ENHANCING EMPLOYEE SATISFACTION AND ORGANIZATIONAL EFFECTIVENESS VIA IMPLEMENTATION OF HUMAN RIGHTS AT WORK PLACE - AN INCLUSIVE GROWTH APPROACH IN TELECOM SECTOR IN INDIA

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Abstract: To sustain growth ahead of competitors organizations today adopt effective policies and take several measures to remain productive. One of them is active implementation of human rights at work place in a manner which improves employee satisfaction, builds trust and develops an amicable working environment and climate. An inclusive workplace aspires to inculcate the human rights principles of fairness, respect, nurturing diversity and non discrimination, equality, dignity and autonomy in everyday goals and behavior so as to aid in maintaining healthy employer-employee relations.

The purpose of this research is to assess the influence of implementation of human rights on employee satisfaction and further of employee satisfaction on organizational effectiveness. To identify the instrumental factors pertaining to above stated aspects which cast influence and the related provisions established by organizations, unstructured interviews were conducted with senior officials of six telecom organizations in the city of Lucknow, the state capital of Uttar Pradesh, India namely Bharat Sanchar Nigam Ltd, Telenor, Vodafone, Airtel, Tata Docomo, Reliance Communications Ltd. Also Primary survey was conducted by administering a structured questionnaire on a sample of 310 respondents of middle category employees of above organisations.

The study revealed that active implementation of human rights aspects influence individual employees satisfaction which result in greater individual output that leads to higher cumulative performance which in turn enhances overall organizational effectiveness. It increases retention and productivity and also lowers the recruitment and training costs as well. A research limitation was that there was a limited data access on individual employee performance since it was considered highly confidential by the organisations. The practical implication that emerged as a result of research was that organizations need to build relationships with their employees to foster open and inclusive workplaces that are inspired to be the best for establishing industrial peace.

Keywords: Human rights, Employee satisfaction, Organizational effectiveness, Inclusive growth.

INTRODUCTION

The recently adopted Guiding Principles 2005 for the implementation of the United Nations "Protect, Respect and Remedy" framework places an obligation and responsibility on businesses to respect human rights. Also implementation of human rights at work place has emerged as a business strategy which leverages employee

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satisfaction leading to enhanced overall firm performance and achieving industrial growth and prosperity. Envisaging equality, diversity, non discrimination, promoting human rights and incorporating inclusive working can help to increase productivity, enhance motivation and retention and provide better service to customers and clients. Most individuals spend less working hours at home and more at work, hence building healthy relationships at workplace leads to right relationships in extended community as well. Thus when inclusive working is centered as the key value of an organization then it creates an effect as depicted by Figure 1.
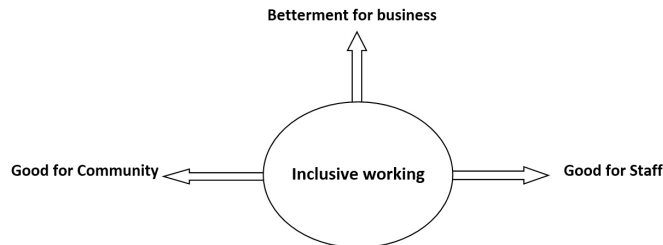

Figure 1: Threefold effect of inclusive working

OBJECTIVE OF STUDY

1. To study the applicability, importance and implementation of human rights at work place with reference to telecom sector.
2. To understand the role of human rights in building on inclusive workplace and the benefits therein.
3. To guage the influence of implementation of human rights on employee satisfaction.
4. To guage the influence of employee satisfaction on organizational effectiveness.

LITERATURE REVIEW

Applicability and importance of human rights at work place: Ruggie in 2008 stated that human rights are applicable in corporate sector. Cheruiyot and Maru in 2014 opined that human rights standards have been established by international agreements as detailed in the Universal Declaration of Human rights (UDHR). A company may be expected to address a broad range of human rights issues from direct to indirect, such as protection of human and labor rights of workers employed by a company and its supply chain partners to taking calls on to influence governments to improve the overall human rights climate in places of their operation.

Jones et al, in 2005 stated that one of the central measures of a company's social responsibility is its respect for human rights. Some of the reasons for such concern by organisations on human rights at work recognition include:

- *Increasing Worker Productivity and Retention:* Sparrow and Cooper in 2014 opined that workers can be more productive if they are accorded fair treatment with dignity. Roy Adams had even defined human rights based on the concept of dignity. Organizations which avoid labor and human rights violations can reduce employee turnover and achieve higher product quality because old employees become more skilled over the time and do not need repetitive training as compared to new ones.

