CHAPTER 2

REVIEW OF LITERATURE
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This chapter on the review of literature aims to describe the facts, concepts, theories and previous research findings related to this study. This section is organized to understand the basic undermined information considered for this study on the Psychological Contract of employees with respect to the HR practices. First the concept of ‘Psychological Contract’ is detailed from the day it was coined into a term way back in 1960 with short review of the Psychological Contract theory and recent issues that have dominated its development. This chapter draws attention towards the existing literature on HR practices and their link with that of employee loyalty and commitment. After providing an overview of the HR practices the research reviews on the specifics HR practices chosen for the study – career development, employee stress management and employee health and hygiene activities are briefed in order to give an understanding and to manifest the relationship created in the research model. The literature related to the employee care concept and employee loyalty and commitment examines the base to explore the relationship between the contemporary HR practices and the ‘Psychological Contract’ of employees. This chapter gives an overview of the challenges, perspectives and opportunities that entails the concept ‘Psychological Contract’.

2.1 PSYCHOLOGICAL CONTRACT

Concept of Psychological Contract was coined in 1960s by Argyris (1960). It did not acclaim changes in employment relationships till the early 1990s. After Rousseau’s (1989) work, many researchers conceptualized Psychological Contract as an employee’s subjective perception of his or her obligations towards the employer and of the obligations of the employer towards the employee. Drawing on social exchange theory and the norm of reciprocity by Blau (1964) and Gouldner
Rousseau (1989, 1990, 1995) defined ‘Psychological Contract’ as an employee’s perception of the exchange of mutual promise-based obligations between the employee and the organization. Sims (1994) said ‘Psychological Contract’ is the set of expectations held by the individual employee that specify what the individual and the organisation expect to give to and receive from each other in the course of their working relationship. Whereas Rousseau (1989), Rousseau (1993) and Aquino (1993) explains Psychological Contract as an individual’s system of belief, shaped by the organisation, regarding terms of an exchange agreement between him/herself and the organisation.

Also many more researchers have also described this term as per their observation and experience through their research in different areas accessed. Newell and Dopson (1996) explains it as what employees are prepared to give by way of effort and contributions in exchange for something they value from their employer, such as job security, pay and benefits or continuing training. DeMeuse and Tornow (1990) explained as an emotional bond between employer and employee. It is implicit and thus unofficial and includes mutual responsibilities and expectations. Here compliance motivation reflects the degree of shared belief and trust. The Psychological Contract can be understood as the perceptual complement of the formal (written) employment contract. In general, employment contracts serve to bind together individuals and organisations and regulate their behaviour, making possible the achievement of organisational goals (Robinson et al., 1994). Legal and Psychological Contracts are both important aspects of the employment relationship. The difference between legal and Psychological Contracts is that legal contracts are specified, explicitly defined, in contrast to Psychological Contracts, which are unwritten, are held individually and which are perceptual in nature. Rousseau (1989) said individuals can have Psychological Contracts and organisations cannot: organisations provide the context in which individuals create Psychological Contracts.
The concept of the ‘psychotherapy contract’, describes the intangible aspects of the contractual relationship that exist between psychoanalysts and patients, was thus translated to the work setting - Menninger’s (1958). The concept of the psychological contract gained increasing popularity in the 1980s and 1990s. These years were characterised by many large-scale and small-scale organisational changes. Because of these changes, the ‘traditional’ employment relationship was put to a test. Serious behavioural and attitudinal reactions among employees were observed. The psychological contract was used to describe, analyse, and explain the consequences of these changes.

Rousseau (1995) reported that Human Resource departments of organisations, through their policies, practices and actions aimed at managing and shaping the employment relationship, are therefore considered to be particularly instrumental in the shaping of Psychological Contracts. Some even state that the task of HRM should be the creation and maintenance of the Psychological Contract between organisations and their employees, where each HRM practice represents a choice by the organisation about what it expects from its employees and what the employees can expect in return (Sparrow 1998). A great deal of research has focused on the evaluation of Psychological Contracts and their consequences for individual performance said Robinson and Rousseau (1994). Their research findings document relationships with variables such as neglect, intention to quit, satisfaction, organisational citizenship behaviour, turnover, and intention to remain loyal.

Also it has been proved that ‘high commitment’ HR systems shape employee behaviour and attitudes by developing 'psychological links' between organizational and employee goals by the findings of Arthur (1994), Walton (1985). Arthur also argued that managers using 'high commitment' practices are essentially endeavouring to 'develop committed employees who can be trusted to use their discretion to carry out job tasks in ways that are consistent with organizational goals'.

O’Reilly (1994) reported the traditional Psychological Contract in which full-time permanent workers gave their loyalty to an organisation in exchange for
job security. Here a new contract emerged expecting loyalty, hard work and “value added” to the organisation. In exchange, organisations offer extrinsic rewards such as pay that reflects employee contributions and experiences and training that will give them “employability security” as well as intrinsic rewards in the form of a generally pleasant working atmosphere. The later is often referred to in the literature as the core of the Psychological Contract. Broken Psychological Contracts can cause organizational problems such as loss of trust, anger and litigation. Human Resources departments are therefore expected to develop policies and strategies that reinforce the transition to a new Psychological Contract, especially during times of layoffs, heavier workloads and major changes in work processes.

Employees relationship with their employer differs and are influenced by their perception, on whether the employee desires a transactional or a relational employment exchange with their employer as suggested by Rousseau (1990). Transactional contracts are based on the achievement of extrinsic benefits such as pay for performance, whereas relational contracts are based on the intrinsic rewards of employment such as developing relationships, fulfillment of personal goals and a higher degree of personal involvement. Perceptual and individual nature of Psychological Contracts is the quantity of elements Psychological Contracts incorporate. In general, these elements include the responsibilities the employee is prepared to accept and the responsibilities that the employee perceives that the employer is obligated to provide in return. There is an increasing body of the research which shows how the Psychological Contract can impact on the behaviour and performance of employees as said by Vos et al. (2003), Conway and Briner (2005). Wellin (2007) elucidated that Psychological Contract has the potential to enhance organisation performance, to facilitate engagement of employees, and employee alignment with organisational decisions and planned organisational changes. It has even been argued by Thomson and Bunderson (2003) that perceived obligations within the Psychological Contract are frequently more important to job-related attitudes and behaviour than are the formal and explicit elements of contractual agreements. Studies by Cavanaugh and Noe (1999), Freese and Schalk (1996), Dabos and Rousseau (2004) have indicated that violation of
employee’s elements of Psychological Contracts may influence work outcomes, including job satisfaction, participation in development activities, and intention to remain with the current employer.

An organisation’s HRM practices are likely to convey a message of organizational support to its employees: whether the practices affect skills or motivation they communicate commitment and support and increase employee trust was found by Whitener (2001). Psychological Contract act in a similar manner to hygiene factors also. Good contracts may not always result in superior performance but poor contracts tend to result as de-motivators and can be reflected in lower commitment and heightened absenteeism and turnover said Sparrow (1996).

2.2 HR PRACTICES

Effective Human Resource Management is about implementing best practice said Gibb (2001). Though this seems to be true it is clear that simply introducing best practice, or even assessing the effectiveness of practice from the employers’ viewpoint, is no guarantee that they have been successfully implemented. If the organisation’s objective is to improve employees’ workplace attitudes, then possibly a better way to confirm which HRM practices are having the greatest impact, and hence are effective, is to correlate employees’ assessment of them with employees.

Mondy (2010) listed HRM practices deployed by organizations as staffing i.e. HR planning, recruitment and selection; HR development i.e. training, development and career planning and development; compensation i.e. direct and indirect financial compensation and non financial compensation; safety and health; and employee and labour relations. HRM practices enable the shaping of employees’ skills, abilities, values, belief, attitudes and behaviours through hiring, socializing and developing a firm’s pool of human. For instance, providing training and development to employees, such as on-the-job training, job rotation, coaching, mentoring, in-basket training, case study etc. can help to improve the knowledge, skills, experience, abilities and motivation of employees.
As said by Huselid (1995) organizational performance depends at least partly on the behaviour of employees and that these behaviours can constitute a source of sustainable competitive advantage. Human Resource Management (HRM) practices affect organizational performance through their effect on employee development and behaviour. These practices determine the type of employees who are selected, skills and motivation of these employees, and the opportunities and incentives that these employees have to design new and better ways of doing their jobs. This set of HRM practices that promote skill development, motivation and discretionary effort is often labelled as high-involvement HRM practices.

An understanding by Chee-Yang Fong, Keng-Boon Ooi Boon-In Tan, Voon-Hsien Lee, Alain Yee-Loong Chong (2011) describes HRM practices are positively associated with knowledge sharing. Training and development and recruitment and selection are perceived to be the dominant HRM practices and both are significantly related to the knowledge sharing of managers.

An investigation done by Gupta and Singhal (1993) on how companies manage Human Resources to foster innovation and creativity has conceptualized HRM practices along four dimensions:

i) Human resource planning, which includes creating venture teams with a balanced skill-mix, recruiting the right people, and voluntary team assignment. This strategy analyzes and determines personnel needs in order to create effective innovation teams.

ii) Performance appraisal, which includes encouraging risk taking, demanding innovation, generating or adopting new tasks, peer evaluation, frequent evaluations, and auditing innovation processes. This strategy appraises individual and team performance so that there is a link between individual innovativeness and company profitability. Which tasks should be appraised and who should assess employees’ performance are also taken into account.
iii) Reward systems, which includes freedom to do research, freedom to fail, freedom to form teams, freedom to run businesses, balancing pay and pride, noticeable pay raises, dual career tracks, promoting from within, recognition rewards, and balancing team and individual rewards. This strategy uses rewards to motivate personnel to achieve an organization’s goals of productivity, innovation and profitability.

iv) Career management, which includes empowering people, leading by example, and continued education. This strategy matches employees’ long-term career goals with organizational goals through continuing education and training.

The HRM systems, policies, and procedures that operate in an organisation have been identified as impacting on an individual’s perceptions of bias and fairness through different studies done by Kurland and Egan(1999) and by Greenberg(1990), which show that where employees believe they are treated fairly in the workplace then they hold positive attitudes towards the organisation, whereas HRM practices that are perceived to be unfair have been found to result in the employee feeling bewildered and betrayed and thus less committed. This was also identified by Schappe (1996).


i) Employee abilities or knowledge and skills through effective recruitment and strong training.

ii) Motivating desired behaviour through strong incentives.

iii) Promote opportunities for better trained and motivated workers to contribute to their knowledge and skills through work redesign and indirect forms of employee participation.

The basic idea around best HRM practices is that a particular set of those practices has the potential to bring about improved organizational performance for all organisations, and therefore all firms should identify and implement best practice
HRM in their effort to improve their performance. While there are enough evidences that certain types of HRM practices are associated with performance, the list of effective practices varies in each research.

Practices typically mentioned in best practice models by Jones and Wright (1992) include: high levels of teamwork, performance-related pay, decentralised decision making, comprehensive employee recruitment and selection procedures, limited status differences, extensive training, employee involvement and internal communication arrangements, internal career opportunities and broadly defined job descriptions.

