Voice or Neglect: Understanding Employee Behavior in Two Multinational Corporations

Sushanta Kumar Mishra and Richa Saxena

Abstract

The present study is based on the data from two Multinational Corporations (MNCs) located in the state of Gujarat in India. The study explores the influence of organizational image and organizational practices on the voice and neglect behavior of shop-floor employees. The study found that irrespective of attractive organizational image, weak organizational practices induce voice behavior among the employees as they hope that organizational practices will improve overtime. However, employees shift to neglect behavior when they lose the trust in the management. Implications of the study for academia and industry were discussed.

Keywords: MNCs, voice, neglect, trust, organizational image, organizational practices.

1. Introduction

Different employees respond differently to organizational actions. Some choose to raise their voice, whereas others either choose to remain silent or choose to quit the context. There is an increasing interest on the action-reaction phenomenon between the organizations and their employees. Indeed, studies have started discussing the breaking of the organizational silence (Huang, van de Vliert, & Van der Vegt, 2005) and emancipation of voice in workplace (George & Brief, 1992). Voice behavior is particularly important in the present context, given the increasing belief that employee comments and suggestions may improve organizational functioning and performance (Morrison & Milliken, 2000). Although voice literature has a rich theoretical tradition dating back to Hirschman's (1970) seminal work; research on its antecedents is still in an early stage of development (Detert & Burris, 2007; Graham & Van Dyne, 2006). This may be because of the fact that employee voice is not only a function of person-centered variables like satisfaction with the work group, but more importantly is a function of situational factors (Withey

& Cooper, 1989). Hence, research still needs to explore important antecedents of employees' voice behavior, particularly, the organizational conditions that favor or inhibit such behavior. In this study, we seek to contribute to such understanding.

Organizational voice is a phenomenon in which people express opinions or thoughts in order to bring some organizational change. The notion of voice stems from the idea that employees recognize some source of dissatisfaction and eventually identify opportunity for improving their own and their organization's well-being (Hirschman, 1970). Voice is the verbal activity that is used to promote constructive change in the status quo (Rusbult et al., 1988). Despite an increase in research on 'voice' in organizations in recent years (Special issue of Journal of Management Studies, 2003), our knowledge of the phenomenon remains limited in many important ways. In fact, the typology of EVLN (where E denotes Exit, V denotes Voice, L denotes Loyalty and N denotes Neglect response) proposed by Hirschman[1] (1970), seems to be appropriate to understand dissatisfaction, attrition, and flirting loyalty of employees in present organizations. The mere presence of employees in the workplace is not as important as the manner in which they perform their job activities. In this regard, the present study tries to understand employee responses particularly 'neglect' and 'voice' from the lens of organizational attachment. Hirschman (1970) remarked that the key to understanding the decision of 'voice' or 'neglect' is the loyalty of the members, wherein those with greater loyalty towards the organization are more likely to stay and try to change it from within. In the present study, we seek to advance the present understanding of the situational mechanisms that facilitate or inhibit voice by returning to Hirschman's (1970) loyalty and exit concepts. Specifically, we describe how organizational attachment, influences the

---

[1] Originally Hirschman (1970) suggested only three reactions in his typology Exit, Voice and Loyalty. Later Lyons & Lowery (1989) added Neglect as an additional component to this typology.

propensity to speak up, rather than a set of passive behaviors (i.e., silently remaining supportive), that has been suggested by most subsequent operationalization of loyalty (Rusbult et al., 1988; Withey & Cooper, 1989). The other purpose is to explore how organizational factors like organizational image and organizational practices influence employee voice and neglect behavior.

2.   Literature Review

2.1 EVLN Typology and Loyalty

Building on the work of Hirschman (1970), other researchers (Lyons & Lowery, 1989) introduced the additional notion of 'neglect' to form a four-fold typology EVLN to describe how employees select among these responses when they become dissatisfied. In the EVLN typology, loyalty was considered as an alternative to exit and voice rather than a psychological condition moderating the relation between dissatisfaction and exit/ voice. Researchers criticized it (Dowding, John, Mergoupis & Vugt, 2000) as problematic and argued that Hirschman (1970) used it as 'ad hoc equation filler' (Barry, 1974: 95). Although Hirschman posited that loyalty, or feelings of attachment to the organization, would be the primary psychological consideration affecting voice and exit, most research in the voice-specific stream has focused on perceived cost (safety) and efficacy (utility) as the primary psychological underpinnings linking individual and situational factors to voice (Ashford, Rothbard, Piderit, & Dutton, 1998; Detert & Burris, 2007). In this article, we describe how employees' attachment with an organization influences their voice behavior.

Hirschman (1970: 30) defines voice as "any attempt at all to change, rather than to escape from, an objectionable state of affairs, whether through individual or collective petition to the management directly in charge, through appeal to higher authority with the intention of forcing a change in management, or through various types of actions and protests…" The primary motivation of employees in voice behavior is to provide information, opinion, or feedback concerning work related improvements (Hoffmann, 2006; van Dyne, Ang, Botero, 2003) or to resolve the organizational problems (Spencer,

1986). Voice is similar to whistle blowing in the sense that it is aimed at improving the organization where the workers go outside their organization to raise voice only when their voices have been ignored by their supervisors (Rothschild & Miethe, 1999).

When individuals believe that organizational recovery is not going to happen they respond with neglect (Withey & Cooper, 1989). Neglect is shown by putting in less effort, not working to improve the relationships, rather letting it fall apart (Rusbult, Zembrodt, & Gonn, 1982). In a work setting it includes spending less time at work and expending less effort when present in the job (Withey & Cooper, 1989).

