Chapter 16
High Involvement Work Processes: Implications for Employee Withdrawal Behaviors

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ABSTRACT
The purpose of this chapter is to examine the effect of high involvement work processes on employee withdrawal behaviors in information technology sector in India. It draws from the structured questionnaire data from 300 software engineers working in Infosys, CTS, and HCL. Data was analyzed to find out details related to the relationship between high involvement work processes and employee withdrawal behaviors. It was found that high involvement work processes have a strong negative impact on withdrawal behaviors. The relationship was found to be stronger in the case of work withdrawal behaviors compared to that of job withdrawal behaviors.

INTRODUCTION
Employee retention has been a crucial issue faced by organizations across the globe. Since the ability to retain the best employees is directly related to performance indicators such as increased sales, enhanced customer satisfaction, satisfied employees etc, organizations are forced to adopt superior retention strategies to maintain their valuable talent. Researchers such as Gbrevbie (2008) and Taplin et al. (2003) have found that adoption and implementation of appropriate employee retention strategies will motivate employees to stay with the organization and work for success of the organization. As a result of the knowledge based economy, there is a heightened emphasis on the link of employee retention strategies with firm productivity. This results in human resources becoming important organizational assets and leads to tight linkage of retention strategies with organizational survival. While organizations calculated the overall contribution of employees on manufacturing processes and products in the past, the rise of service industry has shifted focus on individual level contributions and current employers are able to
find out the direct effect of each employee to different organizational outcomes. The socio economic trends happening at individual, organizational and industry level has to be reviewed to have a better understanding about the increased need for retention strategies.

From the individual perspective, there are four reasons for retention strategies to be crucial. First, when the “Generation Y” and millenials started moving into the workplace, they bring with them specific values and expectations about work experiences (Twenge & Campbell, 2008). These individuals came with little expectations about job security, pensions or conventional career models. Since their needs are entirely different from the requirements of the baby boomers, organizations have to strive hard to maintain their loyalty by implementing innovative retention strategies appealing to the younger workforce. Secondly, individual expectation of retention strategies can be considered as an after effect of globalization. In the current global village, individuals could cross borders effortlessly and take advantage of career opportunities, thereby increasing the available job alternatives for skilled professionals. So organizations should convince the employees that their current work environment is better than all other available options and motivate them to stay in their respective jobs. The scarcity of human resource is the third factor leading to the relevance of comprehensive retention strategies. The global dearth of skilled professionals has lead to a wealth of career opportunities for existing employees who possess the right kind of knowledge, skills and attitude. With employee poaching being common place, skilled employees are aware of their leverage and this had resulted in inflated salary and other compensation packages. The emerging interest in the work life balance is the final factor from the individual perspective that underscores the importance of employee retention strategies. Nowadays, employees prefer to stay with organizations that help to maximize their work, family and societal objectives. If firms tend to ignore these trends in work life balances, they may suffer from significant staff losses. Therefore, socio economic trends such as changing work demographics, economic globalization, scarcity of right talent and focus on work life balance has resulted in individuals paying more attention to employee retention strategies.

Two factors from the organizational perspective have led to the increased need for employee retention strategies. First, experts forecast serious shortage of skilled labor in the twenty first century (Judy, 2000) and majority of organizations face dearth of employees with right kind of competencies to excel in the competitive marketplace. Demand for skilled professionals in on a rise because of the frequent technological innovations and the situation is made worse by the mass retirement of baby boomer generations. Today, the wealth of career opportunities available for employees forces the organizations to put in place efficient retention strategies. Second, the cost related to high turnover rates has become too big for organizations to neglect. According to many human resource experts, the replacement cost of skill professions account to as much as 150% of the departing employee’s salary, taking into consideration the head hunter’s fee, defector’s lost contacts, the newcomers depressed productivity and the time co-workers spend guiding him. Simultaneously, high turnover leads to lower employee morale and many workers reportedly experience a sense of personal loss once their colleagues have left the organization. The dissatisfaction heightens with the awareness that the departed colleague has got a better alternative. From the organizational perspective, the socio economic trends such as dearth of skilled labor and spiraling cost of turnover has resulted in the increased relevance of retention practices.

In a nutshell, high turnover rates along with their visible and hidden costs, a change in the labor force demographics, and an environment of aggressive competition for limited and critical human talent creates the need for IT organizations to adopt employee retention issues. Researches of the past decade have argued that high performance work systems act as a panacea to issues related to human capital, especially employee retention. Because of the highly contentious nature of the term employee retention,