Patrick M. Wright (2003), in a study on ‘The impact of HR practices on the performance of business units’, concluded that the notion that businesses which manage employees with more progressive HR practices can expect to see a result of higher operational performance. The study also indicated that HR practices have an impact on operational performance at least in part through their impact on employee commitment (due to HR’s weaker relationships relative to commitment), and the impact commitment has on profitability is largely through operational performance (because of its weaker relationships relative to the operational performance measures).

Normala Daud (July 2006) in ‘a study on human resource management practices and firm performance: the moderating roles of strategies and environmental uncertainties’, examined the relationship among the HRM Practices with the firm performance and said that HRM practices could positively influence profitability and growth and negatively influence employee turnover and skills development has a relationship with involuntary employee turnover. A study on Human Resource Management Practices and Worker desires for Union Representation by Jsk Fioritto (2001) concluded that HR practices can be primarily used to promote efficiency with little regard for worker interests. In contrast, the same practices can be applied with great regard for worker interests within a high-performance work system where top management sincerely believes that worker commitment is a vital ingredient for success.
HRM practice are positively and significantly related to job satisfaction and on the contrary HRM practice and job satisfaction are negatively and significantly correlated with turnover and concluded that HRM practice and job satisfaction are strong predictors of turnover. The ‘Study on the impact of human resource practices on employee work experiences, attitudes and behaviour: an occupational group’ analysis by Innocenti, Riccardo Peccei - Laura (2004) concluded that as everyone perceive, different sets of HR practices, tend to be applied to different occupational groups and also suggested that HR practices have a significant impact on employee attitudes and behaviour.

Shikha N. Khera (June 2010) in a Perceptual Analysis of Private, Public and Foreign Bank Employees in India analysed the Human Resource Practices and their impact on Employee Productivity and found that banks varied in their perception on four practices namely grievance redressal, quality of work life, compensation management and incentives, also he confirmed that there is significant relation of employee productivity with human resource practices including selection, employee benefits, compensation, training and staffing practices.

Various research outcomes have confirmed that HRM practices determines firm performance. These practices are considered to impact the employees' skills and ability, motivation, and the way that work is structured Arthur (1994). Efforts are taken to improve the quality of the individuals hired, and also on raising the skills and abilities of current employees. Indeed, research indicates that selectivity in staffing is positively related to firm performance is referred by Becker and Huselid, (1992) Schmidt, Hunter, McKenzie and Muldrow (1979). Also it is proved that the quality of current employees status by providing comprehensive training and development activities after selection. Considerable evidence suggests that investments in training produce beneficial organizational outcomes. The effectiveness of skilled employees will be limited, however, if they are not motivated to perform their jobs. In addition, protecting employees from arbitrary treatment, perhaps via a formal grievance procedure, may also motivate them to work harder because they can expect their efforts to be fairly rewarded. Finally, the way in which a workplace is structured also affects organizational performance to
the degree that skilled and motivated employees are directly involved in determining what work is performed and how their work gets accomplished.

There are traditional and contemporary HR practices adopted by different organizations and this study considers the following HR practices.

1. Career Development
   - Mentoring
   - Counselling
   - Coaching
   - Feedback

2. Stress Management (Work related and Non work related)
   - Home and work interface
   - Job demand
   - Work environment

3. Health and Hygiene
   - Employee Wellness Program
   - Health Risks
   - Compensation for health care services

Better performance can be achieved through better HRM practices (Hamel and Prahalad 1994; Pfeffer 1998).

2.2.1 Career Development

The definition of career has evolved over time, taking on multiple meanings. Super and Hall (1978) stated that a career is the sequence of positions that an individual undertakes throughout the life cycle. Arthur, Hall and Lawrence (1989) defined a career as “the evolving sequence of a person’s work experiences over time”. Greenhaus and Callanan (1994) defined Career management as a dynamic process in which individuals gather information on their own likes,
dislikes, strengths, weaknesses, and on the world of work; develop obtainable goals; develop and implement strategies to achieve these goals; and obtain feedback to promote decision making. This definition assumes that the individual is responsible for managing his or her own decisions and development.

As a career evolves, we develop self-concepts that require some answers.

- What are my talents, skills and areas of competence?
- What are my main motives, drives and goals in life?
- What are my values, the main criteria by which I judge what I am doing?
- Am I in an organization or job that is congruent with my values?
- How happy I am about what I am doing?

The best moment of career

![Diagram showing the overlap of Passion, Best moments, Talent, and Organisation]

**Figure 2.1 Best moments of career**

Career development has evolved from an isolated tool for individual growth to a key strategic asset for many far-sighted organizations. Earlier this was left exclusively to the individual employee's own initiative but now organizations have taken active role in their employees' careers through Career Development Programs. Fink (1992), identified that traditionally, it has been assumed that every
employee wants, or should want, the same thing in a career, usually a direct path up the organizational ladder. However, career development is not about "getting ahead", but rather about getting to be the best an individual can be and finding a place in an organization where they can express excellence and contribute to the goals of the organization. Career development encompasses "vertical" issues such as promotions and upward mobility, but also "horizontal" movement (lateral job transfers) within the organization. Career development deals with the fundamental nature of the relationship of individuals to their work and employees to their organizations. A clearly defined plan of action prepares employees for the future and preserves an organization's ability to meet both existing and future needs.

In today's competitive environment, it is imperative that all organizations create a work environment which fosters growth and development. It is apparent this can be accomplished by implementing a Career Development Program in the workplace. Werther and Davis (1992) has identified that career development will enhance organizational loyalty among employees, result in higher levels of job satisfaction, lower employee turnover, and fewer employee complaints.

The desired outcome of a Career Development Program is to match the needs of the employee with those of the organization. Employees must have the opportunity to identify career needs and the organization should assist them in achieving these needs within organizational realities. A Career Development Program does not require elaborate procedures. The essential components are mentoring, counselling, coaching, feedback and training. Career counselling provides an avenue for the employee to assess their career needs. The training component assists employees in growth and development by enhancing their knowledge, skills and abilities in their present job assignments or prepares them for future opportunities. Career opportunities. According to Harel and Tzafrir (1999), an internal labour market conveys the message that the organization values its people and provides opportunities for advancement. It may also strengthen the psychological contract between employer and employee. Zeffane and Connell (2003), among others, suggest that job rotation could result in an increased feeling of job security, which is positively related to trust. It could also be perceived as an
indication of the organization’s commitment to its employees, which in turn leads to increased trust. They argued that career opportunities influence impersonal trust. Trust in the whole organization is affected by how such practices (e.g. promotion and job rotation) function. For example, are promotions based on fair and transparent decisions? Are career-advancement and job-rotation opportunities offered to all employees? Furthermore, employees base their trust not only on how fairly the internal labour market functions but also on the employment outlook, in other words whether there will be any jobs in the future: The career development can be understood well with relevance to the concept, by understanding mentoring, counselling, coaching, feedback:

2.2.1.1 Mentoring

Mentoring is a tool for helping children and youth succeed in life. Mentoring typically has been defined as a relationship between an experienced person and a less experienced person in which the mentor, provides guidance, advice, support and feedback to the mentee.

Mentoring is an age-old practice, tracing its roots in ancient Greek folklore to Odysseus friend, Mentor, who the Homeric hero entrusted as guide to his son’s development. In this knowledge age, workplace environment is transformed into continual learning, and mentoring has emerged as one of the most important and valuable roles a manager can perform. By serving as a role model, providing feedback, nurturing talent, inspiring individual development and facilitating excellence as a manager.

The old model of informal relationships which provided ambitious employees ways to achieve their career goals has given way to a diversity of learning-focused, mentoring program that are helping build the next generation of leaders. Mentoring has also expanded opportunities for those who traditionally have faced societal and organizational barriers to career growth. The benefits of mentoring have begun to extend beyond the workplace to expand cultural awareness and enhance the potential for meaningful lives.
Today however, the manner and importance of mentoring has begun to change as a process of engagement and learning, and it is influenced by new forms of work, technology. Both the mentor and mentee embark upon a learning journey. Their respective and parallel learning is based in their relationship and enables them to challenge support and articulate their vision. The new mentor /mentee paradigm has the mentor as facilitator and guide of the learning process. The mentee is not fed wisdom at the feet of the mentor, but he or she discovers it in relationship to the mentor and both learn. The quality of the way one undertake the role of mentor is of critical importance. As a good mentor he/she not only develop the mentee, but mentoring helps new employees learn about organisational culture and facilitate personal and career growth and development. Corporate mentoring is a strong tool for broadening business exposure and understanding and for transfer of culture and values through the business. In a work environment, senior executives can seem inaccessible, even remote, and their knowledge can go untapped by younger colleagues. This can be avoided by the best practice of mentoring executed effectively. The main drivers behind the introduction of mentoring is to fast track development and performance of potential managers by maximizing knowledge sharing and business exposure and understanding. The relationship in mentoring is intended to have a strategic focus on the employees’ development and can continue regardless of new positions the employee may later move in to. Mentors are also advised to spend time talking about the mentor’s background and experience to ensure a good match. Though we understand that many has reaped the rewards through mentoring we hear that most business owners look at mentoring programs as a wasted expense. The main challenges involved to make mentoring successful lies on the time for the mentor to meet the employee. Can this be imposed or will the mentor get time amongst their busy schedule? Is this a best practice or a practice which is said so and not effective? But many successful organisations have commented that mentoring is an inexpensive and effective knowledge sharing. Mentoring should take its new scope of development not only amongst high performers but also in any areas that need to change or improve.
It can be extremely beneficial to have someone who has best interests at heart and can explain the facts of business life and offer valuable advice. Informal mentoring has been going on forever, but companies are increasingly recognizing that formal mentoring programs can provide significant benefits for both the employee and the company. The most compelling reason to establish a formal mentoring program is that mentored employees have stronger commitment to the organization and are less likely to leave. Also, there is evidence that mentoring can lead to more satisfied employees. Though companies recognize the value of mentoring programs, the reality is that there are no clear guidelines on how to create them. Research on mentoring has shown informal relationships are more effective than formal ones. Formal programs need to be monitored to ensure that both parties are benefiting and that the mentoring is meeting its goals. Training for both mentors and mentees should be provided that sets clear expectations.

The purpose of a “mentor” is to provide leadership and inspiration at all levels of the organization, and support and assist executives in their learning on how to drive a successful organization. The key areas mentors needed to be addressed are:

a) Understanding the organizational cultures;
b) Handling pressures and change in transition and business;
c) Confidence building with colleagues and all stakeholders;
d) Self-management and being politically correct in decision-taking; and
e) Career guidance and self-development for taking on additional responsibilities and growing within the organization.