2.2 Organizational Attachment

Employees' attachment with their organization depends on both intra-organizational and extra-organizational factors (Morgan et al. 2004). The extra-organizational factors are the factors that influence the employees' perception about how outsiders view their organization. As individuals are motivated by self-enhancement needs, they tend to attach themselves with organizations that confer positive qualities upon them. Hence, when employees perceive their organization's external image favorably, they "bask in the reflected glory" of the organization (Cialdini et al. 1976: 366) and their perception of organizational image lead to their attachment with the organization (Fuller et al., 2006). The intra-organizational factors are the organizational practices within the organization (Fuller et al., 2006).

2.3 Organizational Image

Image is a powerful perception because organizational members use it as a "mirror" to assess their own organizational identity perceptions in the light of external stakeholders' evaluations (Dutton, Dukerich & Harquail, 1994: 249). Smidts, Pruyn, Van Riel, (2001) adopt a slightly narrow approach to image, and define it as organizational members' perceptions of how prestigious the organization is in the eyes of external stakeholders. Because it is based on an individual's evaluation of his or her organization's image, it is an individual-level variable (Smidts, Pruyn, Van Riel, 2001). The present

study uses the term "image" in a general sense, with the implicit understanding that it denotes member's perception of how outsiders think about the organization. Dutton, Dukerich & Harquail, (1994) remarked that organizational image is likely to influence employee attitudes and behaviors in the workplace.

2.4 Organizational Practice

The literature is divided on the practices that come under HR practices. However, according to the HRM index (Sels, De Winne, Maes et al., 2006), the key HR practices include how competencies are developed (Knowledge, Skill, Abilities through training), behaviors are nurtured (career management, compensation), and empowerment practices (employee influence, involvement) are followed in an organization. Studies indicate that when workers perceive the practices of the organization as discriminatory, they may detach themselves from the organization. For example, Veenstra, Haslam, & Reynolds (2004) reasoned that to the extent employees are neglected, their attachment with the organization dampens. However, to our surprise, there is hardly any study that explores the linkage between employees' attachment with the organization and their EVLN behavior. The present study explores the effect of organizational image and organizational practices on employees' attachment to the organization and on subsequent voice and neglect behavior.

3. The Study

The distinctive features of MNCs are high levels of geographical and cultural diversity coupled with complex portfolios of businesses, functions, and markets. This diversity and complexity makes it impossible for executives at the corporate headquarters to give full attention to all subsidiary units (Levy, 2005). Given the inability of the top executives at corporate headquarters to give attention to its subsidiary units, MNCs provide a fascinating context for exploring the "voice" and "neglect" behavior of employees who are working in different units away from the corporate headquarters.

The present study is based on the responses of employees of two MNCs located in the state of Gujarat. Both the MNCs were in the manufacturing sector. The data were collected in the year 2006. The epistemological choice was phenomenology as it seemed to be an appropriate method that could help in digging out the phenomena. Our adherence to this outlook helped us in unearthing the workers' attachment and detachment with their organization and the subsequent voice and neglect behavior. In this sense, we repeatedly raised questions like why employees attach/ detach themselves from the organizations. To start with, the details of the two organizations are given in *Table 1.*

3. 1 Methodology

Crotty (1998) states that phenomenology invites the researchers to place their usual understanding in abeyance and look at the things afresh. In an attempt to understand and describe people's subjective experiences, phenomenology tries to put oneself in the place of the other. The emphasis in this approach remains on common understandings and the meanings of common practices, so that phenomenological research of this kind emerges as an exploration, via personal experiences (Crotty, 1998: 83). In the present study, the researchers went to these sites without any prior knowledge of the issues prevailing there. Hence, it was imperative to choose an approach which is exploratory in nature and would have given enough scope to understand the issues with the help of continuous dialogues with multiple stakeholders at the sites. The conversational interview was used as the primary instrument in the present study to explore and gather experiential narratives that would serve as a resource for developing a richer and deeper understanding of the phenomena being studied (van Manen, 1998). In addition to the conversational interviews, the researchers also referred to the organizational documents like reports, standing orders, rule books, minutes of the meetings and the policy documents.

Initially, the work-sites were visited to explore the prevailing issues in the organizations. Multiple visits to the sites were made by the researchers to collect data from different groups of people. Consistent use of dialogues with various stakeholders facilitated the initial rapport-building and building trust with the

TABLE-1: Comparison of two MNCs

	Pharmaco Company	Sanzvik Steel Ltd.
Company Status	One of the top Pharmaceutical Companies in India	One of the top Steel Tubes Manufacturing Companies in India
Worker Strength at the shop floor	135	122
Workers Qualification	SSC and ITI	SSC and ITI
Average Age of Workers	37 to 38 years	36 to 37 years
Average Experience	15 to 16 years	10 years
Sex Ratio (Female/Male)	0	0
Employees Union	Not Affiliated to any Political Party	Not Affiliated to any Political Party
Main Activity of Union	Let the Voice of the workers heard	To protect the jobs of the workers
Main Activity of Management	To involve in production activity	Production activity and controlling workers
Retrenchment	Never	Used VRS in 2001 to take care of excess manpower
Employees	All Guajarati/or domicile of Gujarat	All Guajarati/or domicile of Gujarat

respondents. It also helped in identifying the strained relationship between the workers in the shop-floor and the management. Further, dialogues were planned and interviews were conducted by the researchers to get more in-depth information by the participants. As there was no permission to voice record the interviews, field notes were taken during and just after the interview. At the end of each day of data collection, the researchers used to document and record their field notes in an organized manner, so that there is no loss of data with the passage of time. Data was analyzed thematically. Initially, the statements capturing any specific incident or the descriptions around it were identified. With the help of these statements significant meaning was derived to understand the phenomena. The data extracted from the interviews was verified and validated with the data from other sources like company documents or the interview of other respondents. In case of any discrepancy, the researchers sometimes went back to the respondents to get the better understanding of the facts. The analysis was not a one-time process, but was done through the iterative process.

