EXECUTIVE SUMMARY

In the post liberalization, privatization, globalization (LPG) era and technological changes, today’s manpower of any organization has been treated as an important asset towards delivering value. The important HR measures like employee empowerment and employee engagement are gaining importance towards optimum utilization of human resource. In the 21st century, many companies and research firms see empowerment and engagement as a powerful source of sustainable competitive advantage. For organizational excellence, employee empowerment and engagement is the mantra of success to achieve organizational goals and vision. Both empowerment and engagement of employees are the winning formula for making organizational excellence. Organizations today are increasingly dependent on knowledge creation and human development for their optimal and sustainable growth. To meet the challenges resulting from global competitiveness, they need to demonstrate world class performance, reexamine the drivers of organizational performance through empowerment and engagement drives. Human capital is a key, distinctly different from other assets of the firms. It consists of employee’s skills, competencies, commitment, motivation and loyalty, problem solving capability, innovation, knowledge and attitude. The human capital, if developed and nurtured appropriately by the organization also drives the organization towards developing other assets or capabilities necessary for the organizational growth and development in recent times.

The pressure for survival of the business units of the external business environment has made compulsion before an organization to think about the utmost utilization of existing human resources. So competitive environment requires for strategic changes to be made for excellence of resource through well developed human resource strategies for training and retraining for proper performance management system and feedback mechanism, employee empowerment and involvement, small group participation, teamwork, multi-skilling of employees, individual recognition and commitment, adequate wage and salary structure, employee reward system, interpersonal relations, labour management, cooperation, healthy industrial relations scenario, etc. for existence of the organization in the world of competition. Definitely these measures are contributing a lot for effective utilization of human resource in order to achieve the ultimate goal in the competitive environment.
Proper attention on people management refers to the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals. It involves all of the activities that are implemented by an organization to influence the human behavior is an effort to implement the strategic needs of business. So, better people management has focused on the strategic role that HR can play in enhancing organizational effectiveness through the impact of HRM practices on individual-level outcomes such as task performance, absenteeism and turnover. The importance of people management as a critical source of competitive advantage has been highlighted because of the increasingly competitive global marketplace facing organizations, and the ease with which other sources of competitive advantage such as technology, manufacturing processes, structure, and business strategy, can easily be acquired or imitated. Organizations are therefore seeking to understand how their human resources can be managed for survival and sustainability.

Empowerment recognizes that individuals usually are competent in what they do. It affects the quality of human decisions by establishing authority for employees within their workplaces. The determinants of employee empowerment and engagement connote a healthy working atmosphere that reflects on the social impact created by the organization. Employees would enjoy considerable attention in terms of the determinants being addressed. Special focus and effort are required specifically on the factors like, working-environment and team and co-worker relationship as they have shown a significantly higher impact on employee engagement and hence employee performance. Evidently, there is no easy way to empower and engage employees, but there are methods that can increase the degree of empowerment and engagement levels. In addition, organizations are relating the importance of encouraging two-way communication that is seen as a key driver of empowerment and engagement. It is also vital that organizations recognize and celebrate success at individual, team and organizational levels.

In an environment of people empowerment, employees are able to fully participate as partners; they take initiative, work in teams as well as individually, and have the authority to make strategic decisions. It is important from a corporate perspective that the managers must provide positive feedback, information, resources, supportive policies, and a stress-minimized working environment. The empowering organizations have a wide span of control which leads to more autonomy for the employee. Empowered employees feel that their organization provides them socio-political support, that they have greater access to information and resources than in traditional organizations, and that their work climate is participatory. The employees often think
of empowerment in terms of self-empowerment. Empowerment from this perspective is a meaningful act of building, developing, and increasing power through cooperating, sharing, and working together to make the vision become true. In general empowerment means managing organizations for collaborative environment where workers have a voice and creates the culture of self engagement.

In the present competitive environment, engagement of the employees is a pivotal mechanism for nurturing a high performance culture to drive the organization towards success. Employee empowerment is about building a truly great relationship with the workforce. Any organization that embraces fine management philosophy, recognition of employees’ talent, potential and is committed to providing enriching professional experiences are bound to succeed. The employee is one of the key assets of an organization and today’s employee in the organization is treated more than an employee. So empowerment and engagement are directly linked with the company’s growth and development and contribute towards the core competencies of a successful organization by retaining its key talents.

Employee engagement as a key to the retention of talent is an area in which the lead has been taken by practitioners. Effective talent management policies and practices demonstrate commitment to human capital, resulting in more engaged employees and lower turnover. Consequently, employee engagement has a substantial impact on employee productivity and talent retention. Employee engagement, in fact, can make or break the bottom line. Employees’ feelings with respect to the existing practices may lead towards psychological well-being involves feeling good. Engaged employees are also more likely to have a high-quality relationship with their employer leading them to also have more positive attitudes and intended to stay longer in the organization.

Therefore, the prime motivation behind this study is to make an analysis of the specific, critical and innovative measures taken by the management of NALCO towards effective empowerment, engagement and retention of human capital. The study is based on empirical data, to know the impact of empowerment and engagement strategies for the retention and optimum utilization of human capital towards organization survival and sustainability.
The study has explored the five key facilitators of employee empowerment and about the key drivers of employee engagement as experienced by the NALCO in the prevailing competitive environment through an in-depth empirical study based on secondary and primary data, which yields some valuable knowledge towards integration of empowerment and engagement strategies with retention of human resource. A theoretical model has proposed based on the hypothesized issues which finds it essential for the organization to come up with the strategic initiatives towards people management, job characteristics, self-managed teams, employee involvement, sharing of information, safe work environment, challenging work, workplace relationships, teamwork, career development, compensation and benefits, recognition and rewards, and organizational culture and climate for empowerment, engagement and retention of the human capital. Thus, these strategic HRM practices of NALCO in the true sense helped the organization to channelize individual and group efforts towards individual satisfaction and organizational prosperity by creating the sense of being empowered and actively engaged.

The research work has made three distinct contributions. First, the formulation of a hypothetical research model that uniquely integrate the various aspects of empowerment and engagement of people, which needs to be considered for managing retention of people in the highly competitive business environment as human resource is an important element of competitive advantage. The objective was to ask practitioners to look beyond machines for increasing the probability of the organization's success by giving proper attention on existing human resource. Although a number of studies have investigated a variety of factors as important triggers to retain people by giving a thrust on their empowerment and engagement, but a ‘whole system’ approach towards this has been surprisingly absent for consideration. These factors have been analysed in bit and pieces in previous researches, making it difficult to elucidate the concept holistically. The researcher empirically validated the proposed model and the findings are reflected in a more structured manner.

Second, the study contributes to find the facilitators of empowerment, key drivers of engagement and individual and combined impact of empowerment and engagement on retention of employees based on the existing literatures by examining and confirming the propositions which ultimately lead to successful talent retention. The findings are congruent with the past researches pointing to a positive association between empowerment, engagement and retention. The results of the study support the notion that well crafted measures for empowerment and engagement leads to successful employee retention. Third, the study is unique in explicating through the case
study that organizations must align HR strategy with the business strategy for active empowerment, engagement and retention of human resources. Moreover, all the proposed hypotheses were tested and found to be valid which reveals that proper emphasis on all the focused areas mentioned above definitely develop an environment characterised by empowered and engaged people with a high degree of interest to stay longer and organisation become promising to achieve all success in the process. This study will definitely throw some light to others for further research and other organizations to adopt the outcomes of the study.

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