**Benefits of mentoring and corporate success:** When investment is made on corporate mentoring program, it demonstrates to new and junior employees the company’s investment in their future with the organization.
Few more benefits experienced by organizations are:

_Talent Retention:_ Retention affects the bottom line not only by reducing costs, but also by building an effective workforce. Companies often invest hundreds of thousands in recruiting talent but then stop there and miss the opportunity to get the best return on their hiring investment. Some companies invest in a “buddy” system, which is a good investment but is short term (2-3 months) and addresses only the issues of adjusting to the company. Mentoring, however, is more strategic and aims to:

- Create a more effective contributor to the company’s overall goals and
- Engender a sense of loyalty in employees

_Stronger Workforce:_ Developing a talent pool is an on-going challenge for all companies as they strive to remain ahead of the competition and compete in a global market. Many different development strategies exist and a company that wishes to remain a player needs to incorporate a number of them to grow its talent. Mentoring is one of the most effective strategies as a standalone program or as part of an existing workforce development program. For example, if a company is conducting formal classroom training on specific competencies, such as leadership or customer service, adding a mentoring component can translate the theoretical knowledge gained through formal training into “practical” experience. This has the benefit of creating a more completely developed employee by combining theory with practice.

_Management Development:_ Managing employees successfully can be a daunting challenge. Having a degree or taking formal courses is good preparation for assuming a management role, but it’s not enough. Yes, new managers can always turn to their supervisors, but there is an inherent hesitation to do this because the new manager doesn’t want to appear “incompetent” or “weak.”
Mentoring is a strategic initiative that pairs less seasoned managers with those who can provide not only the experiential wisdom they have, but also a supportive environment whereby the less seasoned manager can share the real issues impacting success. The benefits of using mentoring in career development are many.

2.2.1.2 Counselling

One of the most logical and important aspects of the career development process involves career counselling. It is a key component or the foundation of the employee development process and can produce big dividends for both the employees and organization. An effective Career Counselling Program not only assists an organization in identifying employees with high performance potential but also assists employees in mapping out realistic career opportunities. It allows employees the opportunity to recognize, define, and redline their goals during the course of their careers. Conversely, it will afford management the opportunity to further assess employee needs to achieve a balance with those of the organization. Career counselling has evolved because many organizations now realize that most employees cannot begin to manage their own growth and development without first having information on how their own needs match those of the organization. According to Myers (1985), employees who derive satisfaction from knowing that expectations can be met inside the organization will most likely become a highly productive employee. Unfortunately, the term counselling can cause resistance because it signifies psychotherapy and is reserved for those with "problems". As a result, some employees may resist the organization's efforts. A possible solution could be to use the term career discussions instead of career counselling.

Career counselling should not be confused with the purpose and intent of the performance appraisal system. Its objective is to assist employees in exploiting their strengths and potential and avoiding mismatches between individual aspirations, capabilities and organizational opportunities. It reduces the waste of preparing an employee for a position for which they are not suited, but might otherwise accept, in order to conform to the wishes of the organization. However,
since career counselling will likely involve issues related to performance, it can appropriately be made part of an employee's performance appraisal.

Schein (1978) has identified that that career counselling will improve an organization's effectiveness and assist employees in achieving their individual needs, while there is no clarity on who should do the counselling. In the vast majority of organizations, career counselling responsibilities are normally assigned to personnel within the organization, either by a specialized counselling staff or the employee's immediate supervisor. They are often knowledgeable about the employee abilities, experience and skills. Additionally, they have a good understanding of the work environment and the developmental activities within the organization. They are able to effectively monitor employee progress and facilitate, as well as advice on career directions. However, many employees may not want to open up to their supervisors and may be concerned about ramifications of their counselling sessions. The employee may also have a hard time taking serious advice that comes from a non-professional. Additionally, a comprehensive effort to interest and train supervisors in career counselling can be extremely costly to an organization.

Trained professionals may be better prepared to evaluate an employee's strengths and weaknesses than the employee's supervisor. Also, since they do not work directly with those employees they counsel, they are often able to create an atmosphere of greater ease. In addition, employees being counselled feel that a professional knows more and, as a result, can be taken more seriously. Few organizations rely on an external counselling staff. They can usually conduct a more comprehensive appraisal of the employee. But according to Filipowicz (1979), they are isolated from the employee's work environment, lack familiarity with managerial philosophy and the groups with whom the employee interacts.

Overall, the career counselling process can be difficult, especially if the employee expresses unrealistic career aspirations. For career counselling to be effective, one must possess good counselling skills (sensitivity, flexibility, and communication) and have information about the employee being counselled; i.e. aptitudes, motives, experience, work characteristics and capabilities. This
information can be obtained from an employee's self-assessment of their own needs, values, and personal goals. Additional information can be derived from employee performance appraisals and other parties who are in a good position to make valid judgements about the employee. Employees are ultimately responsible for assessing themselves, creating opportunities within the context of organizational needs, and carrying out certain development activities. Myers (1984) identified that most practitioners believe that 70% of that responsibility belongs to the employee. Employees who fail to plan their careers may do so because they think the organization or supervisor will assume that responsibility. The earlier employees are permitted to establish goals, make commitments and take action, the greater the chances of achieving long-term success within the organization. The organization is responsible for providing the resources and structures to support the career counselling process. The organization's supervisors and managers play an important role by assisting the employees in the understanding of the organization's needs. Career counselling is not about making job commitments or promises to employees.

The career counselling process involves four basic steps. It begins with an employee's self-assessment. Secondly, it involves an assessment of one's work environment. The third step determines whether a match exists between one's preferences and those of the organization. It concludes with an action plan outlining specific tasks that the employee will pursue to accomplish the established goals. This structured process is designed to reduce or eliminate an employee's false hopes and expectations. Prior to a career counselling session, the employee will be required to complete a self-assessment outlining their accomplishments and aspirations.

### 2.2.1.3 Coaching

Coaching is "a process that enables learning and development to occur and thus to improve performance. To be a successful coach one requires knowledge and understanding of process as well as a variety of styles, skills and techniques that are appropriate to the context in which the coaching takes place"
Career coaching is a strategic service that people can use and employers can rely on when work performance, career transition, personal conduct in the workplace and/or culture fit becomes an issue. It encourages people to seek career assistance early to prevent small problems from getting out of hand and creating greater barriers to success. It’s also a way to help a diverse group of people reach higher career aspirations so that they continue to build on their interests and skills and add significant value to their company.

Career coaching is the process of working with people to help them assess their talents and make critical decisions about career choice and direction. Many organizations believe they have developed an internal system to help employees achieve their goals. Unfortunately, people inside an organization acting as “career managers or mentors” have had minimal training in skills specific to career coaching. Many organizations assign career development to the Human Resource Department or Managers and believe they have no use for an external career coach. The best managed companies with the highest satisfaction rates use both internal and external career coaches.

2.2.1.4 Feedback

Feedback is a very essential concept which helps every meagre process to be more effective. Any process in existence keeps progressing with the mantra ‘feedback’ given during frequent intervals till its completion. ‘Employee feedback’ is a process of giving clear and constructive ideas in order to build good relationship with the employees and motivate them towards peak performance. This employee’s feedback once was an informal action which took place based on situational needs and to develop successor among star performers. Today, as organizations concentrate on developing every single individual, to contribute towards the strategic needs to achieve competitive edge, employee feedback turns to be an essential process and happens in various dimensions.

Feedback is an essential part of education and training programmes. It helps learners to maximise their potential at different stages, raise their awareness of
strengths and areas for improvement, and identify actions to be taken to improve performance. Feedback can be seen as informal (for example in day-to-day encounters between peers or between colleagues) or formal (for example as part of assessment). However, Ramsden (1992, p. 193) said ‘there is no sharp dividing line between assessment and teaching in the area of giving feedback on learning’. Feedback is part of the overall dialogue or interaction between two individuals here employees, not a one-way communication.

If feedback is not given the employee may think that everything is right and that there are no areas for improvement. A vibrant person values feedback, especially when it is given by someone credible who they respect as a role model or for their knowledge, attitudes or performance competence. Failing to give feedback sends a non-verbal communication in itself and can lead to mixed messages and false assessment by the employees of their own abilities, as well as a lack of trust in the superior

Performance feedback can be given to employees in two ways:

- **Constructive feedback** is based on observations and is in detail.

It comes in two varieties:

- **Positive feedback** is news or input to an employee about an effort well done.
- **Negative feedback** is news to an employee about an effort that needs improvement.

Negative feedback doesn't mean a terrible performance, but rather a performance in which the outcomes delivered should be better. So negative is not a negative word in this case.

- **Praise and criticism** are both personal judgments about a performance effort or outcome, with praise being a favourable judgment and criticism, an
unfavourable judgment. Information given is general and vague, focused on the person, and based on opinions or feelings.

Large body of research has examined the effects of feedback on work attitudes and behaviours. However, the role of individual differences in feedback-response relations has not been as thoroughly examined. Feedback occupies a central role in many theories of organizational behaviour and human resource management researched by Hackman and Oldham (1975); Locke and Latham (1990); Luthans and Kreitner (1985). To date, research on feedback has contributed much to the understanding of the types and sources of feedback in organizations as said by Greller and Herold (1975) like the measurement of feedback by Herold and Parsons (1985), feedback-seeking behaviour by Ashford (1986), and the direct relationship between feedback and several affective and behavioural outcomes researched by Hackman and Oldham (1975); Locke and Latham (1990). By contrast, relatively little research has focused on how responses to feedback may differ across individuals. Taylor, Fisher, and Ilgen (1984) suggest that "feedback may have no impact on the recipient at all, it may cause the individual to lash out angrily, or it may result in a response quite different from that desired by the source". Consequently, Fedor (1991) suggests that "one of the key challenges facing those interested in this topic (feedback) is a better understanding of individual responses to performance feedback". Researchers have suggested that individual responses to feedback may depend on self-esteem (SE) (Brockner, 1988; Fedor, 1991; Ilgen, Fisher, and Taylor, 1979). For example, the results of a few studies suggest that negative feedback differentially affects low versus high SEs as mentioned by Brockner (1988).

Performance feedback has been linked to several employee responses. First, Pritchard, Jones, Roth, Stuebing, and Ekeberg (1988) stated that "the positive effect of feedback on performance has become one of the most accepted principles in psychology" (p. 338). In their meta-analysis, Guzzo, Jette, and Katzell (1985) found that feedback had an average effect on performance. Locke and Latham (1990) suggested that the relationship between feedback and performance is mediated by goals. That is, goals are one of the key mechanisms by which feedback
gets translated into action. Locke and Latham noted, however, that performance feedback will lead to performance improvements only if individuals use the information to set goals to improve performance, are committed to those goals, and believe they can achieve those goals. Second, nearly 2 decades of research on Hackman and Oldham's (1976) Job Characteristics Model (JCM) has demonstrated that feedback is associated positively with internal work motivation and general job satisfaction, and negatively associated with absenteeism and turnover (Fried and Ferris, 1987). Indeed, the Fried and Ferris (1987) meta-analysis demonstrated that, of all five of the JCM's core job dimensions (i.e., skill variety, task identity, task significance, autonomy, and feedback); feedback from the job had the strongest and most consistent association with performance, absenteeism, and turnover.