3.2 Study 1: Ankleswar site of Pharmaco

Pharmaco (name withheld) is a reputed MNC in pharmaceutical industry, with one of its manufacturing site located in Ankleshwar Industrial Estate (AIE), in the Bharuch District of Gujarat. There were approximately fourteen Pharmaceutical and twenty-two bulk drug manufacturers in this area at the time of our study.

The Ankleshwar site of Pharmaco was started in 1987 and it gained reputation in the locality over a period of time. The plant was accredited with USFDA and ISO certifications. Over the years, Pharmaco was rated among the top 10 pharmaceutical companies in India. The Ankleshwar site of Pharmaco employed 227 permanent employees, out of which 135 were in the worker level and 92 were in the management level. In addition, there were contract workers to help the permanent workers in daily activities. The average age of workers was about 37 to 38 years and the average duration they have spent with the present company was about 15 to 16 years. The educational qualification of permanent workers varied from below matriculation to ITI (ITI is a vocational

training done after Matriculation in various trades like, Fitter, Welder, Electrician, etc.). Most of the permanent workers in the company belonged to Gujarat (98%) or were domiciled in Gujarat. Data of 9 senior level managers (all males; called Head of the Departments: HoDs or simply Heads), 5 junior level managers (4 males and 1 female), 12 workers (10 from shop floor, 1 male nurse, and 1 security guard) were used for the present study. To explore workers' interpretation of the organizational image and practices we got involved in conversation with the respondents.

Organizational Image

Pharmaco was regarded as a quality producer in the business community. Consistently over the years, it was rated as one of the top ranking organizations in India. In Ankleswar, compared to other players, Pharmaco was regarded as one of the good pay masters by its employees as well as their contemporaries in other similar organizations. The organization invested lot of money in social cause, like donating to the local hospital, providing ambulance facility to other organizations, providing training on safety and health, involving in local educational institutes, and for the overall development of the locality. The organization was never involved in retrenchment like other organizations in that sector and locality. The organization maintained its reputation over the years and people in the locality considered it as a respected organization. It was a matter of pride for the employees to be a part of Pharmaco. Due to the reputation of the organization, employees generally did not get any difficulty in getting financial assistance from local bankers. Almost all the employees reported that the external image of their company was high and they were respected because of their association with Pharmaco. However, the organizational practices were not perceived well by the workers. In the following section we have described the organizational practices at the Ankleswar site of Pharmaco.

Organizational Practices

Pharmaco had elaborate and well-documented organizational practices, like leave policy, medical policy, Health, Safety, and Environmental (HSE) Policy to cite a few. The organization provided many facilities like transportation facility, housing loans, canteen facility, and annual bonus to its employees. The company had elaborate, well-documented and organization-wide communicated values. The Manager (HR) remarked that

> *Our practices are very transparent and as a result of that the union is management friendly. From peon to President all know the values of the organization.*

Values and Policies of Pharmaco

The managers felt that the values of the organization guided the employees' understanding about their organization. We quote the opinion of a senior level manager,

> *The importance of policies, values are immense in the organization. They help us to understand the company better and the priorities of the organization.*

Similarly the HoD of another department explained that,

> *The values are essential for our organization. Values give us direction and the policies give the broad overview of our objectives (HoD, API Plant).*

However, during the interviews it seemed that even some of the middle level managers were not fully aware of their organization's values. According to a manager

> *The vision and values of the company are for the visitors. If you follow them, you will not survive in this organization (Manager 1).*

The workers were found to be unaware of the values of the company. The union leaders also fail to communicate the values of their company. As we move from the top level managers to the workers, we noticed that the awareness and the belief in those values are lacking among employees at different organizational levels. It seems that though the top managers are talking about the values and vision of the company, probably it is not communicated properly to the people at different levels or people at lower levels do not believe in the values of the company.

Performance Evaluation

There was no system of performance appraisal for the workers. Some workers opined that going against the management is suicidal. The feeling among the workers

was that the performance of the individual is dependent on the HoD. Normally, it used to take 5 to 6 years for a time bound promotion but there were evidences that some employees did not get promotion even after completing 10 years of their service, because they were not liked by their managers. Even some managers shared similar views during the interview.

> *Impression management is an important part of our performance. Our performance is judged mostly by the impression of the senior managers (Manager 2).*

Salary and Incentive

There was a huge difference between the salary structure of the workers and the managers. Similar proportional difference was noted in other allowances like house rent, travel allowance, and leave travel facilities. The executives were eligible for monthly incentives depending on production, whereas workers had no incentive systems. There is a Pharmaco residential colony, with quarters exclusively for the managers, and the company provides financial assistance for celebrating common festivals in the colony. The company used to give cash gifts to newly married couples, but only to employees in the managerial level, as a gesture of good wishes. Workers were denied this felicitation. Moreover, managers could enter and leave the plant premises anytime, but this was not so in the case of workers. Workers were frisked by security persons as and when they left the plant but managers were exempted from such a procedure.