- *Enhancing Risk Management:* Denial of basic work place human rights can lead to labour strike which can retard smooth operations and timely production or cause delay in movement of finished products.

- *Satisfying Customer Concerns:* Consumer awareness of the fair treatment to worker producing goods has increased in the e-era and global marketplace and consumer forums boycott human right abuses and wide campaigns are run highlighting malpractices. Hence consumers prefer purchasing and dealing with organizations which implement human rights at work fairly. Thus organizations can widen consumer base and enhance loyalty by respecting worker rights, which shall protect the overall image of the company as well.

- *Building Community Goodwill:* Fair implementation of human rights can help maintain positive community relations, image, goodwill and create more stable business environment to operate in.

- *Keeping Markets Open:* In 2004, the United Nations Secretary General - Kofi Annan, had opined that advancing social values would help ensure that markets remain open and respecting human rights would not hinder international trade agreements between a number of countries which else would face sanction limitations.

- *Applying Corporate Values:* Faith of internal and external stake holders could be undermined if business in not conducted consistent with stated corporate values.

- *Compliance with both local and international law:* The national and international law enshrine the human rights principles. Legal challenges can be avoided in national and global activities if business operations are consistent with these principles.

Chapter III & IV of fundamental rights and directive principles of state policy in the Indian Constitution envisage implementation of human rights and enhance their practice. This has been also detailed in the protection of Human Rights Act, 1993. The National Human Rights Commission monitors the human rights conditions in public and private companies as well.

The statutory industrial laws of India as laid down in Workmen Compensation Act 1923, The Factories Act 1948, The Payment of Wages Act 1936, The Industrial

Disputes Act 1947 and Trade Unions Act 1926, spell out aspects of workplace human rights related to compensation towards injury, payment of wages, health and safety, freedom of association and worker participation, equal opportunity and non-discrimination, social security and working conditions.

Thus respect for human rights is a measurement indicator for casting an impact on individuals and can become a tool for improving business performance.

Telecom being largest growing service sector employs a large workforce both in public and private sector. Web search indicates that the telecom organisations maintain an index report of conformance with the GRI (Global Reporting Initiative) stating level of compliance of human right factors. The report addresses issues on performance labour practices and decent work and human rights. Also the report has to specifically mention guidelines and conformity on aspects pertaining to health and safety, child labour, equal opportunities and diversity. In this sector human rights conformity extends to the supply chain also where it is absolutely important to maintain acceptable standards of working conditions as per human rights norms. Business responsibility reports, code of conduct and work place policy of telecom companies address and consider aspects pertaining to human rights at work.

An Inclusive Workplace: An inclusive workplace has a work culture where everyone, however diverse or in minority or disabled, feels valued and welcome. Miller, F.A. (1998) had called inclusion as the extent to which participation and contribution of an individual is allowed fully. The human rights principles of fairness, respect, equality and dignity and autonomy are promoted and are part of the organisations daily goals and behaviour. Policies are in place concerning equality and human rights, working conditions, non discrimination, dignity at work, employee welfare and fair recruitment and procurement practices. Staff members at all levels are aware of the inclusive values and are actively consulted and involved in policy development. Verma N.(2015) opined that inclusion gets promoted when supported by senior management and they sensitize others periodically as can be illustrated by citing the case of Vodafone India, in the year 2015. The workforce is representative of the local community or customers as well. All employees are encouraged to develop and progress and barriers are identified and removed. Hierarchies are also discouraged. The Organisation is aware of any potential tensions within and action is taken to thwart them. Inclusive strategies are fully supported and promoted by senior staff who may even be mentors and employee champions. Vohra N. and Chari V. (2015) stated that diversity and inclusion are recognized as important for effective organizations.

