -Time Schedule of Employees with Different Designation Level in the Hierarchy System

With respect to the nature of work, employees at the conception class prefer to have dedicated specialization, whereas the employees in the execution class are assigned with multi-tasking activity based on client demand and employees on the lower level entry job are mostly assigned to the routine-based and ad-hoc task.

This sector is known for its flexibility in the work- schedule, but the work-time schedule is different within the hierarchy system. More flexibility of work – time schedule is assigned to employees working as conception class, whereas less flexibility is given to employees working as execution class and at the entry level jobs. Similarly, the working environment across the organization is participative as well as whimsical for the conception class as well as execution class, but the same working environment becomes autonomous for the employees at the low-level job.

### 3.4. Nature of Recruitment and Training Program across Organization

Human capital is the most important and most valued assets for any business organization. High level of competencies in the global market has prompted organizations to seek new ways to select highly qualified and skilled labour. Employee's merit is the sole criteria for which they are hired, but subjective requirements such as "cosmopolitan attitudes" and "family background" also taken into consideration to select candidates. In the competitive market, where merit and professional indicator acts a sole requirement for recruiting, but in the Indian context, it is being observe that social indicators such as regional and linguistic biases play role at the time of interview. The effects of social networks

are observe when the recruitment mode is through the employee referral and direct call. (Appendix 5)

### 3.4.1. Overall Satisfaction with the Selection and Recruitment Process as well as Traning And Development Programme of Employees with Different Level of Hierarchy in Designation  within the Organization.

In order to know the overall satisfaction of employees with their recruitment process, they were asked question whether the selection systems followed in the organization are highly scientific and rigorous and operates like a competitive market or it is governed through social networks. Whether complete information about the qualification required for the particular task is given at the time of interview. This question is raise with the purpose to understand whether educational background is consider as an important factor during the recruitment process or simply the recruitment is done in order to immediately fill the vacant position.

Around 70 percent of the total respondents across organizations supporting the point that they are informed about the qualification required to perform the particular work, whereas the remaining 30 percent disagree with the view. They responded, sometimes recruitment is done to immediately fill up the vacant positions without taking into consideration employee's professional skill. Employers fill up the positions on the urgent demand where they do not care for the professional skills of employees and hence the expectancy of employer increases during the course of the training period.

Besides this, employees were also asked about the structure of salary and other incentives were properly informed by the recruiter as well as initiatives are taken from their side to get proper information regarding the salary structure and other remuneration at the time of interview. Regarding this, 15 percent of the total respondents disagreed and responded that no clear information regarding the salary structure were given at the time of interview by the recruiters.

Another important factor that governs the recruitment and selection process in the competitive market is the formal introduction and familiarization process of new entry into the organization. It is important to have a perfect information about the particular organization before joining the company, but there is an asymmetric information that prevails in this competitive market. Employees responded, it is very difficult to get the review of the company just by looking into its official websites, therefore there is a larger dependency on informal sources to gather information such as online review through the glassdoor, review gathers from colleagues working in the particular company and through social networking sites.

With respect to a training program, employees were asked whether they are given training before onboard for the client work. More than 50 percent of employees in the medium and small organization have an opinion that client work is entirely different from the training given. The employees at the higher and middle level seem to get more technical and high-level training, whereas

employees at the lowest level are mainly focused on compliance and soft skills training in the organization. In fact, in the mechanism of a training program, organization consider its cost of training and therefore restrict the training of advanced technologies to the certain class of employees and by this, it also restricts the mobility in learning new skill within the hierarchy system.

With the perspective to know the overall satisfaction of the sample employees, the weighted average (Q) of the responses based on Likert scale (five basis point from strongly agree to strongly disagree) is calculated through the method of Principal Component Analysis (PCA).