2.2.2 Stress Management (Work related and Non work related)

Work stress has a considerable importance for the organization considering that it has a direct impact in employee’s health and consequently impacts work performance. According to Jennings (2008) work stress remains a significant concern for many organizations, affecting both individuals and organizations. For the individual, regardless of whether stress is perceived positively or negatively its effects may eventually contribute to illness. While for the organization and work stress may contribute to absenteeism and turnover. It's important to note that work stress will also impact job satisfaction and organizational commitment. Bennett, Lowe, Mathews, Dourali and Tattersall (2001) consider that when employees deal with work stress they tend to be less satisfied with their jobs. In addition, Elangovan (2001) considers that there are strong relationship between work stress and job satisfaction (higher stress leads to lower satisfaction) and between satisfaction and commitment (lower satisfaction leads to lower commitment), consequently in his research the author argued that lower level of commitment leads to higher intention to quit.

It is understood through research that 96 percent of employees get attracted to an employer when it helps employees meet family obligations through options such as flexi-time, job sharing, or telecommuting. Perhaps more important,
the survey found that workers who take advantage of the work-life balance options their employers offer are 20 percent more likely to stay with their employer for the next five years. The strong relationship between flexibility and commitment is one of the most compelling reasons to offer it to employees. Another is that flexible work practices reduce worker stress, which is the leading cause of unscheduled absence and leads to higher turnover. It is proved that to some extent or another, offering flexibility to workers (exempt and non-exempt alike) helped the companies’ bottom lines: “Whether measured by cycle time, revenue by person, client service, productivity, sales, retention rates, employee engagement, job satisfaction or reduced stress levels, flexibility has proven to have positive impact.” However it is the right time to develop innovative practices which can be more beneficial than the flex time which can help manage the issues on work-life balance along with creative working practices and policies.

Additionally, there has been a growing tendency to develop stress management strategies to control and reduce novice effects of burnout on employees.

**Preventive Stress Management:** Preventive Stress management (PSM) is an organizational philosophy and set of principles that employs specific methods for promoting individual and organizational health while preventing individual and organizational distress. PSM is the framework proposed for designing, organizing, implementing, and evaluating stress management interventions (SMIs) in organizations. PSM, therefore, refers to a set of basic ideas about how an organization should operate and what approach managers should take toward the demands of organizational life. Managers and executives in any organization may implement these notions. The specific implementation strategy to a particular organization must consider both organizational and individual methods of preventive stress management. PSM follows a proactive model of organizational change, anticipating and averting most crises by shaping events rather than reacting to them (Quick, Quick, Nelson, and Hurrell, 1997). PSM aims to:
a) Promote individual and organizational health through efforts directed toward increasing productivity, adaptability and flexibility; and

b) Minimize and, when possible, avert individual and organizational distress.

The major foci in preventive stress management are

a) Demands, or stressors;

b) Stress responses; and

c) The various forms of distress.

**Primary prevention:** Primary prevention (PP) aims to modify the demands, or stressors, to which people are subject in the work environment. At the organizational level, PP is aimed at controlling the number of stressors and their intensity. At the individual level, PP is intended to help individuals to control the frequency and intensity of the stressors to which they are subjected. The goal is not to eliminate stressors but to optimize the frequency and intensity of stressors. Everywhere, there is a growing concern regarding the need of stress management interventions (SMIs), both at the individual level and at the organizational and policy level. In Germany, for example, the Volkswagen company has implemented primary prevention programs by applying the concept of “job-related health circles” (Brandenburg, 1994). In the UK, Bunce and West (1994) proposed what they called “innovative coping response” to manage stress at work, which consists in introducing changes to part of a job or in the way they do it to make it less stressful.

**Secondary prevention:** Secondary prevention (SP) aims to change how individuals and organizations respond to the necessary and inevitable demands of work and organizational life. It is directed at controlling the stress response itself and includes efforts to optimize the intensity of each stress response and individual experiences. Whereas low-intensity stress responses may provide insufficient impetus for adaptability and growth, high intensity responses may lead to sudden
death or other serious individual consequences. Because of individual differences, the optimum intensity for one individual may not be optimum for another. Concerning SP, the following selected research examples are available: management of symptoms of upper-back disorders and coronary heart disease among active workers (Tuomi, Seitsamo, and Huuhtanen, 1999); management of job-related traumatic stress symptoms among emergency caregivers (McCammon and Allison, 1995); ways for behaviour therapists to cope with their own occupational stress (Schmelzer and Pfahler, 1991); institutional programs assisting therapists and psychosocial workers in managing stress and reducing burnout (Gusy and Kleiber, 1998; Hooley, 1997; Kleiber and Klimek, 1995; Kleiber and Gusy, 1996); and theoretical-based approaches at the level of secondary prevention, the conservation of resources approach, which has been applied in stress inoculation methods for reduction of burnout (Freedy and Hobfoll, 1994).

**Tertiary prevention:** Tertiary prevention (TP), which is therapeutic, aims to treat the psychological behavioural issues or medical distress that individuals, groups, and organizations may encounter. TP is concerned with minimizing the organizational costs and the individual discomfort, disability, and death resulting from frank manifestations of too much stress. At the organizational level, this usually takes the form of crisis intervention, whereas at the individual level it often consists of traditional psychological, medical and psychiatric care. The stress management aspects can be well defined by the home and work interface, job demand and work environment:

2.2.2.1  **Home and work interface**

The home-work interface is a distinct topic in the stress literature. Meta-analyses have explored the antecedents and consequences of work-family conflict, generally supporting the proposition that work stressors have an impact on the extent to which work interferes with family (e.g., Byron, 2005). Stressors at work can also have an impact on the health of the employee’s family members (Bakker, Demerouti, and Dollard, 2008). Organisations are more cautious and sensitive on solving the issue on home and work in order to have healthy and happy work force.
This issue is otherwise addressed as work life and personal life which are the two sides of the same coin. According to various work /life balance surveys, more than 60% of the respondent professionals surveyed said that they are not able to find a balance between their personal and professional lives. They have to make tough choices even when their work and personal life is nowhere close to equilibrium. Traditionally creating and managing a balance between the work-life was considered to be a woman's issue. But increasing work pressures, globalization and technological advancement have made it an issue with both the sexes, all professionals working across all levels and all industries throughout the world. Achieving "work-life balance" is not as simple as it sounds. Work life and personal life are inter-connected and interdependent. Spending more time in office, dealing with clients and the pressures of job can interfere and affect the personal life, sometimes making it impossible to even complete the household chores. On the other hand, personal life can also be demanding if you have a kid or aging parents, financial problems or even problems in the life of a dear relative. It can lead to absenteeism from work, creating stress and lack of concentration at work.

The concept of “work/life balance” is based on individuals’ desire to balance their paid work with other activities that are important to them. Through review of the literature surrounding work/life balance issues the most common forms of work/life balance employment options include various HR practices like:

- Flexi-time;
- Time off in lieu;
- Self-fostering;
- Job-sharing;
- Working from home;
- Staggered hours;
- Shift swapping;
- Annualized hours;
A decade back, employees used to have fixed working hours or rather a 9 to 5 job from Monday to Friday. The boundary between the work and home has disappeared with time. But with globalization and people working across countries, the concept of fixed working hours is fading away. Instead of just 7 or 8 a day, people are spending as much as 12-16 hours every day in office. The technological blessings like e-mail, text messaging and cell phones which were thought of as tools to connect them to their work being away from their workplace, have actually integrated their personal and professional lives. Now professionals find themselves working even when they are on vacations.

The ever-increasing working hours leave the individuals with less time for themselves and to pursue his hobbies or leisure activities. This hinders the growth of the person as an individual in terms of his personal and spiritual growth. Professionals working in the BPO industry, doctors and nurses and especially IT professionals are the few examples who are facing the brunt of the hazard constantly.

Juggling between the obligations towards the families and expectations of the organisation and constant struggle to maintain a balance can work can have serious implications on the life of an individual. Therefore, it is important for employees to maintain a healthy balance between work and their private lives. This will help them achieve their personal and professional goals as well the organisation they are working for.
Many experts have given different solutions to this problem.

- Time management is one of the best solutions which can help to reduce the imbalance between the personal and the work life of the employees. Prioritizing the tasks and planning the activities can help to take out some free time which can be utilized for other purposes.

- Taking some time out for hobbies and leisure activities, spending time with loved ones can help to beat the stress.

- Learn to say "no" if required.

- Sharing the responsibilities will help and don't commit for something which is practically impossible.

- Utilizing the flexible working hours option of the organisations to get some free time.

Employer’s responsibility in managing work-life balance:

The contribution of workers with family responsibilities towards an efficient and productive atmosphere aims to create a work environment in which their needs are recognised, providing:

- the elimination of provisions within HR policies and practices and industrial instruments that discriminate against workers with family responsibilities

- the development of flexible working arrangements and conditions to allow employees to balance working and family responsibilities.

Key considerations when implementing work and family initiatives are:

- flexibility to accommodate the needs of workers with family responsibilities and the requirements
access to family friendly conditions of employment to ensure that employees can balance work and family responsibilities without discrimination

- equity for employees by ensuring they are not disadvantaged by their family responsibilities and are supported in contributing to their fullest potential.

Constant struggle and effort to maintain a balance between the work and personal life can have serious implications on the life of an individual. According to a survey, 81 percent of the respondents have admitted that their jobs are affecting and creating stress in their personal lives. The pressures of the work or personal life can lead to stress. According to studies, it has been found that such situation can take a toll on the person's health both physiologically and psychologically. Heart ailments, cardiovascular problems, sleep disorders, depression, irritability, jumpiness, insecurity, poor concentration and even nervous breakdowns are becoming common among the victims of such imbalance. Pressure, stress or tension in work life can lead to bad social life and vice versa.

The generation of workers now entering the job market isn’t willing to sacrifice their lives for work. Having gone through many unpleasant situations and health issues, many middle-aged workers have reached the conclusion that work is not a synonym for life. In fact, almost three-quarters of workers are willing to put their careers on a back burner in favour of family. It’s not that people today want work-life balance more than the workers of yesterday. It’s that society has changed. With the increasing number of single-parent and dual-working parent households, “there’s an understanding now that families simply can’t handle the workload and being a parent without some assistance,” says Jessica Foster, an assistant professor at Purdue University who wrote her thesis on the effect of work-life balance on attraction and retention. “It’s a societal problem now. Organizations can’t get around this issue by finding individuals who don’t deal with the realities of life outside of work because there are fewer and fewer of those people.” Developing
innovative HR practices similar to the flexi time is inevitable and more significant and demanding.