Employee Satisfaction and Organisational Effectiveness: Employee satisfaction is the gratification or prosperity that the employees get from their job and its environment and which influence them.(Ayaga, et. al, 2014). Employee perception of the job/organization is included in this definition as well. Also Effective

organizations should have a culture that encourages employee satisfaction (Bhatti & Qureshi, 2007). Employees are more loyal and productive when they are satisfied and these satisfied employees affect the customer satisfaction and organizational productivity, (Aydin., 2009). It was also said that employee satisfaction influenced employee productivity, absenteeism and retention, (Jasola M., 2015). Thus it is one of the key factors affecting organizational effectiveness. Studies show that businesses that excel in employee satisfaction issues reduce turnover by 50% from the norms, increase customer satisfaction to an average of 95 % and lower labor cost by 12% (Sageer et. al., 2012). Satisfaction creates more liking for the work and absenteeism also reduces as opined by Maloney, & McFillen in 1986. Judge, et. al, (1993) mention that employee satisfaction is positively correlated with motivation, job involvement, organizational citizenship behavior, organizational commitment, life satisfaction, mental health, and job performance, and negatively related to absenteeism, turnover, and perceived stress and identify it as the degree to which a person feels satisfied by the job. Customer satisfaction depends on customer perceptions of the value of services received and is created more by satisfied, loyal and productive employees. Hence leading companies maintain a work environment conducive to the well-being and growth of all employees and measure employee satisfaction as well (Mohsan et al., 2011). In a study conducted by Harter et al. (2002) based on 7,939 business units in 36 organizations, the researchers found positive and substantive correlations between employee satisfaction-engagement and the business unit outcomes of productivity, profit, employee turnover, employee accidents, and customer satisfaction. Organizational effectiveness reflects the combination and interaction of employee work behaviors that promote organizational performance (Ostroff, 1992). Vroom in 1964 found that employee performance is a natural product of satisfying the needs of employees in the organization. High job satisfaction is associated with increased productivity, lower absenteeism, and lower employee turnover (Hackman & Oldham, 1975). Rothmann and Coetzer in 2002 opined that job satisfaction among employees is an indicator of organisational effectiveness, and is influenced by organizational and personal factors. Sparrow and Cooper in 2003 structured attention to the employment relationship around eight issues instead of just commitment, absenteeism and turnover. Focus started developing on the importance of a series of individual-organizational linkages and bonds (Harter et al., 2002) and the management of work-life balance, well-being and generational shifts in work values became mainstream (Robertson and Cooper, 2011). The organization must nurture engagement and organizational citizenship behavior, which requires a two-way relationship between employer and employee. This implies that employee engagement determines the association of a person with the organization. Organizational citizenship behavior is individual discretionary behavior which is not directly or explicitly recognized by the formal reward system and which promotes the efficient and effective functioning of the organization

(Tambe et al., 2014). It includes working beyond required job duties (such as assisting others with their tasks), promoting a positive work environment, avoiding unnecessary conflicts, being involved in organizational activities, and performing tasks beyond normal role requirements. Such behaviors improve efficiency and effectiveness in both public and private organizations.

RESEARCH METHODOLOGY

Research Design and Sampling: The research design applied for the study is descriptive. Random Sampling procedure was adopted to survey a total of 310 respondent middle category employees in six Telecom Organisations in the city of Lucknow, India, namely Bharat Sanchar Nigam Ltd., Telenor, Vodafone, Airtel, Tata Docomo and Reliance Communications ltd.

Instrument Design: An appropriate and structured questionnaire was developed after an exhaustive literature review and web search and the relevant aspects as revealed by the unstructured interviews of the senior telecom officials. Questionnaire consisted of 24 satisfaction oriented questions on aspects of human rights, employee satisfaction and organizational effectiveness. The aspects of organizational effectiveness considered are from employee perspective and are on Employee engagement and retention, absenteeism and efficiency. The instrument would extract ordinal primary data and the items were anchored on a five point Likert Scale (1 for Strongly Disagree to 5 for Strongly Agree).

Data Sources: Thus the primary data has been collected by distributing questionnaires and secondary data through web search, considering research articles, reports, policy documents, prevalent statutory industrial laws etc.

Hypotheses: For gauging the influence of human rights implementation on employee satisfaction employee engagement on satisfaction, the two hypotheses proposed are:

H_{01}: that there is a positive relationship between human rights implementation and overall employee satisfaction

H_{02}: that there is a positive relationship between employee satisfaction and organizational effectiveness

Data Analysis & Findings: For working upon above stated hypotheses H_{01} and H_{02}, data tabulated on excel database was run on SPSS tool to ascertain total or overall satisfaction by working up on the sum of all responses against 24 parameters in Questionnaire for each respondent upto 310 respondents. A Human right Index consisting of 10 questions with Chronbach Alpha 0.6 and Organisational Effectiveness Index consisting of 6 questions with Chronbach Alpha 0.6 was prepared using SPSS after Reliability Analysis. Further Overall Satisfaction Index was computed. Then correlation was worked upon between human right index and overall satisfaction. The Pearson correlation coefficient computed was $r = 0.8$

which shows that A VERY HIGH Correlation exists between two aspects and it is statistically significant at 0.05 level (2-tailed) as shown in Table 1. (Value of $r >= 0.25$ as per standard statistics is considered significant).