Table 3.1: Overall Satisfaction with the Selection and Recruitment as well as Training and Development Programme within the Hierarchy System

### Large Organization

| Satisfaction level | Hierarchy in designation level | Number of respondents (25) | Weighted average (Q) |
|---|---|---|---|
| Satisfaction Range (1<Q<3) | Vice President | 1 | 1.9 |
| | Module Lead | 1 | 2.3 |
| | Associate Software Developer | 1 | 2.3 |
| | Application Engineer | 2 | 2.4 |
| | Business Analyst | 4 | 2.3 |
| | Associate Analyst | 4 | 2.8 |
| | Software Engineer (Level 4) | 2 | 2.4 |
| **Neutral Range Q=3** | | | |
| Dissatisfaction Range (3<Q<5) | Post-Graduate Engineering Trainee | 6 | 4.1 |
| | Analyst | 4 | 4.8 |

### Medium Organization

| Satisfaction level | Hierarchy in designation level | Number of respondents (49) | Weighted average (Q) |
|---|---|---|---|
| Satisfaction Range (1<Q<3) | HR Manager | 2 | 2.6 |
| | Team Lead | 1 | 2.7 |
| | Project Lead | 1 | 2.6 |
| | Software Developer (Level 5) | 1 | 2.1 |
| | Software Developer | 9 | 2.7 |
| | Associate Analyst | 7 | 2.4 |
| | Business Analyst | 3 | 2.3 |
| **Neutral  Range Q=3** | | | |
| Dissatisfaction Range (3<Q<5) | Software Engineer | 2 | 3.9 |
| | Software Engineer (Level 4) | 12 | 4.2 |
| | Analyst | 11 | 4.8 |

**Small Organization**

| Satisfaction level | Hierarchy in designation level | Number of respondents (6) | Weighted average (Q) |
|---|---|---|---|
| Satisfaction Range (1<Q<3) | Team lead | 1 | 2.2 |
| | Software Engineer | 1 | 2.8 |
| **Neutral Range Q=3** | | | |
| Dissatisfaction Range (3<Q<5) | Application Engineer | 1 | 4.2 |
| | Analyst | 3 | 4.8 |

Data Source: Field Survey (February- April 2016)

## 3.5. Promotional Evaluation and Performance Based Incentives within the Hierarchy System across Organization

Performance evaluation and promotional appraisal of employees is the most critical task for the human resource management in organizations. The performance evaluation in the competitive market should be governed by professional and mobility indicators and should not be influenced by any personalized and social networks. Similarly, the promotional appraisal should not only considers the hike in salary, but also consider mobility in professional skills that can enhance the career growth of employees. However, there seem to be effects of social networks in the form of regional and linguistic biases. Employees having region and linguistics in common form a social community within an organization, and those who do not belong to this community face biased behaviour and false information at the time of performance evaluation and promotion appraisal. During the survey, 76 percent of the total sample employees agree with the fact that involvement of colleagues, team lead or supervisor for judging performance level can increase the risk of being biased or giving the false information. (Appendix 6)

It is also observe that the internal mobility of employees is limited within the hierarchical system. Twenty – one percent of the total respondents have got promotion in terms of increase in pay scale, but still working with the same team and involved in the same work as early. Employees also responded that though the management technically determines performance appraisal, but at the same time, they have to bargain for their appraisal with the management. The power of bargaining also differ within the hierarchical system and it is more with the conception class as compared to the execution who has strong social networks within the organization.

### 3.6. Social Structure of Employees within the Hierarchy System across Organization

Organization is a social group which distributes tasks for a collective goal. This social group is defined by the system of hierarchy and the degree of independence in the workplace. The employment relationship is one of the important factors to sustain in the workplace. Similarly, job satisfaction is another major factor that contributes employees to remain in the same company for a longer time period. Employees feel more satisfied with their job when they find a good career prospect, receive appreciation and rewards for achieving the desired work targets. Lack of job satisfaction can cause lethargy, decrease organizational commitment, and make employees quit the job.

With the perspective to know overall satisfaction with the employment relationship and job satisfaction, they were asked questions with respect to know the relationship with their supervisor, colleagues, and subordinates in the workplace. They were also asked whether it is clear to them what their supervisor or team lead expects regarding their job performance. With regard to job satisfaction, they were asked whether they are satisfied with their career growth and promotion.