2.2.2.2  Job demand

In the context of occupational stress and dysfunction, it has been found that perceived self-efficacy to fulfil job demands also affects the level of stress and the physical health of employees. Those who have low sense of self-efficacy, experience higher levels of sleep disturbances, heavy drinking, anxiety, and health problems. Additionally, certain organizational conditions such as poor prospects for occupational advancement, heavy workloads and so on, can undermine employee’s beliefs in their occupational abilities, thus exacerbate a low sense of coping efficacy (Bandura, 1997). The job demand - control (JDC) model, also known as the job strain model (JSM) was developed by R. A. Karasek in the late 1970s (Karasek, 1979); see also Karasek (1989), and Karasek and Theorell (1990). In the last 20 years, this model has been applied to numerous studies, which have elicited theoretical and methodological criticism due to empirical inconsistencies (van der Doef and Maes, 1999). This model has often failed to demonstrate the predicted interaction effect of high job demands and low job control on measures of strain (de-Rijk, Le-Blance, Schaufeli, and de-Jonge, 1998).

The demands-control (DC) model (Karasek, 1979, 1989; Karasek and Theorell, 1990) proposes that job demands and job control play the key role in the stressor-strain relationship. Job demands refer to aspects of the job which require additional or sustained physical, psychological, or emotional effort (de Jonge and Dormann, 2003); job control, or decision latitude, refers to the degree of control over decisions concerning the job (Karasek and Theorell, 1990). The model predicts that excessive job demands increase strain, while high job control mitigates these adverse effects. Together, these effects constitute the ‘strain hypothesis’. Those in active jobs with high demands and high control should be able to minimize strain by actively managing job demands. The Iso-strain model (Johnson, Hall, and Theorell, 1989) added the role of support, proposing that social support also buffers the effects of job demands on strain. Iso-strain occurs in jobs characterized by high demands,
low control and low support. Job control and social support are viewed as resources because both are aspects of the job which can lead to buffering job demands and related efforts (Schaufeli and Bakker, 2004). Both the strain and the iso-strain hypotheses have received substantial Stress and well-being support in the literature (van der Doef and Maes, 1999; de Lange, Taris, Kompier, Houtman, and Bongers, 2003).

The DC model assumes that those in active jobs will take advantage of the high level of control to actively manage high demands. However, there is research evidence to suggest that there are individual differences in the way that people react in these situations, such that personal characteristics moderate the demands-control relationship. Salanova, Peiró, and Schaufeli (2002) found that for those with high self-efficacy, job control buffered the effect of job demands on strain, but for low self-efficacy individuals, job control acted as an additional stressor, leading to increased strain. Thus, for some individuals high job control can exacerbate, rather than buffer, job stress in demanding jobs.

Parker and Sprigg (1999) found that for those with a highly proactive personality in a high-control job, as demands increased, job strain decreased. However, for passive employees, there was no demands-control interaction, indicating that strain increased with demands, regardless of the level of control. Meier, Semmer, Elfering, and Jacobshagen (2008) found for those with an internal locus of control, the predictions of the DC model were supported. However, for those with an external locus of control, high demands had a more negative effect on strain under conditions of high control (rather than low control).

Given the difficulty of finding a substantial three-way interaction in field studies, an additional contribution of up 3% can be considered of practical significance. Thus, relatively stable personality characteristics have a significant influence on the impact of job demands and job control on strain, particularly locus of control. Psychological strain arises from the combination of (a) the demands of a particular work situation, and (b) the decision latitude available to the individual to
face those demands. Stress is transformed into the “energy of action” in virtue of the moderating effect of decision latitude or discretion that an individual has.

2.2.2.3 Work environment

The model of the job-stress process presented by Spector (1998) asserts that environmental stressors are perceived by individuals as such, leading to the experience of negative emotions, such as anger or anxiety, which may be followed by reactions to the stressors, called job strains. Job strains can be classified as psychological, physical, or behavioural (Jex and Beehr, 1991).

Behavioural strains are a means for individuals to cope with the stressor either by reducing the emotions elicited by the stressor (e.g., drinking alcohol, avoiding work) or by eliminating the stressor itself (e.g., talking with the supervisor, developing a solution). Behavioural strains such as yelling at a co-worker, staying home from work, and decreasing work quality or quantity can be considered CWB.

2.2.3 Health and Hygiene

All families have children who are sick from time to time and who in addition require regular preventive and routine medical care such as check-ups and immunizations. In addition, roughly 15 percent of families have children with ongoing special health care needs. In addition to providing a good deal of care directly, parents also coordinate and facilitate the often complex care their children receive. Taking care of a child with special health care needs and holding down a job poses difficulties for both the employee and the employer.

Neither benefits when employees come to work distracted and stressed because they need to be with an ill child, but employees who take time off on short notice or for extended periods can create problems as well. There is a need to review the existing policy framework and suggest a variety of changes that might make the workplace more responsive to the needs of families without placing an undue burden on employers. Askildsen et al. (2000) says that work-related health deterioration due to illness or injury can lead to sickness absence. For the purpose of formulating
appropriate health policy, it therefore becomes imperative to know the channels through which work affects health, both for the workforce as a whole and for different groups of workers. Understanding these links will aid employers and policy-makers in designing and improving workplaces to create a working environment that promotes good health, reduces sickness absence and turnover and increases productivity. The health and hygiene practices can be well defined by Employee Wellness Program, Health Risks and Compensation for health care services.

2.2.3.1 **Employee Wellness Program**

Ardell (2002) says that wellness is a mind set, a predisposition to adopt a series of key principles in varied life areas that lead to high levels of well-being and life satisfaction. Wellness is first and foremost a choice to assume responsibility for the quality of ones’ life. It begins with a conscious decision to shape a healthy lifestyle. Bouchard, Shephard, Stephens, Sutton, and McPherson, (1990) concluded by his study that wellness is a multidimensional state of describing the existence of positive health in an individual as exemplified by quality of life and a sense of well-being.

Hettler (1979) defined six dimensions of wellness: social, occupational, spiritual, physical, intellectual, and emotional. Ardell (2002) discusses three domains of wellness including: mental, physical, and meaning and purpose. The physical domain has exercise and fitness, nutrition, appearance, adaptations/challenges, lifestyle habits. The mental domain includes emotional intelligence, effective decisions, stress management, factual knowledge and mental health. The meaning and purpose domain includes meaning and purpose, relationships, humour, and play.

There are six reasons cited by the University of Rochester Employee Wellness to maintain employee’s wellness, which many leading organizations accept and follow.
1. Employees who participate in wellness programs enjoy an enhanced quality of life.

2. People typically spend most of their waking hours at work. As a result, the worksite is the place where they can most readily be reached with programs that support a healthy lifestyle.

3. Employees who participate in worksite wellness programs tend to enjoy their jobs more.

4. Healthier employees often are more successful at their jobs.

5. Organizations that invest in a healthy workforce are modelling a proactive approach to wellness for others.

6. Properly planned employee wellness programs can save money than they cost.

White (2005) suggested some methods to advocate health care:

a) Providing plenty of nutrition options in cafeteria;

b) Making workplace smoke free;

c) Having fitness centres;

d) Offering on-site health educators;

e) Screening for high blood pressure and cholesterol; and

f) Designing health care program that will reach out to immediate family.

Watson (2007) stated in a study involving Scottish local authority staff that the leading causes of death in the developed world were ischemic heart disease, stroke and cancer. These conditions were caused by poor diet, smoking, and alcohol use. The author stated that occupational health professionals can play an important role by offering lifestyle screening, which can identify people likely to benefit from provision of health-related information. Results of the Watson (2007) study suggest
that the workforce is amenable to the assessment of lifestyle issues and the receipt of information and advice aimed at promoting health.

2.2.3.2 Health Risks

Health and wellbeing are affected by many factors, and those that are associated with ill health, disability, disease or death are known as risk factors. They often coexist and interact with one another. Risk factors that can be eliminated or reduced through lifestyle or behavioural changes include tobacco smoking, excessive alcohol consumption, poor diet and nutrition, physical inactivity, excessive sun exposure, insufficient vaccination etc.

Biomedical risk factors may be influenced by a combination of genetic, lifestyle and other broad factors. Biomedical risk factors include: overweight and obesity, high blood pressure, high blood cholesterol, impaired glucose tolerance. Environmental determinants of health cover a wide array of topics, and can be split into two broad categories: social, economic, cultural and political and physical, chemical and biological. Van Kamp et al. (2004) state that with regards to health, socio economic status related health inequalities cannot be fully explained by individual characteristics and that environmental quality needs to be taken into account. Secondly, they note that in most cases epidemiological methods simply miss the resolution that would be needed “to detect the health effects of the interaction between these social, physical and personal aspects which are often clustered and separately only results in small increases of health risks”.

The literature indicates two fundamental problems concerning occupational status and working conditions as they involve both illness-mortality and other aspects of socio economic status such as education and income, unemployment, immigration, ethnicity, gender and child employment.

The first problem is that there is a heavy burden of occupationally related illnesses in the lowest-skill occupational categories, namely semi-skilled machine operators and unskilled labourers who work in industries that either produce or
require contact with physical materials or environmental hazards. For these situations, the traditional remedies are basic to occupational health and safety, meaning limitation of exposure to these health risks. However, it must be kept in mind that the firms that are able to invest in the technology that will minimize these occupational risks must be sufficiently well financed to introduce the appropriate new technology.

2.2.3.3 Compensation for Health Care Services

HR leaders are increasingly interested in the topic of employee health and wellness in light of concerns regarding health care legislation, cost of health care, employee productivity, and employee engagement. In response, many organizations have implemented or are thinking about implementing new programs, policies, and activities focused on the health and wellbeing of employees. Employee health benefits have undergone changes during the 1980s, so that workers are increasingly required to share in the cost of their health care. Employers have instituted these changes to slow the increase in their own health costs and to instil more cost-consciousness among employees. Increased cost sharing is taking two forms. Employees are paying more in health insurance premiums, and, because of changes in deductibles and coinsurance requirements, they also are paying more for their health care.

Employees now are sharing the effects of medical care inflation at a time when medical care prices are increasing much faster than wages and prices generally. For raising awareness of health care costs, the most significant trend is the introduction of cost sharing in two areas where the great majority of employees used to pay nothing at all: for hospital care and health insurance itself. Where cost sharing has been imposed, its level also has increased. The real price of health care is escalating rapidly for employees, even without the additional price effect of a tax on premiums. From the experience of the early 1980s, it appears that the existing financial pressures may be sufficient to induce continuing changes in health benefits without cutting further into the real disposable income of employees.
Use of incentives towards health and wellness is practiced in few organisations. These employee incentives showed a mixed reaction on the employees with positive and negative reinforcement. As a positive reinforcement, certain companies offer its employees a cash reward if they go the gym twice a week for 10 of 12 consecutive weeks. Several participants noted that their organization was offering incentives where employees could earn back the increase that was made to the health insurance deductible through participation in health and wellness programs.

Others noted that they use incentives that are linked to donating money/resources to charities instead of providing the cash incentives directly to employees. The notion was really around building a community of people who would participate in a health/wellness activity and that collectively their efforts would go to help support a both healthier participants and support a larger cause outside the organization. As a negative reinforcement few other companies indicated that they use reverse incentives, such that employees pay higher premiums if they do not improve their health status.

Several organizations noted that they charge smokers more for their health plan. A few organizations have started to think about charging higher health insurance rates for employees with high risks/known factors linked to metabolic disease. HR leaders are increasingly interested in the topic of employee health and wellness in light of concerns regarding health care legislation, cost of health care, employee productivity, and employee engagement. In response, many organizations have implemented or are thinking about implementing new programs, policies, and activities focused on the health and wellbeing of employees.