TABLE 1: CORRELATION BETWEEN HUMAN RIGHTS IMPLEMENTATION AND OVERALL EMPLOYEE SATISFACTION

		Human Right Index Four	Overall Satisfaction
Human Right Index Four	Pearson Correlation	1	.824
	Sig. (2-tailed)		.000
	N	310	304
Overall Satisfaction	Pearson Correlation	.824**	1
	Sig. (2-tailed)	.000	
	N	304	304

The above results show that as premised in hypothesis H_{01}, there is a linear relationship between implementation of human rights and satisfaction.

Next the correlation was worked upon between Overall Satisfaction index and Organisational effectiveness index. The Pearson correlation coefficient computed was $r = 0.5$ shows HIGH Correlation exists between two aspects and it is statistically significant at 0.05 level (2-tailed) as shown in Table 2.

TABLE 2: CORRELATION BETWEEN OVERALL EMPLOYEE SATISFACTION AND ORGANIZATIONAL EFFECTIVENESS

		OE	Overall Satisfaction
OE	Pearson Correlation	1	.529
	Sig. (2-tailed)		.000
	N	309	304
Overall Satisfaction	Pearson Correlation	.529**	1
	Sig. (2-tailed)	.000	
	N	304	304

Thus above results show that as premised in hypothesis H_{02}, there is a linear relationship between employee satisfaction and organizational effectiveness.

Inferences and Applied Benefits: The study reveals that the more is an active practical implementation of human rights in organisations, the more is the satisfaction amongst the employees. Further, more is the satisfaction amongst the employees, it would lead to a greater individual output leading to a high resultant organization effectiveness on the whole. There would be greater employee engagement and retention, less absenteeism and more efficiency leading to better

productivity and performance. Employee satisfaction created due to human right implementation has importance in the light of both, organization and the employee. From the organizational perspective, it enhances employee retention and saves on company's cost towards training and recruitment of new candidates, the overall productivity of the company increases and it assists in achieving the goals of the company, satisfied employees deliver work in a better manner which helps in developing customer satisfaction to a great extent, especially in service sector like telecom; where employee behaviour and attitude matters a lot. From the employee perspective, when he/she perceives satisfaction from the company, right from starting, he/she develops confidence and a belief in the systems. Hence his/her commitment and loyalty, both remain till long run. Employee would start taking interest and responsibly in the work, both assigned and associated, instead of worrying about other issues. He/she deals with customers in a better way and builds strong relations with them. Also they would try to produce better results in order to get appreciation from the company. Higher employee satisfaction would envisage better working environment and climate that would establish healthy employer – employee relations and make each other understand their duties and responsibilities in light of their rights. Building an inclusive workplace wherein human rights are recognized, has its own benefits like attracting wider and diverse pool of talent including minorities and disabled, retaining productive staff, expanding the customer and supplier base since business reach to different sections of the community increases, zero tolerant human resource policies on harassment, bullying and discrimination in all aspects from recruitment to promotion and employee development have a demonstrative effect on one and all and helps improve image and goodwill of the company. Gradually the whole workplace culture becomes inclusive in nature by organizing a range of events where employees from different backgrounds celebrate cultural events, share information, food, entertainment or participate in activities together. Finally such structures, systems and processes must be created which can sustain inclusion beyond individuals on long term basis.

CONCLUSION

Building an inclusive workplace where the principles of equality, dignity, respect, non-discrimination and autonomy are in active perusal and human rights at work place are implemented to the extent of day to day goals and behavior apart from creating a wider company culture, enhances employee satisfaction and overall organizational effectiveness. Organisations on addressing aspects and issues related to working conditions, health and safety, payment of wages, social security, equal opportunity, worker participation in management and compensation towards injury strategically create an atmosphere of well being and betterment which motivates employees to perform with loyalty till long run. It leads to gradual growth of

the organization in terms of enhanced customer base, revenue generation, sales, better human resource development and also helps in brand. This applicability extends further to the wider community which is the external environment for any organization to which it owes a corporate social responsibility. This is the essence of a sustainable inclusive growth which helps steer organizations ahead of the competitors in long run.

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