It is observed from the responses of the sample employees that dissatisfaction with employment relationship is associated with each level of the hierarchy, but employees at the lowest level within the hierarchy system find it more difficult to build up a healthy relationship with their supervisors. Employees mainly associated at lower level find more dominance on them. Unrealistic client work targets with a too short deadline create an unending work pressure to perform well. With job satisfaction, it is observe that due to routine based work and limited internal mobility, employees at the lower level are less satisfied. They are assign tasks according to the client requirement, without taking into consideration of their knowledge and professional skills. They further added, routine based work does not contribute to enhancing professional skills and creates passive and a submissive working environment

Another aspect of this social structure is the degree of independence with respect to monitoring of employees within the hierarchy system. On one hand, the advanced technologies seem to improve organizational efficiency as well as offer effective protection of intellectual properties right, whereas on the other it seems to intrude into the privacy and violate the rights and dignity of the workers in the workplace. There seems to have the conflict between organization's privacy norms and employee's privacy in the workplace.

On one side, monitoring ensures high-quality work along with an increase in productivity of employees and avoid shirking around the workplace, but on the other side, excessive electronic monitoring force employees to act according to compliance norms that lead to robotic behaviour of employees in the workplace. Unfair monitoring in the workplace can cause anxiety, stress and make the employees prowl around in the workplace. More restrictive monitoring and

control are performed for low designated employees as compared to those who are at the top of the hierarchy.

Table 3.2: Overall Satisfaction with the Employment Relationship and Job Satisfaction with Different Level of Hierarchy in Designation within the Organization

**Large Organization**

| Satisfaction level | Hierarchy in designation level | Number of respondents (25) | Weighted average (Q) |
|---|---|---|---|
| Satisfaction Range (1<Q<3) | Vice President | 1 | 1.8 |
| | Module Lead | 1 | 2.2 |
| | Associate Software Developer | 1 | 2.3 |
| | Business Analyst | 4 | 2.6 |
| | Associate Analyst | 4 | 2.8 |
| **Neutral Range  Q=3** | | | |
| Dissatisfaction Range (3<Q<5) | Application Engineer | 2 | 4.3 |
| | Software Engineer (Level 4) | 2 | 3.8 |
| | Analyst | 4 | 4.8 |
| | Post-Graduate Engineering Trainee | 6 | 4.3 |

**Medium Organization**

| Satisfaction level | Hierarchy in designation level | Number of respondents (49) | Weighted average (Q) |
|---|---|---|---|
| Satisfaction Range (1<Q<3) | HR Manager | 2 | 2.6 |
| | Project Lead | 1 | 2.6 |
| | Associate Analyst | 7 | 2.4 |
| | Business Analyst | 3 | 2.2 |
| | Software Developer (Level 5) | 1 | 2.3 |
| **Neutral Range Q=3** | | | |
| Dissatisfaction Range (3<Q<5) | Team Lead | 1 | 3.7 |
| | Software Developer | 9 | 4.4 |
| | Software Engineer | 2 | 3.2 |
| | Software Engineer (Level 4) | 12 | 4.2 |
| | Analyst | 11 | 3.8 |

**Small Organization**

| Satisfaction Level | Hierarchy in designation level | Number of respondents (6) | Weighted average (Q) |
|---|---|---|---|
| Satisfaction Range (1<Q<3) | Team lead | 1 | 2.8 |
| | Software Engineer | 1 | 2.2 |
| **Neutral Range Q=3** | | | |
| Dissatisfaction Range (3<Q<5) | Application Engineer | 1 | 3.2 |
| | Analyst | 3 | 3.8 |

Data source: Field Survey (February- April 2016)

# 4 Conclusion

Overall, it can be summarize as, hypothetically assume that big organizations will have good career prospects for their employees, but it seems to happen in the opposite way. Similarly, in a medium and small organization, employees find stagnancy and lack of mobility of skills and knowledge in the workplace. Employees with lowest designation level across the organization are mainly subject to intimidate behaviour of their supervisor and hardly receives appreciation which causes less job satisfaction for them as compared to employees who are at the top of the hierarchy.