2.3 EMPLOYEE CARE

Employee care as a philosophy struggle to find its place in a sustained manner, though most organisations would like to believe that they do care for their people.
Employee care can be well explained through the employee wellness definition, an organized, employer-sponsored program that is designed to support employees (and sometimes, their families) as they adopt and sustain behaviours that reduce health risks, improve quality of life, enhance personal effectiveness, and benefit the organization’s bottom line.

The character of an organisation to have the employee, his needs and wants and his long term welfare as one of the core drivers of its existence, and stand by its employees in their hour of need can be described as elements of employee care. Employee care could be the obligation of an organisation to create reasonable working conditions. It is organisation’s responsibility towards the employees to respect their rights, to offer safe and good working conditions, to offer non-discriminatory conditions and to continuously develop their skills and competencies for the individual’s satisfaction and career possibilities.

It has been identified that employees long to have three important aspects, as the nature of their role, work environment and their development. Employers who understand these three things can do a better job of developing loyal and committed employees. The most ineffective managers are considered ineffective not because they don’t know how to motivate people, but because they don’t know what motivates their people. If however there is a massive disconnect between an employee’s expectations and the role, environment, and development features of the job, then in the long run it is best both for the employee and the organisation to separate.

Timothy (2006) and Lerzan Aksoy (2006) reviewed Ipsos Loyalty study and said that only 30 percentage of the employees are loyal to the companies. Long term success of any company depends heavily upon the quality and loyalty of its people. Also it is said that the employee loyalty - related attitude precedes a firm’s financial and market performance. And there is a much greater payoff in working on improving the human factor than people think. Researchers at university of Pennsylvania found that spending 10 percent of a company’s revenue on capital improvement increased productivity by 3.9 percent. But investing that same amount
in developing the employee capital more than doubles that amount, to a whopping 8.5 percent. This is the employee care that pays off at the right time based on the human resource practices in place.

2.4 ORGANISATIONAL COMMITMENT

Organizational commitment is defined either as an employee attitude or as a force that binds an employee to an organization. Several scholars found that HR practices play an indirect role in organizational effectiveness, i.e. by enhancing organizational commitment as said by Meyer and Smith (2000).

Organizational commitment should exist within every employee, from managerial staff to non-managerial staff in order to determine the success of an organization. Employee commitment is gained when the organization shows the same amount of commitment as well. Cooperation and appreciation between each and every members of the organization is needed to achieve the organization’s goal. This can be achieved only if strong commitment exists within the members of the organization (Ratmawati, 2007). Many efforts have been made to study organizational commitment in relation to other workplace dimensions. In addition, many empirical studies have focused on the effects of demographic factors, such as job level, tenure, and longevity or job characteristics, including job scope, variety, and challenge on employee commitment and involvement (Cohen, 1992).

While according to Abraham et al (2001), there have been many researches in the field of managerial competency and organizational commitment that are related to employee empowerment and job satisfaction in order to obtain company performance. Further, Allen and Meyer (1990) argue that older workers are more committed to an organization. Katz (1964) identified an organizational factor that can retain employees within their systems can be best achieved through “organizational commitment”.

The Organizational commitment is defined by Allen and Meyer (1990) as “psychological state that binds the individual to the organization” (i.e. makes
turnover less likely). Studies have found positive associations between facets of organizational commitment and different discretionary and extra-role behaviour.

There are number of ways in which organizational commitment can be defined. The most popular definition of organizational commitment is multi-dimensional approach of Meyer and Allen (1984). They defined organizational commitment as three facets:

1) Affective commitment as “an employee's emotional attachment to, identification with, and involvement in the organization,”

2) Continuance commitment as “commitment based on the costs that employees associate with leaving the organization”, and

3) Normative commitment as “an employee's feelings of obligation to remain with the organization”.

Inverson and Buttibieg (1999) identified four dimensions that can best describe organizational commitment. They are

- affective,
- normative,
- low perceived alternatives, and
- high personal sacrifice,

Robinson and Rousseau (1994) examined trust as an important outcome variable regarding Psychological Contracts. Robinson (1996) defined trust as “one’s expectations, assumptions, or beliefs about the likelihood that another’s future actions would be beneficial, favourable, or at least not detrimental to one’s interest” Previous research done by Lämäš and Pučěaitė, 2006; Robinson et al (2006) has shown that trust in an organization is essential for successful socialization teamwork and cooperation.
An individual’s commitment to the organization has a large influence on how that employee conducts himself or herself in the workplace as said by Wasti (2005). Mathieu and Zajac (1990) proved organizational commitment is considered to be a bound or a linkage of the individual to the organization. Researchers like Meyer and Allen (1997) argue that it is difficult to know whether affective commitment to an organisation derives directly from true ‘dispositional self-confidence’. Commitment is often a consequence of events, actions and policies by which the organisation creates positive emotional connections with members of the work group. They also found that employees who have a good relationship with their immediate work group have higher levels of commitment. (Perry, 1997; Meyer and Allen, 1997)

Studies examining different types of work sectors have found that government employees have higher levels of continuance commitment then other sectors. (Trimble, 2006) job satisfaction is found to predict affective organisational commitment using the data set from a group of missionaries. Concerning organizational commitment, research has demonstrated a close link between Psychological Contracts and organizational commitment, where the fulfilment of the Psychological Contract may lead to more committed employees (Sturges et al 2005; Lemire and Rouillard, 2005).

The inclusion of organizational commitment as part of the examination of psychological contacts is beneficial for several reasons. First, commitment to the organization may change and fluctuate throughout an individual’s career (Meyer and Allen, 1997) and as such it is important to understand how this construct relates to other important issues (i.e., Psychological Contracts). Second, although employers are able to increase different types of commitment (Meyer and Allen), it may be difficult to change or adapt social networks or cultural values.

Organizational commitment is a fundamental concept within the workplace and it is therefore necessary to further understand its relationship with Psychological Contracts. Several studies, which are reviewed next, have investigated the link between Psychological Contracts and organizational commitment (Lemire and Rouillard, 2005; Sturges et al., 2005). Through the understanding of
commitment and its influence on workplace behaviours, employers can benefit from a more productive workplace.

Sturges and colleagues (2005) sought to examine fulfilment of the Psychological Contract with regards to career management behaviour and help and examined the link between fulfilment and organizational commitment and other workplace behaviours, including absenteeism, turnover and job performance. Organizational commitment has been examined in the literature as both an antecedent (e.g., contributing to job satisfaction, intention to stay; Clugston, 2000) and as an outcome variable (e.g., contract violation leads to a decrease in organizational commitment; Lemire and Rouillard, 2005).

Furthermore, intention to stay has also been examined within the construct of Psychological Contracts (Barnett et al. 2004; Lemire and Rouillard, 2005; Robinson and Rousseau, 1994). Results have shown that violation of the Psychological Contract increases employees’ intention to leave (Barnett et al.; Lemire and Rouillard; Robinson and Rousseau).

Further, Robinson and Rousseau found that contract violations were positively related to actual turnover. Job satisfaction has also been examined within the construct of Psychological Contracts such that results have shown that violation of the Psychological Contract was positively related to job dissatisfaction, while fulfilment of the contract was related to job satisfaction (Chrobot-Mason, 2003; Gakovic and Tetrick, 2003; Robinson and Rousseau, 1994; Sutton, and Griffin, 2004). Research suggests that well managed Psychological Contract can have positive benefits for both the organisation and the employee, including increased levels of commitment (Guzzo et al 1994).

Research studies done by Bennis and Goldsmith (1994), Bennis and Townsend (1995) have shown an association of human resource practices on the organizational commitment. So it is believed that human resource practices may be more important determinants of commitment. As the organizations that promote HR practices, for their valued human capital, may help to develop an environment that is
more supportive to enhance employees’ affiliation with their organizations. Effective HR practices may go above and beyond other behaviours to flourish extra role behaviours among the organizational members.

Arthur (1994) explained that organisations that focus on employee commitment are considered to consciously pay attention to, and invest in their human capital. Commitment HRM practices align the interest of employees and organizations, better leading to less Psychological Contract violation.

Guest and Conway (2002), for example, state that if employees experience high-commitment HRM practices (i.e. those that imply certain promises or obligations on the part of the employer and expectations on the part of employees) they also feel more fairly treated, and trust management more. McCauley and Kuhnert (1992) also found that the effectiveness of a wide range of HRM practices (i.e. professional-development opportunities, job security and the fairness of the performance-appraisal system) correlated with the employees’ trust in the organization.

Several researchers have examined the relationships between HRM practices and organizational commitment. For example, in an individual-level analysis, Paul and Anantharaman’s (2004) study of software professionals showed that HRM practices had a significant positive relationship with organizational commitment. HRM systems have also been found to relate to commitment in samples of frontline employees from car rental, retail, and hospitality organizations in South America (Browning, 2006).

Payne and Huffman (2005) found in a longitudinal study that organizational commitment mediated the relationship between mentoring, an HRM practice in the organization studied, and employee turnover over time. In a unit-level study, Wrigh et al (2003) found a positive relationship between HRM practices and organizational commitment in a study of 50 business units from a large food service corporation. Three basic themes emerge from much of the work tying HR practices to organizational commitment. First, these empirical and conceptual analyses focus
on the concept of commitment, most often organizational commitment. Different conceptualizations of organizational commitment have been used in the literature. However, perhaps most important with regard to HRM practices is the concept of affective organizational commitment.

This type of commitment refers to a positive affection toward the organization, reflected in a desire to see the organization succeed in its goals and a feeling of pride at being part of the organization (Cohen, 2003). While affective commitment to the firm may be one interesting conceptualization of commitment, it may also be a limited one. However, recent advances in examining the concept of commitment may lead to a more complex treatment of the construct (Klein, Morrow, and Brinsfield, in press).

Second, these attempts to examine the impact of HR practices on organizational commitment as a precursor to their impact on firm performance assume a simple, one-dimensional, view of the HR practices. Normally the HR practices are measured with a multi-item scale (e.g., Wright et al., 2005). However, support for a more complex treatment of HR practices (relative to a one-dimensional scale of “high commitment” practices) has been emerging in the SHRM literature (Gardner, Moynihan, and Wright, 2007).

Finally, these treatments seem to assume and look for a universally positive set of relationships (HR practices positively impact commitment, and commitment positively impacts performance.) However, given the increasing complexity of conceptualizations of HR practices and commitment, such an assumption may be misleading. Juxtaposing these more complete and complex views of these constructs may lead us to a better understanding of how HR practices can positively (or negatively) impact firm performance. In order to do so, we will first examine the more recent conceptualizations of commitment, then the more recent conceptualizations of HR practices.

