

**Human Resource Management–Performance Research: Understanding of Employee Involvement****Mary Ching Ngaih Lun Lethil<sup>1</sup>****DOI: <https://doi.org/10.5281/zenodo.17663590>****Review:11/10/2025****Acceptance: 05/11/2025****Publication:20/11/2025**

**Abstract:** Employee involvement has been considered an important element in human resource management–performance research but the approach towards the concept has been varied, be in the conceptualization, definition, implementation and the overall understanding of the concept. This paper has tried to look at the dual nature and the important dimensions of employee involvement from the literature available and strongly suggests a consensus of a more unilateral view of involvement that is both philosophical and structural in nature. Employee involvement can be best understood in a contextual setting, thus providing a framework that incorporates the philosophical and technological aspects of involvement that are interactive and intertwined in the organizational structure and culture. This kind of framework provides a model for both the researchers and organizational practitioners to implement employee involvement strategies and interventions to maximize performance output of both the employees and the organization.

**Key word:** Culture, employee involvement, HRM, performance, philosophy, technology, structure.

**1. Introduction:** Over the past three decades, research in Human Resource Management (HRM) has repeatedly proved that a well-designed HR practices contribute to improved organizational support (Guest, 2017; Jiang, Lepak, Hu, & Baer, 2012). In this framework of research, concept of employee involvement- defined as “ the degree to which employees are empowered to participate in decision making , contribute ideas and influence work processes”- has often been considered as the pillars of high performance work systems (HPWS) ( Lawler, 1996). Although employee involvement has been often acknowledged for its importance, however, there is a gap in the conceptualization and the empirical evidences supporting involvement, thus giving rise to inconsistencies. In some studies, involvement is structured as a managerial **philosophy**—a deeply embedded cultural orientation that values ‘voice, trust, and shared responsibility’ (Boxall & Macky, 2009). In other studies, it is treated as a **technology**—a distinct set of applicable HR practices, such as suggestion schemes or team-based problem solving, and limiting its participative role by not incorporating itself into the fabric of the organizational cultural practice (Wood, 2020). Stephen Wood (2020) highlights a critical misalignment in its analysis where he states that, “while HRM–performance research often claims consensus on the importance of involvement, the operationalization varies widely. This creates a false sense of agreement, obscuring theoretical clarity and limiting the replicability of findings. The question arises—is everyone really on the same page when it comes to employee involvement in HRM–performance research?”

In this article, an attempt has been made to addresses that question by examining:

- i.How employee involvement is placed within HRM–performance theory;
- ii.What empirical evidence supports its link to performance?

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iii. Identifying the gaps where the misalignment occurs in the conceptualization and the measurement; and  
Corrective measures that can be taken to reduce and omit these differences.

This paper is of the view that involvement is being taken for granted and being overlooked for HRM elements that are practice based and measurable. This argument is based on recent literature, including various studies both from the private and public sector contexts. There is great potential of involvement in HRM performance and it is important that it may be recognized as a philosophy and a practice, which is intertwined and implemented strategically into the organizational systems.

**2. Theoretical Foundations:** There are several HRM frameworks where Employee involvement is central, like High-Performance Work Systems (HPWS), High-Involvement Work Systems (HIWS), and Strategic Human Resource Management (SHRM) (Appelbaum, Bailey, Berg, & Kalleberg, 2000; Lawler, 1996). These frameworks suggest that performance leads to result from a synergistic combination of three core elements:

- **Ability** – developing employee skills through training and selection;
- **Motivation** – fostering commitment through rewards and performance management;
- **Opportunity** – granting autonomy, information, and decision-making rights (often encapsulated as “involvement”).

Boxall and Purcell (2016) gave the **Ability-Motivation-Opportunity (AMO) model**, which very clearly positions involvement as the “opportunity” component (Boxall & Purcell, 2016). According to them in the absence of involvement, even skilled and motivated employees may not be able to contribute to organizational goals effectively.

**According to Wood (2020) a schism in HRM–performance research is identified as:**

- **Involvement as Philosophy:** This view emphasises on trust, shared leadership, and continuous commitment to employees’ wellbeing as part of the organizational culture. This perspective finds its roots in participative management theory (Likert, 1967). In this view, involvement is more about the underlying managerial ethos than discrete policies.
- **Involvement as Technology:** This is an operational view wherein, it reduces involvement to a set of technical interventions—quality circles, problem-solving teams, suggestion schemes—implemented as tools within a performance management framework. These interventions may deliver short-term benefits but the possibility of becoming more of a token initiation cannot be overlooked, if not supported by a strong cultural change.