The so-called formal organization, which is supposed to operate in a competitive market, has shown imperfection in the form of personalized and social networks as well as job instability and insecurity. It is observe that the nature of the working environment and the degree of independence of employees differs within the hierarchy system. The division of labour within the hierarchy system has resulted in the barriers to entry and weakening of the bargaining power. Similarly, immobility of professional skills within the hierarchy system has led to the problem of deskilling.

However, the research work has made an effort to draw inference for the employment condition in the IT-ITeS sector. The study includes a snowball sampling method that the minor limitations due to an own small network as well as cost constraints, but the selected sample truly represents the purpose of the study. The study of employment condition of white-collar workers is important and further work on the present study should be perform by taking a large number of employees working across different organizations in India.

**Hypothesis Testing**

**First Hypothesis**: *The recruitment process is systematically performed across organization.*

Ho: (A1) - There is no difference in the opinion of employees across organization that there is no asymmetric information about the salary package and other remuneration at the time of interview.

Ho: (B1) - There is no regional and linguistic biases at the time of interview across the organization

**Test Statistics [a, b]**

| Hypothesis | Chi- square value | Degree of freedom | P-value | Level of Significance $(\alpha)$ (%) | Number of Sample Size (N) |
|---|---|---|---|---|---|
| HO: (A1) | 5.625 | 2 | 0.060* | 0.100 | 80 |
| HO: (B1) | 6.859 | 2 | 0.032** | 0.050 | 80 |

Note: a = Kruskal Wallis test; b = Grouping variable: Organization Hierarchy on the basis of employment size.

* At 0.1 (%) level of significance (tabulated value - 4.605)
** At 0.05 (%) level of significance (tabulated value – 5.991)

The null hypothesis (A1) is significant at 0.1 level of significance. Hence we conclude at 90 percent confidence interval that there is difference in the opinion of employees across organization regarding the information given to them about the job profile, salary and other remuneration as well as employees especially from small organisation differ in the opinion that sometimes the contract paper does not clearly mention the salary structure in details.

Similarly, the null hypothesis (B1) is significant at 0.05 percent level of significance. Hence, we conclude at 95 percent confidence interval that there is regional and linguistic biasness at the time of interview.

**Second Hypothesis:** *Performance and promotional evaluation across the organization is based on the performance indicator such as work experience and professional skills and knowledge.*

Ho: (A2) - Involvement of colleagues, team lead or supervisor for judging performance level will not lead to increase the risk of being biased or risk of giving false information at the time of performance evaluation and appraisal.

Ho: (B2) - There is no difference in the opinion of employees across organization that they receive feedback regarding performance evaluation result and receive counselling to improve.

## Test Statistics [a, b]

| Hypothesis | Chi- square value | Degree of freedom | P-value. | Level of Significance of($\alpha$) (%) | Number of Sample Size (N) |
|---|---|---|---|---|---|
| HO: (A2) | 5.353 | 2 | 0.069* | 0.100 | 80 |
| HO: (B2) | 9.150 | 2 | 0.010** | 0.050 | 80 |

Note: a = Kruskal Wallis test; b = Grouping variable: Organization Hierarchy on the basis of employment size.

* At 0.1 (%) level of significance (tabulated value - 4.605)

** At 0.05 (%) level of significance (tabulated value – 5.991

The null hypothesis (A2 and B2) is significant at 0.1 and 0.5 percent level of significance. Hence, we conclude involvement of people can increase the risk of being biased or risk of giving false information about the performance level. Apart from this, employees across organization also differ in the opinion regarding feedback receive to improve the performance.