These examinations will enable us to explore more complex ways in which these constructs might interact to impact firm performance. Current
Conceptualizations of Organizational Commitment While the concept of commitment has a long history within the organizational literature (Becker, 1960) as frequently noted (e.g., Meyer and Allen, 1991; Mowday, Porter, and Steers, 1982; Reichers, 1985; Stebbins, 1970), commitment is inconsistently defined both within and across the various workplace commitments.

This can be traced to several factors such as the different perspectives (e.g., economic, behavioural, psychological) from which researchers have studied commitment and the fact that several early writers defined commitment in multiple ways, as having multiple bases, or as being characterized by multiple indicators. For instance, Porter, Steers, Mowday and Boulian (1974) defined organizational commitment as the strength of an individual’s identification with and involvement in a particular organization but then further stated that commitment is characterized by three factors:

a) A belief in and acceptance of goals and values;
b) A willingness to exert effort; and
c) A strong desire to maintain membership.

In their review of the workplace commitment literature, Klein, Morrow and Brinsfield (in press) defined commitment as an individual’s perception that they are bound to a given target. This definition depicts commitment as attachment rather than a force. They note that defining commitment as a perceived bond rather than a force more clearly:

a) Distinguishes commitment from its antecedents;
b) Places commitment within the individual; and
c) Recognizes the considerable variance in how individuals make sense of their environment (James and Mazerolle, 2002; Weick, 1995). Their examination of commitment posits three aspects that are relevant to this paper: the elements of commitment, the outcomes of commitment, and competing commitment
2.5 EMPLOYEE LOYALTY

Employee Loyalty is the extent to which the personnel are faithful to the organization, having feelings of bonding, inclusion, care, responsibility and devotion towards it. It can also be described as the extent to which there is a general willingness among employees to make an investment or personal sacrifice for the good of the organization. Finally, external representation refers to the way that employees portray their organization to external communities.

Previous research has tangentially touched on this through the measurement of new comer’s organizational commitment and loyalty-related Psychological Contract elements (Mowday et al., 1979; Rousseau, 1990). Those with higher levels of loyalty are likely to give a positive view of their organization externally. Moreover, Louis (1980) suggested that newcomers become insiders when they are encouraged to represent the organization. Yet there have been no direct measures of how newcomers represent their organization externally. The literatures on recruitment and 360-degree feedback may be useful here, in providing ideas on how and what to measure (Chan and Schmitt, 2004; Morgeson et al., 2005).

Looking at the main stakeholders, employees are likely to want to be proud of their social identity as organizational members. Organizations will want to be positively represented to external audiences, so that clients, customers and potential future employees have a positive perception of their name and brand (Anderson, 2004; Rynes, 1991). HRM practices influence the entire organization, and it has been said that one of the emerging challenges is to build a positive cycle of trust within it said Tzafrir et al., (2004).

Gould-Williams (2003) found that HRM practices had a positive effect on both interpersonal and impersonal trust. Further, according to Whitener (1997) an organization’s HRM practices are likely to convey a message of organizational support to its employees: whether the practices affect skills or motivation, they communicate commitment and support, and increase employee trust.
HRM should be the creation and maintenance of the Psychological Contract between organisations and their employees, where each HRM practice represents a choice by the organisation about what it expects from its employees and what the employees can expect in return (Sparrow 1998). Psychological Contract is an individual’s belief in mutual obligations between one person and another party, such as an employee and employer.

This belief is predicated as the perception which is just an exchange of promises been made (e.g., of employment or career opportunities) and to which the parties become bound (Rousseau 1989). The Best Practice views the existence of clusters or bundles of High Performing Work Practices which can enhance the performance of all firms which adopt them (Arthur, 1994; Pfeffer, 1994; Huselid, 1995; MacDuffie, 1995).

Also it is proved that human resource management practices and firm performance examine the relationship among the HRM practices with the firm performance. HRM practices could positively influence profitability and growth and negatively influence employee turnover and skills development and has a relationship with involuntary employee turnover (Normala Daud july 2006). It is expected that commitment of HRM practices align the interest of employees and organizations, leading to less Psychological Contract violation (Arthur 1994; Huselid 1995).

It is understood and proved that even though employees feel stressed they are satisfied with their jobs and are committed to their organization and vice versa. Job satisfaction and organizational commitment is not a guarantee to achieve low level of work stress (Bytyqi, ReshanHasani Nov 2010). When we care for the employee and family members mind, body and soul it generates a deeper loyalty and greater employee commitment to achieve the goals and mission of the organization.

High commitment HR system shapes employee behaviour and attitudes by developing psychological links between organizational and employee goals.
Managers using high commitment practices are essentially endeavouring to develop committed employees who can be trusted to use their discretion to carry out job tasks in way that are consistent with organizational goals (Arthur (994)).

Trust is often perceived to be the ‘lubrication’ that makes it possible for organizations to work in an integrative mechanism creating a sustaining social system (Bennis and Nanus 1985). An organisation’s HRM practices are likely to convey a message of organizational support to its employees: whether the practices affect skills or motivation they communicate commitment and support and increase employee trust (Whitener 2001). Psychological Contract act in a similar manner to hygiene factors also. Good contracts may not always result in superior performance but poor contracts tend to result as de-motivators and can be reflected in lower commitment and heightened absenteeism and turnover (Sparrow 1996).

Arthur (1994) said organisations that focus on commitment HRM practices are considered to consciously pay attention to, and invest in their human capital. Commitment HRM practices align the interest of employees and organisations better, leading to less Psychological Contract violation.

Middle managers play a critical role in redefining and regulating change in the employee–employer relationship (Hallier and James 1997). Therefore, in times of organisational change the attitudes and behaviours of middle managers assume great importance. For middle managers, the traditional Psychological Contract has been based on loyalty and commitment to the organisation in return for strong expectations of job security and career progression linked to increased status and increased rewards (Newell and Dopson 1996).

2.6 RESEARCH ON HUMAN RESOURCE MANAGEMENT IN INDIA

Indians are born into their castes which creates a social hierarchy that spills over into organizational life. This is the scenario within which HRM is evolving from a primarily industrial relations and personnel function to that of the
creation and moulding of strategic and systemic policies and practices aligned with their business goals in an environment of intense global competition. A growing body of theoretical and empirical literature on the use of strategic and systemic HRM in India is available, but a comprehensive picture of HRM in the Indian context is lacking (Pio, 2007).

The reason for such a gap is yet to be explored. At the same time, a stable employee-employer relationship has been identified as one of the key factors in enhancing the performance of individuals and organizations (Paul and Anantharaman, 2004).

The Indian HRM Context

Ancient India and HRM: India has absorbed ideas and practices from around the world for many centuries. Ancient Indian wisdom, as enclosed in many sacred texts from 2000 B.C., provides an integrated tradition that still continues to influence the Indian mindscape. This stream of “Wisdom” literature can best be explained through a philosophical tradition of holistic reasoning called Vedantic philosophy which synthesizes a common set of ideas and values. The Vedantic Philosophies underpin the essential unifying forces of many apparent divergences that characterise India.

The Vedantic tradition may have created the basis for an outer layer of “collectivism”, while nurturing an inner private sphere of ‘individualism’. It has been argued that Indians manage to keep these two distinctive elements in their minds in co-existence (Lannoy, 1971). The spiritual individuality and the socio-religious collectively have been maintained in individual behaviour without dissonance for centuries.

Another significant structural feature of the Indian social heritage has been its widely known caste system. The Indian Constitution and a large number of central and state-level statutes have actively addressed the need to readdress the socio-economic injustice suffered by the weaker castes over the centuries.
Government and public sector jobs have strict quota systems for the lower castes called the ‘Reservation’ system. The caste reservation system has become a significant national political issue and part of the contemporary social agenda. In essence, the socio-cultural roots of Indian heritage are diverse and defy a simplistic distillation.

**The Evolution of the Indian HRM:** After India won independence in 1947, considerable changes happened in the personnel management approach of organizations. The post independence period encouraged a mixed economy as the growth model. Industrial organizations were broadly classified as the ‘public sector’ (including the administrative arm of government) and the ‘private sector’. Public sector organisations were the largest employers and received huge investments. The Constitution of India had the objective of achieving a socialist society and various constitutional provisions supported protection for the working class and numerous legislations were introduced to protect workers.

Along with industrialization, the trade union movement also grew rapidly in India and this acted as a catalyst for the development of personnel system. The workers became more aware about their rights and it was increasingly difficult to exploit them. In the 1970s and 1980s typical HRM functions in organisations included: (1) Personnel and administration, (2) Industrial Relations, and (3) Labour welfare. The prescribed and assumed role was “crisis driven” or “issue driven”.

The same period also saw the rise of managerial unionism, where white collar workers without formal union rights joined to form associations that acted as pressure groups. Though not widespread, the industry was also open to adopting tools and techniques that could help to improve efficiency and productivity. This lead to define the work output, staffing pattern, and productivity linked incentive scheme. The establishment of management training institutes and business schools like

XLRI Business School and the Indian Institute of Management Studies (IIMS) helped industry to embrace modern management principles and thought.
It could be very well summarized that up to the mid-80s, human resource management in Indian organizations grew through various phases under the influence of the following factors: (1) A Philanthropic viewpoint about doing good to workers, (2) A protective legislative framework, (3) government policies, (4) Trade unions, (5) emerging trends/concepts in management and (6) Changes in the economy.

Then in the 1980s, Professors Udai Pareek and T V Rao were among the pioneers who not only introduced the human resource development (HRD) concept in India, but also assisted many organizations in designing development oriented HR systems. The 1980s saw the large-scale introduction of the developmental concept in Indian organizations. It was recognized by then that systematic attention to human resources was the only way to increase organizational effectiveness. This awareness created the stage for the direct involvement of top managers and line managers in the HRM process.

**Liberalisation and HRM:** Given the unique socio-cultural, political, legal and economic surroundings of India, the challenges placed before the efficient management of Human Resources in the Indian context can be both complex and demanding. From the mid-to late 1990s, as a result of liberalization policies, competition between Indian and foreign firms increased and the Indian firms were under tremendous pressure to change from indigenous, costly and less effective technology to a more highly effective one (Krishna and Monappa, 1994; Venkataratnam, 1995; Budhwar and Bhatnagar, 2009).

This also demanded an effort not only to upgrade the infrastructure and existing organizational culture, but also to change the bureaucracy at all operational levels. The policies of that time indicated a switch from labour-intensive to a more capital-intensive methods of production and therefore required organizations to remove surplus labour and generate new sustainable employment. Such pressures forced Indian organizations to improve quality and match International standards. The challenge was also how to increase productivity, reduce costs, generate employment and reduce voluntary and involuntary absenteeism (Budhwar, 2004;
Budhwar and Bhatnagar, 2009). Fortunately, the economy has responded positively to various reforms and India is now considered one of the strongest emerging markets. It also has the largest pool of scientific and technical manpower in the world (Budhwar and Bhatnagar, 2009). However, India still has to go a long way to compete fully with some of the more economically advanced Asian nations (Budhwar and Bhatnagar, 2009). Nevertheless, the liberalization of the Indian economy has created the opportunities for resource mobilization from new sources.

