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The role of gender in building organisational commitment in India's services sourcing industry

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Abstract In India's IT services sourcing industry, female employees are often considered to be a key talent pool enabling the industry to grow further. In this empirical study of IT employees in India ($N = 330$), we analyse the relationships between organisational climate, employee climate, and organisational commitment using gender as a dichotomous moderator. While female employees appear to have a higher level of organisational commitment than their male colleagues, the results show that organisational and employee climate do not motivate them in the same way.

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Introduction

Increasingly, Indian Information Technology (IT) services sourcing companies focus on recruitment, development, and retention of talent to gain a competitive advantage (Catalyst, 2012) in an industry where people are the most important assets (Kannan, 2008). India's services sourcing industry is on a high momentum path, which has come with its own and often unprecedented challenges, of which a central

one relates to adequately skilled employees (cf. Bhatnagar, 2007; Messner, 2009; 2010). For example, Infosys, an Indian multinational corporation providing business consulting, information technology, and outsourcing services, reports that of 1.3 million applicants, only 2 per cent are employable (Friedman, Hemerling, & Chapman, 2007); the company's employee attrition is reported at 19.5 per cent (April–June quarter of FY 2014-15; cf. The Times of India, 2014). For some companies, geographies, and technologies, the real rate of attrition is around 65–75 per cent, sometimes even exceeding 100 per cent (Dwivedi, Kaushik, & Luxmi, 2014).

Dissatisfaction with certain job-related aspects and/or a lack of commitment to the employing organisation can cause employees to search for alternatives (Reed, Kratchman, & Strawser, 1994). When making the decision to quit a job, an

employee weighs the rewards and costs associated with the current job against the quality of available alternatives (Rusbult & Farrell, 1983). And while employee turnover has been a focus of investigation by several disciplines, such as psychology, sociology, and economics (Williams & Hazer, 1986), understanding the influencing factors of employee commitment and its active management is especially important in the Indian IT context (Messner, 2013).

The scarcity of talent combined with the difficulty to keep talent, motivates many Indian IT organisations to proactively recognise, retain, and develop women as a hitherto untapped pool of talent (Irde & Ravi, 2012). India, however, has not only the smallest percentage of women in the total workforce among the Asian countries of China, Hong Kong, Japan, Malaysia, and Singapore, but also has the largest pipeline leak occurring earliest in women careers: Indian women give up their careers much sooner than professional women in other Asian countries (Francesco & Mahtani, 2011): "India has lower gender equality than warranted by its stage of economic development" (Woetzel et al., 2015, p. 9). Some IT services companies in India are working to close this gender gap. Google, the American multinational corporation specialising in Internet-related services and products, launched the *Google India Women in Engineering Award* in 2008 to target talent early at the university level. In 2010, Google organised a week-long event, *The 6th Sense: Diversity Week in India,* to increase awareness of differences, across not only genders, but also cultures and sexual orientation (cf. Catalyst, 2012; Bock, 2010; Varghese, 2008). Infosys launched a global council of six senior women in 2003, and tasked them with conceptualising and implementing an initiative that would create a gender-sensitive environment to attract, hire, and retain top talent (Catalyst, 2010). *Infosys Women's Inclusivity Network* was instituted in 2003 to create an inclusive work environment for women employees and develop them for managerial and leadership roles (Jain & Lobo, 2012). The percentage of women employees at Infosys rose from 19 per cent in 2003 to over 34 per cent in 2012, while the company's total headcount grew from 15,000 to 140,000 (Irde & Ravi, 2012, p. 207). While a lot more needs to be done even in large companies, such practices have not yet spread to small and medium-sized enterprises in India (Woetzel et al., 2015).

Gender diversity programmes may be commendable when gender differences in attitudes or behaviour exist (Russ & McNeilly, 1995). But in the absence or exaggeration of such differences, through "alpha bias" (Hare-Mustin & Marecek, 1988, p. 457), "the conduct of special programs for women may actually facilitate sexism or lead to perceived sex differences where none had previously existed" (Bruning & Snyder, 1983, p. 485).

Turnover intentions for both genders are highly correlated with both job satisfaction and organisational commitment (Steers, 1977). In this study, we consider gender as a moderator (Baron & Kenny, 1986; Meyer & Herscovitch, 2001). We look at how female and male employees in the Indian IT services sector perceive the organisational climate created by the employing organisation (perceived organisational climate, POC), and the climate between employees at intra-team level (perceived employee climate, PEC). We focus on POC and PEC "because perceptions of work environments are influenced by individuals' idiosyncratic traits" (Choi, Oh, & Colbert, 2015, p. 1543). We then examine how POC and PEC associate with the three factors of organisational commitment as posited by Allen and Meyer (1990): affective (AC), normative (NC), and continuance commitment (CC). With this study, we want to contribute to the understanding of whether organisational and employee climate contribute to the commitment of female and male Indian IT employees to their employing organisation.

We focus our research on the main and moderator effects of gender, but not the reasons (Russ & McNeilly, 1995). A main effect is the effect of a single independent variable averaging over all levels of other independent variables; it involves a comparison of means. A moderator is a qualitative or quantitative variable that affects the strength or direction of a relationship between an independent variable and a dependent variable (Baron & Kenny, 1986). The moderator's impact is usually tested by examining explained variance; significant differences in path coefficients across subgroups unveil the direction of the relationship (Russ & McNeilly, 1995). This differential analysis is especially relevant in an Indian IT services sourcing environment as women are considered to be a key talent source in emerging markets (Irde & Ravi, 2012), and as Indian IT service providers increased the number of women employees in recent years. To understand the main effects, we look at means. To analyse the moderator effects, we use subgroup comparison with gender as a dichotomous moderator (Baron & Kenny, 1986), correlation coefficients, and structural equation modelling (SEM) with Ωnyx software (von Oertzen, Brandmaier, & Tsang, 2015).

The remainder of this paper is organised as follows. We first provide a literature review of gender differences, organisational commitment, perceived organisational climate, and employee climate; we use this review to develop our research hypotheses. Then we explain our research methodology, including data collection and measures used; we examine the gender-moderated relationship between organisational climate, employee climate, and organisational commitment. We summarise the study's managerial implications, highlight its limitations, and give ideas for further research.

Literature review and hypotheses development

Gender and the Indian workplace

It has been acknowledged that for long there was a dearth of knowledge and theory in the field of gender differences in work situations (Miller & Wheeler, 1992; Sekaran, 1990). Several empirical studies have helped build theories (Corbin & Strauss, 1990; Glaser & Strauss, 1967), and provide some empirical support for gender differences at the workplace (Delfgaauw, Dur, Sol, & Verbeke, 2009). However, many human resource managers often appear to ignore the existing knowledge, and instead rely on their common sense (Steffens & Viladot, 2015). Elsesser (2015, p. 132) calls for educating about gender differences: "Just as we teach employees about the pitfalls of conducting business cross-culturally, we need to educate our employees about gender differences."