Canteen Facility

The company provided canteen facilities that serve tea, snacks and meals. During the visit to the canteen premises we had a peculiar observation. One end of the canteen was meant for the workers, whereas the other end meant for the management staffs; the middle portion was used as kitchen by the canteen staff. The quality of the food was same for all the employees. However, there was huge disparity in the service quality provided in the two sections of the canteen. In the management side of the canteen the building was air conditioned and the food was served as buffet while the workers were given limited amount of food and their side of the hall was poorly maintained. The ambience of that side was treacherous and was stinking. The steel glasses, steel cups and trays were piled up for the workers. Drinking water was poured in a drum and then distributed from that drum to the workers. There were plastic chairs unlike the wooden cushioned chairs for managers. The workers' wash room was in a shabby condition while the washroom for managers was well maintained with auto flush, hand dryers, liquid soaps, etc. These conditions contradicted the HR Manager's statement that we treat our managers and workers equally.

Family Culture

The organization values and policies claim that Pharmaco has a strong family culture with no difference as far as organization treatment is concerned. According to a union member,

> *A worker is a worker. A worker can not be an executive in his entire period of service in this organization (Union Member 1).*

The Head (HR) also agreed that one could not compare workers with executives. He argued that by virtue of the design of system there was inherent inequality between the managers and the workers. For example, managers could be terminated easily on a short notice; however it is not possible to terminate any worker as they were the members of the union. According to the organizational reports there is a gradual increase in the number of managers as well as the number of temporary workers; whereas the number of permanent workers was almost constant. According to workers, with increasing automation, and increasing use of temporary workers, there was a fear of job loss. The situation was just the opposite for the employees in the management level. One manager opined that

> *One good thing about this company is that you will never lose your job (Manager 3).*

Communication

The organization had well documented contact meetings. Workers claimed that the contact meetings were always unidirectional and dialogue never took place. Issues raised by workers for discussion were brushed aside for later discussions at the department level. The company

did not formally exchange information about technological developments with the workers. There was a huge gap between, what the managers say and what they actually do. The trust on the managers is very low among the workers. One of the union members stated that

> *The management wears a mask of a colleague to stab us at the back. They can not be trusted. Worker benefits are never a concern of the management. They are there to work and only work (Union member 2).*

Training and Orientation

The company had elaborate policies and charters, like HSE Policy, Quality Policy, Code of ethics, Social charter, etc. According to the HR manager, the company invests a lot of resources for the development of its people. According to the Head (HR)

> *We thrust on training. We give training on many behavioral issues. At the managerial level workers' training is one of the Key Performance Indicators (KPIs) under the 'people development'.*

The workers were of the opinion that workers' interests were completely ignored while designing these training programs. It seemed that only the discretion of the management prevailed. The annual increment of the management was related to workers' training. According to the members of the union, the purpose of the training was not people development but the KPI target fulfillment. Consistent to the above opinion, the Head (HSE) replied that,

> *In this company hypocrisy is rampant. We talk a lot about training, and do just the reverse. The training is given least priority in the company. I think the domestic companies are better than this MNC because unlike our organization at least they do what they say. For example they do not give importance to employee training and they admit it where as we do not admit.*

Employee Participation and Creativity

The managers used to be involved in a lot of meetings. However, the workers were never involved in any meeting. Though creativity is one of the core values of the organization generally it is not encouraged. For example, there were no suggestion box or scheme in the company where in the workers could exercise their mind to improve productivity. Efficiency was given more importance than nurturing people for continuous improvement. Further, as critical processes were automated, the workers were increasingly used as robots to follow the SOPs (Standard Operating Practices). Thus, gradually the distinction between skilled workers and semi-skilled workers was getting thinner. This view of workers about themselves emerged during several discussions. The managers seem to not believe in innovation and creativity of their employees. For example, the HoD (Quality) reported that though innovation is good for the department, workers needed to follow standardized procedures.

> *Though innovation is good for an organization we do not encourage innovation in our practices because we are a globally reputed company and we have certified processes (HoD: Quality).*

According to the Head (Production)

> *We are very sensitive to our people's ideas. When some one proposes any new idea, we pick it up and try to see the other impacts and if possible we implement it.*

However, employees argued that

> *We are no more interested in giving suggestions because no body listens to us. If someone listens then the credit of that idea goes to him (Workers in API Plant).*

Socialization Process

As in other processes, there was a stark difference between the perceptions of management staff and the shop floor workers about the socialization process in the organization.

> *My experience is that most of the work depends on people skills. People are good, but the ways of handling them makes the difference. We have good relationship with our colleagues and try to increase the socialization process in this organization (Head, Engineering).*

Workers perceived that there was no socialization process in the management.

> *We meet once in a year in the company premises. But I am sure it is just like a routine job to fill up their KPIs. The concern for the workers is never an interest for the managers (Worker 4).*

Employees' perceptions about organizational practices are provided in Table 2.

Trust on the Management

Trust has been identified as an important yet under-recognized part of numerous leadership theories. Trust is a crucial element in leader-member exchange theory (Schriesheim, Castro, & Cogliser, 1999). In addition to its role in leadership theories, trust has been linked to positive job attitudes, organizational justice, psychological contracts, and organizational relationships. Trust is argued to be a belief or perception held by the follower and not just a property of the relationship or the leader. In this regard, trust may happen at multiple levels. In this paper we explore the trust of the employees on the management at two levels. One at the local unit level and the other at the corporate headquarter level. The workers shared that the top leaders of the organization at the corporate headquarters are not aware of these discriminations of the local managers, and were hopeful that these issues were temporary. The union leader replied that the prime task for him is to get their voice heard by the Country Head of the organization. They were exploring ways to communicate the happenings to the Country Managers. In fact the union leader claimed that for the first time in the history of the organization the union was seeking the Tribunals interference for the settlement of their wages. He argued that the aim was to highlight the issues, so that it would catch the top management's attention.