With the Strategic alignment argument, Guest (2017) emphasizes that involvement should be integrated to business strategy to derive the maximum performance impact. One needs to understand when integration of involvement is needed will depend on the nature of business strategy. Where innovation and adaptability are critical (e.g., tech startups, healthcare systems facing policy reform), involvement practices are particularly valuable (Pereira & Gomes, 2012). But, in highly standardized, cost-driven environments, involvement may be

given lesser importance in favour of efficiency-oriented practices. The different outlook between philosophy and technology perspectives creates challenges for many, like:

- **Measurement:** Studies using checklists of practices risk underestimating cultural dimensions of involvement.
- **Comparability:** Different operational definitions limit meta-analytic synthesis (Jiang et al., 2012).
- **Application:** Managers may adopt “best practices” without embedding the cultural changes necessary for sustained performance gains.

**3. Review of Literature:** Various researches have consistently shown that employee involvement is linked to higher levels of job satisfaction, organizational commitment, innovation, and performance (Cotton, Vollrath, Froggatt, Lengnick-Hall, & Jennings, 1988; Wilkinson, Dundon, Marchington, & Ackers, 2004). A classical research on **participative decision-making (PDM)** suggests that when employees have a voice in decisions that affect their work, they are more likely to exert discretionary effort, develop innovative solutions, and remain committed to organizational goals (Black & Gregersen, 1997). These effects are often mediated by perceived fairness, trust, and psychological safety (Edmondson, 1999). For example, a study by Appelbaum et al. (2000) of steel, apparel, and medical electronics industries in the United States found that **high-involvement work systems (HIWS)**—which is characterized by self-managed teams, open communication, and problem-solving participation—thus producing higher productivity and quality outcomes. Importantly, it is understood that these benefits were contingent on supportive HR infrastructure and managerial commitment.

Amy Edmondson's (1999) work on **psychological safety** provides another important perspective for understanding how involvement translates into performance. When employees are provided with psychological safety—i.e. the belief that one can speak up without risk of punishment or humiliation—enables employees to share ideas, admit mistakes, and seek help. This kind of work environment strengthens process innovation and supports learning behaviours that are critical in dynamic industries (Newman, Donohue, & Eva, 2017). For example, in healthcare settings, Edmondson et al. (2001) found that hospitals with higher psychological safety reported more medical errors initially—as the staff were more willing to report and address the mistakes they made, ultimately leading to safer patient care.

Additionally, the concept of **Perceived Organizational Support** (Eisenberger, Huntington, Hutchison, & Sowa, 1986) is closely related to involvement. It is seen that when employees perceive that their organization values their contributions and cares about their well-being, they reciprocate through greater commitment and performance. POS is strengthened by involvement practices such as shared decision-making, transparent communication, and opportunities for professional growth (Shanock & Eisenberger, 2006). A meta-analysis by Rhoades and Eisenberger (2002) confirmed that POS positively predicts performance, mediated by affective commitment and job satisfaction. However, the relationship is not strictly linear—too much involvement without adequate support can lead to decision fatigue or role ambiguity (Lepine, Podsakoff, & Lepine, 2005).

The **Scanlon Plan**, which was developed in the 1930s, is a notable example of structured employee involvement which is effectively linked to performance outcomes. It is a combination for both cost-saving gains sharing with mechanisms for employee participation in problem-solving (Scanlon, 1948). Procter and Gamble in the mid-20<sup>th</sup>

century used this model and studies showed that there was an increased productivity, lowered turnover, and strengthened employee-management relations (Miller, 1990). Though this model may not be universally applicable, the Scanlon Plan illustrated that by combining financial incentives and involvement structures it is helpful to align employee and organizational interests. According to Lawler (1996), high-involvement practices have included employee recognition programs, empowerment through role autonomy, open access to organizational information, and competence development (Lawler, 1996). A longitudinal study done by Macky and Boxall (2007) in New Zealand also found that such practices correlated with higher organizational commitment and work engagement, particularly when employees perceived the practices as authentic rather than symbolic. Similarly, the AMO model's proposition was confirmed by the authors Wood, Van Veldhoven, Croon, and de Menezes (2012), where they found that the performance impact of high-involvement practices was strongest when combined with skill-enhancing and motivational practices in the UK manufacturing sector.