**APPENDIX**

Appendix 1: Personal Information of Sample Employees

| Sl. No. | PERSONAL INFORMATION OF RESPONDENTS | NUMBER OF EMPLOYEES | | TOTAL |
|---|---|---|---|---|
| | | MALE | FEMALE | |
| 1. | Total Number of  Respondents | 76.2 % (61) | 23.8% (19) | 100%(80) |
| 2. | Age of respondents | | | |
| | 20-24 | 2.5% (2) | 1.2 % (1) | 3.8 % (3) |
| | 25-29 | 61.2 % (49) | 21.2 % (17) | 82.5 % (66) |
| | 30-34 | 7.5 % (6) | 1.2 %(1) | 8.8 % (7) |
| | 35-39 | 2.5 % (2) | - | 2.5% (2) |
| | 40-44 | 2.5  % (2) | - | 2.5% (2) |
| | Others | - | - | - |
| | | 76.2 % (61) | 23.8% (19) | 100%(80) |
| 3. | Education qualification | | | |
| | B.TECH. | 43.8% (35) | 12.5% (10) | 56.2 % (45) |
| | M.TECH | 17.5% (14 ) | - | 17.5% (14 ) |
| | MBA | 7.5% (6) | 10.0% (8) | 17.5% (14 ) |
| | MCA | 1.2% (1) | - | 1.2% (1) |
| | BCA | 1.2% (1) | - | 1.2% (1) |
| | GRADUATE | 1.2% (1) | - | 1.2% (1) |
| | POSTGRADUATE | 3.8 (3) | 1.2% (1) | 5.0 %(4) |
| | Others | - | - | - |
| | | 76.2 % (61) | 23.8% (19) | 100%(80) |
| 4. | Social community | | | |
| | Schedule Caste | - | - | - |
| | Schedule Tribe | 5.0 %(4) | - | 5.0 %(4) |
| | Other Backward Caste | 26.2 %( 21) | 3.8 % (3) | 30.% (24) |
| | General | 45.0 % (36) | 20.0 % (16) | 65.0 % (52) |
| | | 76.2 % (61) | 23.8% (19) | 100%(80) |

Data Source: Primary Survey (February- April 2016)

Appendix 2: Total Work Experience of Sample Employees with Different Level of Hierarchy within the Organizations

| LARGE ORGANIZATIONS | | | |
|---|---|---|---|
| Hierarchy in designation level | Number of respondents (25) | Total work tenure (in years) | |
| Vice President | 1 | 8.0 | Experienced employees (17) |
| Module Lead | 1 | 2.5-3.5 | |
| Associate Software Developer | 1 | 2.5 | |
| Application Engineer | 2 | 3.0-3.5 | |
| Associate Analyst | 4 | 2.5-4.5 | |
| Business Analyst | 4 | 1.0-2.5 | Fresher Employees (8) |
| Analyst | 4 | 1.0-2.0 | |
| Software Engineer (Level 4) | 2 | 2.0-2.5 | |
| Post-Graduate Engineering Trainee | 6 | 1.0-1.5 | |
| MEDIUM ORGANIZATIONS | | | |
| Hierarchy in designation level | Number of respondents (49) | Total work tenure (in years) | |
| Team Lead | 1 | 3.5 | Experienced employees (35) |
| Project Lead | 1 | 2.0 | |
| HR Manager | 2 | 3.0 | |
| Software Developer (Level 5) | 1 | 3.5 | |
| Software Developer | 9 | 1.0-4.0 | |
| Associate Analyst | 7 | 2.0-4.5 | |
| Business Analyst | 3 | 2.5-3.0 | Fresher Employees (14) |
| Software Engineer | 2 | 1.0-2.5 | |
| Software Engineer (Level 4) | 12 | 2.5-4.0 | |
| Analyst | 11 | 1.0-2.0 | |
| SMALL ORGANIZATIONS | | | |
| Hierarchy in designation level | Number of respondents (6) | Total work tenure (in years) | |
| Team lead | 1 | 4.5 | Experienced employees (4) |
| Software Engineer | 1 | 3.0 | |
| Application Engineer | 1 | 3.0 | Fresher Employees (2) |
| Analyst | 3 | 1.0-1.5 | |

Data Source: Primary Survey (February- April 2016)