Employee Attachment

It was observed that employees had stronger attachment with their organization. According to the organizational records, there was consistent improvement in almost all the quality parameters as well as production. For example the quality (First time Quality, FTQ) of one unit increased from 75.40 in 2002 to above 95 in 2005. Even one production manager mentioned his people as his assets. These people were highly dependable in terms of their dedication to work. They used their workers to train the temporary workers. During our visit we noticed that in almost all the activities there were no managers and the entire activity was performed by permanent workers. According to HoD (Engineering Department)

Our workers are the key assets of the organization. People are cooperative, respond positively to developmental activities and even some workers are better than the engineers.

Similar thoughts were shared by Head (Quality), who remarked that

Our workers are crucial in ensuring product quality.

One of the managers opined that the best part of their workers was that they respected their work. Even workers reported their concern for quality during the interview.

In the work stations we take our own decisions in the operation of the activities. We have a good experience of about 16 years and we are very much conscious about the quality of the product (3 Workers in Formulation Plant).

In the present policy of the organization, there is increase in earnings of the executives. But, we never mix these issues with quality output. Whatever the issue may be product quality is above that (Union Leader).

There was a feeling that the workers did not see the management as the representative of their organization. The union leader shared that

These management people can not be depended. Whatever facilities we have got, it is because of the MNC owners. Given a chance the local management would have curtailed all the facilities provided to us. The primary aim of the local management is to improve the bottom line of the company. So the axe is on workers.

It was evident that the workers did not see themselves as separate from their organization, and they have high trust on the corporate level senior managers. In fact they perceive that poor organizational practices as a temporary phase which could be rectified. The present case observes that in case of favorable image of the organization, employees do not consider the poor practices of the organization as the behavior of the organization. In other words, they do not consider the local managers as the representative of their organization. The case indicates that workers have high amount of

trust on the senior managers (Corporate Level) of the organization. The case suggested that the grudges of shop-floor workers with the local managers not necessarily reflect as the grievances with the overall organization. As a result, they consider it as temporary phenomena and try to indulge in voice behavior in order to rectify the discriminatory practices in the organization. By voice behavior they try to draw the attention of senior corporate level Managers with a hope that the discriminatory practices will be corrected. These observations are consistent with other studies which claim that loyal employees will choose to voice their concerns, instead of exiting in response to workplace problems (Luchak, 2003).

The literature is silent on what happens when the corporate level Managers do not pay attention to workers' voice or side with the local managers. In the second case study it was observed that corporate level Manager's response is crucial for workers' attachment to the organization and their behavior.

3.3 Study 2: The Vatva site of Sanzvik

Sanzvik (name withheld) was a well reputed MNC in stainless steel tube manufacturing industry, with one of its manufacturing units located in Vatva (name withheld), a place populated by many stainless tube companies in Gujarat. The plant was accredited with ISO certifications. The Vatva site of Sanzvik employed 147 (all male) permanent employees, 122 of which were at the worker level and 25 were at the management level. There were no female employees in the organization. In addition, there were temporary employees in the organization. The average age of the workers was about 36 to 37 years. The average work experience of most of the workers was more than 10 years. Most of the workers were Gujaratis. Getting a job near their village was a life time opportunity for them. Also, most of the workers agreed that their social status has increased after they have employed in Sanzvik. The educational qualification of permanent workers varied from below matriculation to ITI. All the workers in the company belonged to Gujarat. Data of interviews with 10 senior level managers, 5 junior level managers, and 18 workers were used for the present paper.

Organizational Image

Sanzvik was regarded in the business community as a quality producer. In Vatva, compared to other similar organizations, Sanzvik was considered a good pay master. Unlike other steel tube manufactures in the locality, it provided transport facility, canteen facility, and health insurance facility to its employees. It was a matter of respect for the employees to be a part of Sanzvik. Employees received the advances/ loans from banks and other financial institutions because of their association with the company. However, the organizational practices were not perceived well by the employees. In the following section we have described the organizational practices at the Vatva site of Sanzvik.

Organizational Practices

Apart from the above mentioned facilities, the working area on the shop-floor was provided with better illumination, air cooling facilities and fume exhaust systems. Apart from tea, workers were provided purified water in the shop floor. The organization arranged for annual picnic, family visits to plants etc. In the following section we have described the perception of employees about organizational practices.

Performance Evaluation

There were no promotion policies, performance appraisals and recognition for better work of the workers. Managers used to get all the above benefits.

Salary and Incentives

There was huge difference between the salary of workers and managers. Similarly there was difference in other allowances also like house rent, travel allowance, and leave travel facilities. The annual increment for the workers as well as managers was about 7%, but only managers used to get the annual bonus. The managers were eligible for monthly incentives depending on production, whereas workers had no incentive systems. The managers used to get other facilities like mobile phones, vehicles, etc. which workers were not considered eligible for. Moreover, managers could enter and leave the plant premises anytime, but this was not allowed

to the workers. Security check was done during employee departure from the plant premises. However, this was only for the workers.

Family Culture

The managers claimed that Sanzvik had a family culture with no difference as far as organizational treatment was concerned. According to the union leader,

> *A worker can not be an executive in his entire period of service in this organization.*

The managers floated the scheme to upgrade workers to management level only if they agreed to dissociate themselves from the union. According to organization reports there was a gradual decrease in the number of permanent workers over the years (the worker strength gradually reduced from 174 (in 2002) to 122 (in 2005)). With increasing automation, hostile management and increasing use of temporary workers, there was a growing fear of job loss among the workers.