**Public vs. Private Sector: The Contextual Variations:** The nature and impact of involvement differ between sectors as suggested by various evidences. The public sector organizations often emphasized the "soft" HRM—employee participation, job security, and well-being—due to the institutional norms and collective bargaining arrangements (Bach & Bordogna, 2011). However, due to resource constraints and bureaucratic structures the depth of involvement is limited. In contrast, the private sector organizations, particularly in competitive markets, leaned towards "hard" HRM approaches, primarily focusing on measurable performance outcomes (Legge, 2005). Yet, even in these contexts, high-involvement practices can drive innovation and adaptability (Pereira & Gomes, 2012). For example, the UK's National Health Service (NHS) had faced implementation challenges even though they had achieved positive results by implementing staff involvement initiatives—such as flexible scheduling and shared governance councils—to improve retention and patient outcomes, while understanding the importance of organizational culture in sustaining involvement (West et al., 2015).

**Cultural and Institutional Factors:** Many cross-national researches have shown that societal culture influences the structure and the effectiveness of involvement. In a high power-distance culture, it is seen that employees may be less likely to speak up even when formal mechanisms exist (Hofstede, 2001). In contrast to low power-distance, high individualism cultures, involvement may be more naturally embedded in organizational life (Brewster, Mayrhofer, & Morley, 2004). The organizational backed culture and environment also matter. Like in coordinated market economies (e.g., Germany, Nordic countries), formal worker participation is often embedded in co-determination laws, thus, making involvement a structural feature of employment relations (Hall & Soskice, 2001). While in liberal market economies (e.g., US, UK), it is seen that involvement tends to be more discretionary and firm-specific feature. Despite the paper citing abundant empirical evidences in supporting involvement's positive effects, there still exist significant gaps like:

- **Conceptual Inconsistency:** As involvement is variously defined as a cultural philosophy, a set of practices, or an employee perception—this has led to inconsistency in measures and mixed findings (Wood, 2020).
- **Measurement Bias:** Many HRM–performance studies are using managerial surveys done to assess practices and neglecting employee perceptions. This has not effectively captured the quality of involvement and rather overestimated its presence (Guest, 2011).

- **Short-Term Focus:** The long term benefit of involvement is cultural shift which many studies have effectively failed to capture as they measure performance over short period only (Wright, Gardner, Moynihan, & Allen, 2005).
- **Context Neglect:** Not many studies exist that examines sectoral, cultural, and institutional moderators of the involvement–performance relationship (Paauwe, 2009).

From above discussion it is evident that it confirms that employee involvement—when authentic and well-integrated by the management—is a powerful driver of performance. However, the inconsistent conceptualization and operationalization in HRM–performance research has created barriers to building cumulative knowledge on involvement.

**4. Analysis & Discussion:** Though the definition, the measurement and the application may vary drastically, but overall there is consensus that employee involvement benefits organizations in many ways, as revealed by the literature review. The variation and misalignment has profound implications on the theory, research comparability and managerial practice of employee involvement and should not be considered a trivial methodological issue. It is clear that inconsistent conceptualization at the **theoretical level**, blurs the boundaries of the HRM- performance framework. When the concept is treated as an embedded philosophy by some scholars and while other researchers treat it as technology, and then the synthesis of results across studies from these two aspects is problematic (Wood, 2020). For example, meta-analyses (e.g., Jiang et al., 2012) often combine studies with fundamentally different definitions, producing aggregated effects that may obscure important nuances. At the **practical level**, due to the lack of a unified definition, selective implementation is done by the managers. If involvement is perceived purely as a technical intervention—like introducing suggestion boxes or team huddles—it may be implemented superficially, without the cultural foundations necessary for sustained performance benefits. Conversely, if it is seen as purely philosophical, managers may value it in principle but fail to translate it into concrete practices that employees can see and experience. Therefore, rather than viewing the **philosophy** and **technology** perspectives as opposing, this paper argues that they are complementary dimensions of involvement.

- **Philosophy** provides the cultural backbone—values, leadership behaviours, and trust relationships that make employees willing to engage.
- **Technology** provides the practical mechanisms—structured processes, systems, and tools that enable employees to participate meaningfully.