Appendix 3: Range of Salaries of Employees
in the Present Organization (Lakhs Per Annum)

| Organizati on - hierarchy | No. Of Respond ent | 2– 2.9 | 3 -3.9 | 4 - 4.9 | 5 - 5.9 | 6 – 6.9 | 7-7.9 | 8 - 8.9 | 9 - 9.9 | 10 and more | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Large | % within % of total | 4.0% 1.2% | 28.0% 8.8% | 44.0% 13.8% | 20.0% 6.2% | - - | - - | - - | - - | 4.0% 1.2% | 100.0% 31.2% |
| Medium | % within % of total | 2.0% 1.2% | 20.4% 12.5% | 49.0% 30.0% | 14.3% 8.8% | 6.1% 3.8% | 6.1% 3.8% | 2.0% 1.2% | - - | - - | 100.0% 61.2% |
| Small | % within % of total | - - | 66.7% 5.0% | 16.7% 1.2% | - - | 16.7% 1.2% | - - | - - | - - | - - | 100.0% 7.5% |
| Total | % of total | 2.5% | 26.2% | 45.0% | 15.0% | 5.0% | 3.8% | 1.2% | - | 1.2% | 100.0% |

Data Source: Primary Survey (February- April 2016)

Appendix 4: Reason for Accepting the Offer in the Present Organization

| Organization Hierarchy | | Fresher (First Job) | Better Employme nt Treatment | Decent Salary, Perks and Incentive | Recognition of the company | Relocation of job | Opportunity for growth | Job security | Total |
|---|---|---|---|---|---|---|---|---|---|
| Large Company | % within % of total | 64.0% 20.0% | 8.0% 2.5% | 8.0% 2.5% | 4.0% 1.2% | 8.0% 2.5% | 4.0% 1.2% | 4.0% 1.2% | 100.0% 31.2% |
| Medium Company | % within % of total | 63.3% 38.8% | 12.2% 7.5% | 6.1% 3.8% | 14.3% 8.8% | - | 2.0% 1.2% | 2.0% 1.2% | 100.0% 61.2% |
| Small Company | % within % of total | 83.3% 6.2% | - | - | - | 16.7% 1.2% | - | - | 100.0% 7.5% |
| Total (80) | % of total | 65% | 10.0% | 6.2% | 10.0% | 3.8% | 2.5% | 2.5% | 100.0% |

Data Source: Primary Survey (February- April 2016)

Appendix 5: Social Networks at the Time of Recruitment

| Organization hierarchy | Number Of Respondents | There is regional and language or any other bias at the time of interview. | | | | | |
|---|---|---|---|---|---|---|---|
| | | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Total |
| Large Organization (25) (5000-9999) | %Within | 4.0% | 60.0% | - | 32.0% | 4.0% | 100.0% |
| | % Of Total | 1.2% | 18.8% | - | 10.0% | 1.2% | 31.2% |
| Medium Organization (49) (1000-4999) | %Within | 10.2% | 32.7% | | 55.1% | 2.0% | 100.0% |
| | % Of Total | 6.2% | 20.0% | | 33.8% | 1.2% | 61.2% |
| Small Organization (6) (100-999) | %Within | 16.7% | 33.3% | - | 33.3% | 16.7% | 100.0% |
| | % Of Total | 1.2% | 2.5% | - | 2.5% | 1.2% | 7.5% |
| Total (80) | % Total | 8.6% | 41.3% | - | 46.3% | 3.6% | 100.0% |

Data Source: Primary Survey (February- April 2016)

Appendix 6: Effects of Social Networks at the Time of Performance Appraisal

| Organization hierarchy on the basis of market capital | Number Of Respondents | Involvement of colleagues, team lead or supervisor for judging performance level can increase the risk of being biased or giving the false information. | | | | | |
|---|---|---|---|---|---|---|---|
| | | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Total |
| Large Organization (25) (5000-9999) | %Within | 32.0% | 52.0% | - | 4.0% | 12.0% | 100.0% |
| | % Of Total | 10.0% | 16.2% | - | 1.2% | 3.8% | 31.2% |
| Medium Organization (49) (1000-4999) | %Within | 6.1% | 65.3% | - | 16.3% | 12.2% | 100.0% |
| | % Of Total | 3.8% | 40.0% | - | 10.0% | 7.5% | 61.2% |
| Small Organization (6) (100-999) | %Within | 33.3% | 66.7% | - | - | - | 100.0% |
| | % Of Total | 2.5% | 5.0% | - | - | - | 7.5% |
| Total (80) | % Total | 16.2% | 61.2% | - | 11.2% | 11.2% | 100.0% |

Data Source: Primary Survey (February- April 2016)

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