Communication

The interaction mostly took place in the monthly meetings. The nature of interactions was generally production target-oriented. The workers perceived such meetings as routine and did not seem to be very enthusiastic about them. The production targets were set by the management and conveyed to the workers. There was no worker participation in the target setting process.

Training and Orientation

The company forced training on its workers and all the trainings were related to multi-skilling. Training days per worker have declined gradually from 4.5 (in 2003) to 1.28 (in 2005). Managers were getting trained on management development areas like leadership, team building etc.

Employee Participation and Creativity

The managers were involved in a lot of meetings. However, the workers were never involved in any such meeting. Being a manufacturing organization, efficiency was considered important than innovation.

> *There is no encouragement for suggestions and no incentives for that. The only criteria for recognition are that one dissociates himself from the union (2 Workers).*

Socialization Process

In spite of managers' claim that there was strong socialization process, workers' perception was just the opposite.

> *The annual picnic was all farce and it ended within a couple of years. We do not understand why the management is boastful about it. The concern for the workers is never an interest for the managers (4 Workers).*

Employees' perceptions about organizational practices are provided in Table 2.

Employee Attachment

To observe workers' behavior, the researchers spent time with them and talked informally even in the retiring rooms during the breaks, joined them during lunch, travelled with them through company transport facilities. We were with them even during odd hours in the night shifts and in the evening shifts to observe and understand their perceptions and behaviors. This also helped in breaking their perception about us as 'management spy'. We noticed the presence of shift managers in every organizational activity. The workers were reluctant to do any extra work. During shift change, often workers shunned their work before the due time. There were several instances where the plant/ unit were shut down due to no manning in some sections.

> *I am working because there is no other job opportunity in the market and I need a job. If given a chance I will leave this organization without a second thought (worker 1).*
>
> *I am working because it is near my home; but given a chance I will quit the organization (worker 2).*
>
> *Company future is bright, but my future is uncertain because the intention of the management is unknown. When the management will bite I do not know (worker 3).*
>
> *We are living our life in utter uncertainty. We work to keep our job intact, nothing more nothing less (union leader).*

The head of the unit opined that:

> *We have tried all means and presently we are convinced that they can not be moulded into organization's philosophy; so we are ignoring the workers. We are keeping these people like this and recruiting qualified people and temporary workers for our expansion and other works. All the management people know how to operate the machines and in shutdowns the plant is run by the managers to make up the production target.*

Understanding Workers' Neglect Behavior

Initially the workers were enthusiastic to work in this organization. There were instances when the management promised to pay incentives on achievement of some targets which the management could not keep.

> *In spite of reduced manpower, there is increase in production over the years. All the record production was given to machines as if we do not have any contribution. The temporary security guards are used to check the workers behavior in the night hours and the sole work of the HR manager is to issue letters and cut salary, based on the report of these temporary employees. Do you think we have any status within the organization? It actually hurts; but the management is reluctant to this issue. (Union Leader)*

As per the company records the top management from the corporate head quarter had visited the organization and during a discussion with the workers union, he categorically emphasized that the management was doing the best and the workers are needed to follow the management. Even during the interview the union leader reiterated the same thing. They were not sure of whom to trust. The local management was awarded for their efforts and all these messages were signaling the workers that the Senior Management was supporting the local managers. It was accepted that the organizational practices were not good.

> *The management is highly unpredictable and that is one of the reasons why we do not enjoy the work (worker 3).*

The workers raised their voice for support from top management as they felt that the local managers do not represent the organization. However, when they found that the top managers supporting the local managers,

they understood that the whole organization was like that only. So the only way to continue, according to them, was to involve in neglect behavior.

The above case indicates that in case of favorable organizational image, employees' lack of trust on the corporate level Management leads them to believe that the poor practices in their work unit is the actual intent of the organization towards them. In other words, they lose hope of any betterment in the existing conditions. This leads employees to involve in neglect behavior towards their job and towards the organization.

Referents of Trust

Most of the research has used the term "trust in leader" without considering the variation in leadership roles. In order to effectively leverage the benefits of workplace trust, there needs to be a better understanding of which "referents" may be most relevant and important for eliciting employee attachment and performance.

Following norms of reciprocity, the social exchange perspective implies that followers will reciprocate benefits received, and that individuals will target their efforts to reciprocate toward the source of the benefit received. For example, trust in direct leader should be associated with reciprocation primarily aimed at that leader, as opposed to senior leadership (e.g., top management team). Likewise, efforts to reciprocate trust in senior leadership would be targeted toward senior management. Research reviewed by Bass (1990) indicates that supervisors tend to perform activities such as managing performance and day-to-day activities on the job. In contrast, senior executives perform more strategic functions such as setting strategic direction, allocating resources to various projects and departments, communicating to employees the goals of the organization, and so on. Given the distinction in the roles of the different leadership referents, reciprocating trust in one's immediate leader may be related to job-related outcomes such as increasing job performance. In contrast, trust in senior leadership may involve reciprocating to that referent with high commitment to the organization and its mission. The present article highlights two situations: one, the lack of trust on the local managers but high level of trust on corporate level

managers and second, lack of trust on both the local and the corporate level managers. The employee attachment to the organization in both the cases was found to be different. In case of lack of trust on local managers but high trust on corporate level managers, there was strong attachment of workers to their organization. But in case of lack of trust on both the local managers and corporate level managers, the attachment was low. In case of lack of trust on the local managers, the behavior of employees changes from voice to neglect behavior depending on their trust on corporate level managers.