Hence it is argued that the **absence of either dimension** can undermine the involvement–performance link. For example, Google’s much-publicized culture of innovation relies on both philosophical commitment to openness (“psychological safety” within teams) and technological structures (20% time policy, cross-functional teams, idea management platforms). Similarly, Toyota’s production system integrates a deep philosophy of respect for people with formalized suggestion systems and kaizen teams.

Another critical issue is the gap between **managerial intent** and **employee perception**. Research shows that employee perceptions of HRM practices, including involvement, often diverge from managerial reports (Nishii,

Lepak, & Schneider, 2008). An involvement program may exist on paper, but if employees do not experience it as genuine, its impact on motivation and performance will be limited.

This perception gap can be explained by three factors:

- **Symbolic implementation** – particular practices introduced to signal compliance or modernity rather than to drive genuine engagement (Marchington & Wilkinson, 2005).
- **Inconsistent execution** – middle managers differ in their application of involvement practices, creating uneven employee experiences.
- **Lack of feedback loops** – without feedback mechanisms to assess how involvement is perceived, organizations cannot adapt or improve their approaches.

It is clear that the effectiveness of involvement is highly context-dependent. Sectoral, cultural, and institutional factors shape both the feasibility and the form of involvement practices. For example:

- **Sectoral:** In healthcare, employee involvement can improve patient outcomes (West et al., 2015), but high workload and regulatory constraints may limit the scope for participation.
- **Cultural:** In high power-distance societies, employees may hesitate to voice dissent even when formal involvement channels exist (Hofstede, 2001).
- **Institutional:** Co-determination laws in Germany embed employee involvement structurally, making it harder to withdraw; in contrast, in the US or UK, involvement may depend on leadership priorities and is therefore more vulnerable to change.

Recognizing these moderators is crucial for designing involvement practices that fit the organizational and societal context. From the above discussion it is proposed that a **dual-dimensional model of involvement** is the most suitable and feasible approach: where both the

- **Philosophical Dimension** – that measures organizational culture, leadership style, trust climate, and commitment to employee voice is present.
- **Technological Dimension** – that measures the presence, quality, and integration of specific involvement practices (e.g., team-based decision-making, open forums, innovation suggestion systems) as strategic interventions can be introduced and implemented in the structure of involvement philosophy

Performance outcomes can now be assessed not just relative to the presence of practices, but to the **interaction** between these two dimensions. High scores in both dimensions are hypothesized to produce the strongest performance impacts.

**Conclusion:** For many years the relationship between Human Resource Management (HRM) and organizational performance has been a central focus of management research. Within this ambit of research, employee involvement has also often been acknowledged as a vital element—though it may not be as realistic. Clearly, a critical misalignment persists in how involvement is conceptualized and operationalized. Some scholars and practitioners view it as a **philosophy**—a deep-seated cultural commitment to employee voice, trust, and shared responsibility. Others have defined it as a **technology**—a toolkit of formal practices and mechanisms designed to

evoke employee input. This divergence undermines theoretical clarity, complicates empirical synthesis, and risks limiting the practical impact of HRM–performance insights. The literature reviewed confirms that authentic, well-integrated involvement—combining cultural commitment and structured mechanisms—can improve job satisfaction, organizational commitment, innovation, and performance. However, the benefits are contingent on contextual factors such as sector, culture, and institutional environment, as well as on closing the perception gap between managerial intent and employee experience.

To advance both scholarship and practice, this paper proposes a **dual-dimensional model of involvement**. This model treats the philosophical and technological dimensions not as competing paradigms but as mutually reinforcing elements. Research adopting this approach should measure both employee perceptions and managerial reports, use longitudinal and mixed-method designs, and attend to contextual moderators. For practitioners, the implications are equally clear: embed involvement in both the **values** and the **systems** of the organization, regularly audit employee perceptions, and equip managers to act as facilitators of participation. By doing so, organizations can foster environments that not only invite but also enable meaningful employee contribution. In conclusion, ensuring a unilateral view on employee involvement requires moving beyond superficial consensus toward a shared, multidimensional understanding. Only then can HRM–performance research can fulfil its potential to generate actionable insights, and only then can organizations realize the full performance benefits of genuine employee involvement.

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