According to Budhwar and Bhatnagar (2009), to bring about large-scale structural changes, India is required to develop a domestic workforce capable of taking on the challenges thrown up by the new economic environment. In the midst of this transition one thing is very clear that all the threats and opportunities created by the liberalization have significant implications for the Indian HRM system and are considering the need to develop a highly diverse workforce with well trained, motivated, and efficient employees.

The Socio-Cultural Context and HRM: Apart from the economic environment, the socio-cultural context of any country is also known to significantly influence it’s HRM systems (Budhwar and Sparrow, 1998; Budhwar and Bhatnagar, 2009). The total workforce of India is approximately 397 million. Out of which 92% is engaged in the unorganized sector while only 8% is employed in the organized sector. Of the total employment, 60% of the workforce is engaged in agricultural sector and remaining 40% is in the non-agricultural sector.

Only about 12-15% of the total workforce in the country is estimated to be in the category of wage/salary employment. Such employees constitute 60% of the workforce in the rural areas and 40% in the urban areas (Saini and Budhwar, 2004; Budhwar and Bhatnagar, 2009). These facts show the diverse nature of the Indian workforce. Undoubtedly, India has a very diverse society, which is reflected in patterns of life, styles of life, Occupational pursuits, inheritance and succession rules. Traditionally, Indians are known to hesitate to delegate or even accept authority, are fearful of taking an independent decision, are possessive towards their juniors and frequently submissive towards their seniors (Sharma, 1984; Tayeb,
A possible explanation for these behaviours can be the the long imperialist history of India.

According to Budhwar and Bhatnagar (2009), in the past, Indian societal culture made a lasting impact on most management functions such as staffing, communication, leadership, motivation and control. Staffing for top managerial positions among Indian organisation was/is generally restricted by familial, communal and political considerations. Authority in Indian organizations is likely to remain one sided with subordinates relying heavily on their superiors for advice and direction. Motivational tools in Indian organisations were more likely to be social, interpersonal and even spiritual (Sparrow and Budhwar, 1997). To what extent such assumptions are valid in the new economic environment is worth investigating, especially in the youthful software and BPO sectors.

Contemporary India and HRM: Som (2006, 2007) suggested that, because of increasing competition that has resulted from liberalization, Indian organizations have adopted HRM practices both critically and constructively to foster creativity and innovation among employees.

By way of summary, Budhwar and Bhatnagar’s (2009) book provided an overview of HRM practices in India, including key developments in Indian HRM, determinants of Indian HRM, sector specific HRM, emerging themes, future challenges, and the way forward. The challenges of managing talent have led firms in India to implement HRM systems, often based on their understanding of the best practices used in successful MNCs (Bjorkman and Lu, 2001). Local units of MNCs have been early adopters of annual performance appraisals, employee development programs, and relative (normalized) ranking of performance (Corporate Executive Board, 2006).

Large indigenous Indian organizations are following suit in implementing HRM systems; however, the literature has suggested that these indigenous firms often adapt and tailor these practices to the realities of the Indian context and the challenging circumstances India faces. This research is designed to
understand the HR practices implemented by organisations towards the psychological contract developed by the employees and to understand the perspective of organisational commitment and loyalty in automobile industry. The majority of HR efforts in Indian organizations are detached from the overall organizational effort (Mankidy, 1995; Budhwar and Khatri, 2001:).

However, at present situation, there is an increased emphasis on HR related activities seen in Indian organizations. The primary reason for such a development in India is linked to the liberalization of the economy. If we talk about strategic HRM in the Indian context, then it is evidenced by significant variations in HRM strategies across different levels of employees. There can be a number of explanations for the low level of sharing of strategic and financial information with different levels of employees in Indian organizations.

The first is 'mistrust' or the low faith of higher management in their subordinates (Sparrow and Budhwar, 1997; Budhwar and Khatri, 2001). Second, research has shown that Indian managers are less willing to delegate and have a high possessive attitude towards their subordinates (Sharma, 1984; Budhwar and Khatri, 2001). Hence it seems that the more privileged and powerful have greater access to more information than the less qualified or lower level employees. Third Indian managers like centralised decision making (Kakar, 1971; Budhwar and Khatri, 2001). Moreover the majority of the lower level of employees are not aware of their rights and are exploited by the management (Budhwar, 2000; Budhwar and Khatri, 2001).

Taking into account the above literature, it can be concluded that there is a significant variation in the nature and type of HRM strategies for different levels of employees and thus, different types of HR practices for different level of employees in Indian organizations. Taking this into consideration, this study is based on the perspectives of career development, stress management and health and hygiene practices with early-career, mid-career, and mature-career employees of the largest and the best automobile employers in Chennai.
According to the literature there is a shift taking place in the pattern of HRM practices in Indian organizations, from the traditional administrative types to a more strategic and proactive type. This mainly is due to the competition created by the liberalization of economic policies. However, it’s only the beginning of a long process which has to survive the political and social pressures. Considering the pressure created by the present dynamic business environment, Indian organizations need to pursue more rationalized HRM practices, which should emphasize solely performance and should be less influenced by the traditional values, religious and political factors (Som, 2006).

**HR Practice in India:** According to Arthur and Boyles (2007), HR practices refer to how an organization’s HR programs are implemented for and experienced by lower-level employees and managers. Thus, HR practices capture the potential for variation in employees’ perceptions and experiences of an HR program based on the quality of the HR program implementation. (HR programs are defined as the set of formal HR activities used in the organization) While international human resource management has been traditionally studied through Western theoretical and empirical lenses (Bossard and Peterson, 2005; McMahan et al., 1998), there has been a growing theoretical and empirical appreciation that certain HR practices are sometimes context and culture specific (Bowen et al., 2002; Budhwar and Bhatnagar, 2009; Budhwar and Khatri, 2001). This recognition and certain counter intuitive research findings across culturally diverse countries have led HR scholars to demonstrate that merely transplanting “best” HR practices around the globe may be less than desirable from an organizational competitive advantage perspective (Björkman and Budhwar, 2007; Huo and Von Glinow, 1995; Lowe et al., 2002; Von Glinow et al., 2002).

Although researchers have undertaken ambitious cross-country and cross-cultural international HR studies (Von Glinow et al., 2002), these studies have not directly incorporated in the Indian HR perspective, and a scarcity of research in the Indian context persists (Budhwar and Sparrow, 1997). While some studies have considered other Asian countries, India differs culturally from its geographical neighbours in terms of socio-cultural attributes (Triandis, 1989), which have been
thought to influence organizational HR practices (Aycan et al., 2000; Dowling and Welch, 2004).

Budhwar and Boyne (2004) compared HRM practices in Indian public– and private sector organizations and found somewhat unexpectedly that many similarities existed in practices between these two sectors in (1) the structure of the HR department, (2) the role of the HR function in corporate change, (3) recruitment and selection, (4) pay and benefits, (5) training and development, (6) employee relations, and (7) emphasis on key HRM strategies. However, they also found that in several HR functional areas (for example, compensation, training and development), Indian private sector firms have adopted a more rational approach (e.g., the adopting of formal testing of job applicants, job evaluation, training needs analysis, training evaluation, and performance-related pay) than their public-sector counterparts. One of the conclusions of their study indicates that knowledge workers are mostly reacting positively in their attitudes to more rationalized HRM systems in India.

2.7 GAPS IN RESEARCH CARRIED OUT SO FAR

The past few years have witnessed a rapid increase in both the number of research projects and the breadth of research topics focused on the Indian environment and workplace. Indeed, analysing the existing literature revealed that research has been pursued on a wide variety of subjects, including (1) the evolution of the personnel function in India, (2) the role of unions and industrial relations in the new economic environment, (3) factors determining HRM, (4) HRM and firm performance, (5) HRM in MNCs operating in India, (6) strategic integration and devolvement of HRM, (7) organizational learning capability, (8) employee relations, (9) turnover issues (Budhwar et al., 2009), (10) comparative HR in public and private sector organizations, (11) emerging patterns of HRM in the business outsourcing sector (Budhwar et al., 2006), (12) the applicability of Western HR models in India (Budhwar and Khatri, 2001) (13) HRD and training, and (14) comparative HR between India and the US (Varma et al., 2005).
In addition, researchers have also examined various aspects of organizational behaviour (Biswa and Varma, 2007) and organizational dynamics and the influence of national culture of Indian HRM (Budhwar, 2009). Indeed, the impact of culture and relationships on performance is considered critical in the Indian environment, and several studies have explored the impact of supervisor – subordinate relationships on individual and organizational performance (Aryee et al., 2002; Varma et al., 2007; Varma et al., 2005).

In spite of the above developments, the available literature has reported that the Indian HRM system(s) is somewhat unstructured, and less formal, when compared to Western countries, though the gap is reducing rapidly. It is worth noting here that the HRM function in the Indian context is significantly influenced by issues such as social relations, political connections, caste, religion, economic power, labour legislation, trade unions, and competition from foreign firms (Budhwar and Sparrow, 1998, 2002; Saini and Budhwar, 2007).

These assertions, however, need further empirical testing in the present context, where emerging sector-specific information suggest otherwise. It can be argued that the status of the Indian HR function has evolved over the past century from clerical, administrative, managerial, and executive into a strategic and change partner. As the Indian economy continues to grow, however, the interest of both researchers and policy makers continues to grow regarding what kind of HRM systems relevant for the Indian context. Further, given the scarcity of robust HR research, the opportunity for HR related research in India is immense.

Rousseau and Schalk (2000) noted the importance of examining both the similarities and differences in Psychological Contracts across cultures. Numerous cross-cultural studies of Psychological Contracts have subsequently been completed, and these have addressed various aspects of Psychological Contracts developed in different geographic locations. Later Lorsch advocated the Psychological Contract construct and highlighted its diagnostic and therapeutic uses for managers. (Lorsch, 1979). By September 2006 some 2680 publications on Psychological Contracts were listed in a search of the term on Google Scholar. From an overview of those papers
Tipples and Verry (2006) suggested that useful guidance for managers is offered by some of the earlier research on the subject (e.g. by Levinson et al., 1963), as we seek to understand employment relationships. Such research focuses more on expectations than current researchers' fixation on the more transactional aspects of contracts, obligations and what the employee alone believes. It picks up on the more need focused facets of Psychological Contracts, originally highlighted by Levinson et al. (1963), and then re-emphasised by Meckler, Drake and Levinson (2003), and specifically distinguished from Rousseau's position by Conway and Briner (2005).

Psychological Contract research was slow to get underway in New Zealand and Australia with few mentions of the construct in papers before 1995. Since then, up to five percent of papers mentioning the construct have also included the terms Australia or New Zealand. Psychological Contracts are particularly important in shedding light on the effects of many modern management policies using a more transactional approach to contract such as forced redundancies, performance management systems, the increasing use of temporary workers and because of the decreasing power of unions and the greater diversity of the workplace (Guest, 1998).

For this reason there is a need for research about Psychological Contracts with employees in specific needs through HR practices which can inform managers transitioning into organisations, or management roles, especially in one geographical culture. These practices and their implication can serve as a guideline to invest on the human capital development.