4. Discussion

Based on the above two studies we noticed that when employees perceive favorably their organization's image and they trust the intent of the management, they do not take poor organizational practices to their hearts. They assume that these are temporary phases and ignore their own grievances by assuming that the top managers will take care of it. People having stronger attachment with the organization try to improve the organizational practices; thereby raise their voice so that top managers can catch the issue. When employees notice that top managers are not helping the organization, they lose hope. Because of favorable image of the organization they do not leave the organization rather involve themselves in neglect behavior.

This study has important implications for organizations as it indicates how organizational practices as well as management interferences can change workers' level of attachment with the organization and hence influence their behavior. Further research can be done to explore/ reinforce the above findings in different settings. It is important for MNCs, in particular, to understand how the actions of managers at different levels are perceived differently by the workers and its consequence on their 'voice' or 'neglect' behavior. In other words, favorable image of these organizations seem to be detrimental for the workers, as it closes their exit option and poor organizational practices increases their neglect behavior.

Current literature talks about the effect of external image and organizational practices on employees' behavior. For example, in case of favorable external image and favorable organizational practices, employees strongly attach themselves with the organization (Fuller et al., 2006). Employees' attachment with the organization leads to their loyalty behavior. There is some existing literature, which explores employee behavior in case of their stronger organizational practices but faltering external image. For example, in the study of employee behavior in Amway Corporation, Pratt (2000) argued that when organizational practices are strong, employees do not care about the unfavorable external image of the organization, rather they put effort to enhance the external image of their organization. Similarly in the context of University ranking, Elsbach and Bhattacharya (1996) observed that in case of lowering of ranking of a university, employees tried to regain/ enhance the ranking of their university. The above studies hint that when organizational practice is strong, unfavorable organizational image does not influence employees' attachment to the organization and their consequent behaviors. Rather, they maintain strong attachment with the organization and try to maintain and improve organization's image in the eyes of the outsiders. However, studies that explore employee behavior when organizations image is favorable but organizational practices are poor are scant.

5. Conclusion

Based on the findings of two MNCs in India, the study proposes that workers' perception of favorable image of their organization and poor perception of their organizational practices do not dampen their organizational attachment; rather workers try to improve their organizational practices. When they have trust on the management, they try to indulge in voice behavior, to make the managers aware of the issue. But when they lose their trust on the management, they believe that the situation cannot be improved further and as a consequence they involve in neglect behavior. The study provides an important insight for managers in MNCs where there are different hierarchies in management. The present study indicates that distrust on the management at a particular level does not mean employees involve in neglect behavior; rather employees will try to reach out to the higher level of management, in a hope that the organizational practices can be

improved. The present study has opened up new dimensions to the issue of employee behavior by exploring the EVLN model from organizational attachment perspective.

Note

1. An earlier version of this manuscript was presented in the Indian Academy of Management Conference at XLRI held during December 28-30, 2009.

2. The company names have been withheld.

References

Ashford, S. J., Rothbard, N. P., Piderit, S. K. & Duton, J. E. (1998). Out on a limb: The role of context and impression management in selling gender equity issues. *Administrative Science Quarterly,* 43, 305-329.

Barry, B. (1974). Review article: Exit, voice, and loyalty. *British Journal of Political Science,* 4, 79-107.

Bass, B. M. (1990). *Bass & Stogdill's handbook of leadership: Theory, research, and managerial applications* (3rd ed.). New York, NY: Free Press.

Cialdini, R. B., Borden, R. J., Thorne, A., Walker, M. R., Freeman, S. & Sloan, L. R. (1976). Basking in reflected glory: Three (football) field studies. *Journal of Personality and Social Psychology,* 34, 366-375.

Crotty, M. (1998). The foundation of social research: Meaning and perspective in the research process, London: Sage.

Detert, J. R., & Burris, E. R. (2007). Leadership behavior and employee voice: Is the door really open? *Academy of Management Journal,* 50(4), 869-884.

Dowding, K., John, P., Mergoupis, T. & Vugt, M. V. (2000). Exit, voice and loyalty: Analytic and empirical developments. *European Journal of Political Research,* 37, 469-495.

Dutton, J. E., Dukerich, J. M., & Harquail, C. V. (1994). Organizational image and member identification. *Administrative Science Quarterly,* 39(2), 239-263.

Fuller, J. B., Hester, K., Barnett, T., Frey, L. & Relyea, C. (2006). Perceived organizational support and perceived external prestige: Predicting organizational attachment for university faculty, staff, and administrators. *Journal of Social Psychology,* 146(3), 327-347.

George, J. M. and Brief, A. P. (1992). Feeling good - doing good: A conceptual analysis of the mood at work - organizational spontaneity relationship. *Psychological Bulletin,* 112, 310-29.

Graham, J.W., & Van Dyne, L. (2006). Gathering information and exercising influence: Two forms of civic virtue organizational citizenship behavior. *Employee Responsibilities and Rights Journal,* 18, 89-109.

Hirschman, A. O. (1970). *Exit, voice, and loyalty: Response to decline in firms, organizations, and states,* London: Harvard University Press.

Hoffmann, E. A. (2006). Exit and voice: Organizational loyalty and dispute resolution strategies. *Social Forces,* 84(4), 2006.

Huang, X., Van de Vlirt, E. & Van der Vegt, G. (2005). Breaking the silence culture: Stimulation of participation and employee opinion withholding cross-nationality. *Management and Organization Review,* 1(3), 459-482.

Levy, D. L. (2005). Offshoring in the new global political economy. *Journal of Management Studies,* 42(3), 685-693.

Luchak, A. A. (2003). What kind of voice do loyal employees use? *British Journal of Industrial Relations,* 41(1), 115-134.

Lyons, W. E. & Lowery, D. (1989). Citizen responses to dissatisfaction in urban communities: A partial test of a general model. *Journal of Politics,* 51(4), 841-868.

Morrison, E. W. & Milliken, F. J. (2000). Organizational silence: A barrier to change and development in a pluralistic world. *Academy of Management Review,* 25, 706-25.

Pratt, M. G. (2000). The good, the bad, and the ambivalent: Managing identification among Amway Distributors. *Administrative Science Quarterly,* 45, 456-493.

Rothschild, J. & Miethe, T. D. (1999). Whistle-blower disclosures and management retaliation: The battle of control information about organizational corruption. *Work & Occupations,* 26, 107-128.

Rusbult, C. E., Farrell, D., Rogers, G. & Mainous, A. G. (1988). Impact of exchange variables on exit, voice, loyalty, and neglect: An integrative model of responses to declining job satisfaction. *Academy of Management Journal,* 31(3), 599- 627.

Rusbult, C. E., Zembrodt, I. M., & Gunn, L. K. (1982). Exit, voice, loyalty, and neglect: Responses to dissatisfaction in romantic involvements. J*ournal of Personality and Social Psychology,* 43(6), 1230-1242.

Schriesheim, C., Castro, S., & Cogliser, C. (1999). Leader-member exchange (LMX) research: A comprehensive review of theory, measurement, and data-analytic procedures. *Leadership Quarterly,* 10, 63-113.

Sels, L., De Winne, S., Maes, J., Delmotte, J., Faems, D. & Forrier, A. (2006). Unraveling the HRM-performance link: Value-creating and cost-increasing effects of small business HRM. *Journal of Management Studies,* 43(2), 319-342.

Smidts, A., Pruyn, A. H. & Van Riel, C. B. M. (2001). The impact of employee communication and perceived external prestige on organizational identification. *Academy of Management Journal,* 44(5), 1051-1062.

Spencer, D. G. (1986). Employee voice and employee retention. *Academy of Management Journal,* 29(3), 488-502.

Van Dyne, L., Ang, S. & Botero, I. C. (2003). Conceptualizing employee silence and employee voice as multidimensional constructs. *Journal of Management Studies,* 40(6), 1359-1392.

van Manen, M. (1998). *Researching lived experience.* London: Alt house.

Veenstra, K., Haslam, S. A. & Reynolds, K. J. (2004). The psychology of casualization: Evidence for the mediating roles of security, status, and social identification. *British Journal of Social Psychology,* 43, 499-514.

Withey, M. J. & Cooper, W. H. (1989). Predicting exit, voice, loyalty, and neglect. *Administrative Science Quarterly,* 34, 521-39.

TABLE 2
Perception of workers about organizational practices

Pharmaco	Sanzvik
The management wears a mask of a colleague to stab us at the back. They cannot be trusted. Worker benefits are never a concern of the management. They are there to work and only work (union member 2).	There is no encouragement for suggestions and no incentives for that. The only criteria for recognition are that one dissociates himself from the union (2 workers).
We meet once in a year in the company premises. But I am sure it is just like a routine job to fill up their KPIs. The concern for the workers is never an interest for the managers (worker 4).	The annual picnic was all farce and it ended within a couple of years. We do not understand why the management is boastful about it. The concern for the workers is never an interest for the managers (4 workers).
A worker is a worker. A worker cannot be an executive in his entire period of service in this organization (union member 1).	We are living our life in utter uncertainty. We work to keep our job intact, nothing more nothing less (union leader).
We are no more interested in giving suggestions because nobody listens to us. If someone listens then the credit of that idea goes to him (workers in API Plant).	Company future is bright, but my future is uncertain because the intention of the management is unknown. When the management will bite I do not know (worker 3).
These management people cannot be depended. Whatever facilities we have got, it is because of the MNC owners. Given a chance the local management would have curtailed all the facilities provided to us. The primary aim of the local management is to improve the bottom line of the company. So the axe is on workers (union leader).	In spite of reduced manpower, there is increase in production over the years. All the record production was given to machines as if we do not have any contribution. The temporary security guards are used to check the workers behavior in the night hours and the sole work of the HR manager is to issue letters and cut salary, based on the report of these temporary employees. Do you think we have any status within the organization? It actually hurts; but the management is reluctant to this issue. (union leader)
We meet once in a year in the company premises. But I am sure it is just like a routine job to fill up their KPIs. The concern for the workers is never an interest for the managers (worker 4)	The management is highly unpredictable and that is one of the reasons why we do not enjoy the work (worker 3).

Sushanta Kumar Mishra is a faculty in OB & HRM Area at Indian Institute of Management Indore. Some of his research has been published in Human Resource Management, Journal of World Business, and Research on Emotion in Organizations. He has presented papers in many conferences and one of his papers was adjudged as one of the best accepted papers in Academy of Management Meeting at Chicago.

Richa Saxena has worked as a Learning and Organization Development specialist at Reliance Infrastructure Ltd. She has done her Fellow Program in Management (FPM) from Indian Institute of Management Ahmedabad. Her research interests include cross-cultural issues in contemporary careers; career mobility & career success; gender issues in career management; change management; learning & organizational development; and leadership development. She has presented papers in esteemed national and international conferences and has published articles in refereed journals.