CHAPTER 2
REVIEW OF LITERATURE

➢ INTRODUCTION

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  • Employee Involvement (EI)
  • Employee Empowerment (EE)
  • Organisational Culture (OC)
  • Participative Decision Making (PDM)
  • High Involvement Work System (HIWS)
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➢ REVIEW SUMMARY

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2.1 INTRODUCTION

With a view to have background information, knowledge of the related texts, and recognize the research gap, studies have been carried out by the researcher. The review of scholarly papers encompassed within this section shows the main themes of the appropriate employee involvement and empowerment literature. This review is organized and integrated into SEVEN main parts to comprehend the context for the present research study. Accordingly, the review is presented in the following manner: Employee Involvement (EI), Employee Empowerment (EE), Participative Decision Making (PDM), High involvement work system (HIWS), Employee Engagement, Employee Involvement and empowerment programmes, Employee Involvement and empowerment outcomes. Only those research articles specifically relating to the broad field of employee involvement and empowerment and its various components like EE, PDM, HIWS, Employee involvement programmes and outcomes are included in the review. Existing reviews and several computer based searches and scans of key HRM/HRD journals were used to identify appropriate research articles for inclusion. As far possible these articles were evaluated for its quality and strength of research. Though this review represents a comprehensive survey of the research literature, yet it is not entirely exhaustive as the policy papers, opinion papers and highly theoretical analysis are not included in the review.

Cotton et al., (1997) surveyed and found that extent of employee involvement has a great influence on productivity gains. Different forms of employee participation were identified by the authors namely (1) participation in work decisions, (2) employee ownership and (3) representative participation. They concluded that contentment depended on these forms of participation. They also realized that workforce needs to be taken care of at each point to make them feel that they are one among the organisation.

Dwivedi (1997) reported that, at the organisational level, formation of learning organisation was one of the approaches of employee empowerment. The aim of learning organisation was to mobilize the intelligence, wisdom and
collective experience of the entire workforce to meet organisational goals, and to do so in a way that was satisfying and enriching to all concerned. He has suggested five different approaches to the concept of employee empowerment namely, (1) absolute empowerment, (2) collaborative empowerment, (3) adaptive empowerment, (4) tacit empowerment and (5) cosmetic empowerment. Organisation has a choice to opt for a combination of all these approaches to provide guidelines to construct a proper structure of employee empowerment practice.

Griffin (1997) conducted a lengthwise study on seventy three employees who were in quality circles based at two different manufacturing plants of moderate sized electronic company. The primary objective was to study how far the quality circles are effective in the firms. An amazing truth was unearthed that, the behaviour, high spirit, outlook and orientation was extremely high when such circles were formed but such environment gradually diminished as the days passed by. This means to say that, quality circles were effective only during their initial days and later on faded away. Lawler and Mohram (1987) described a ‘so called honeymoon effect’ in quality circle programmes. Thus, in a sense, these innovations were ineffective in the long run though they had some influence on the members of the groups in the beginning stages.

Joseph Blasi (1997) conducted a study comparing corporate performance of two groups of public companies in which the employees of the company owned more than five percent of company’s stock. The study primarily focused on productivity, profitability and compensation. The study pointed out that profitability, and productivity was at a higher level in those companies which offered ESOP plans to their employees. It was also found that employee initiatives were also at a higher level in those firms as compared to others who did not offer this scheme. Employee attachment, employee commitment and job satisfaction were at a very high level in these companies with a reduced rate of labour turnover.

Macy and Izumi (1997) used more than 100 case studies to find out the association between participation of employees, yield capacity and quality.
They analyzed both published and unpublished case studies examining the effects of over thirty innovative work practices and numerous outcomes, including productivity and quality. While there were some concerns over the differences in outcome measures used across studies, over 75% of the cases analyzed and reported positive outcomes as a result of innovative practices.

**Mahapatra (1997)** analyzed that empowered managers should make an introspection for themselves and look ahead whether they could add some meaning to new life situation in the organisation. The quality of their leadership is more important than their status of ratings in the organisation. The managers should be able to motivate and guide his team members and strive for an effective and successful completion of work and responsibilities.

**Nandy (1997)** reported that in an organisation, the work environment could be of two types: the behavioural choice (patriarchal contract, selfinterest, dependency) and the entrepreneurial choice (the entrepreneurial contract, enlightened selfinterest, authentic tactics, and autonomy). The empowerment of employees was possible in an entrepreneurial choice. He also stated some strategies to nurture and develop this environment such as change of corporate culture, organisational planning and development, recruitment, training, performance management, reward, employee relations. He concluded that suggestion schemes and quality circles included everyone to participate to improve productivity of the organisation.

**Oswald et al., (1997)** analyzed cardinal entanglement and its influence on the organisation by surveying top corporate executives drawn from a Fortune 100 company based in mid western United States. The study suggested that supervisory cadre only had an advantage of this situation but subordinate employees did not get benefited much. The broader literature on participation however, is inconsistent regarding the effects of participation on various outcome measures. At one time, it was generally believed that participation caused employees to feel more satisfied, be more productive, and so forth. Later investigation has seen much of the research on which those beliefs were based as deficient in one or more ways. However, the relationship have
not been refuted, but simply called in to question. Thus, there is a reasonable basis for expecting positive consequences to result from increased employee participation.

Stephen Hill (1997) examined how companies endeavour to develop and nurture employee participation to keep their business live. It has been pointed out that the concept of Quality Circles as been used as a major innovation in the early 1980s as an important innovative power to transform companies. It is analyzed that quality circle help the organisation by increasing the employee involvement in the organisation through participation. It fosters quality improvement and ensures effective and efficient business. Ultimately quality circle helps the organisation in changing the organisational culture through higher employee commitment in the organisation.

Spreitzer (1997) made a study of 393 samples of middle level managers from Fortune 50 companies of United States of America. In this study, hypothesis based on high involvement systems explained expected relationship between social structural characteristics at the work unit. It confirmed that strong sociopolitical support and a participative unit climate was closely connected with perceptions of empowerment.

Thomas and Velthouse (1997) offered a comprehensive theory of empowerment. The literature did not directly address the conceptual equivalence of ‘intrinsic motivation and empowerment’. It has been evidenced and commonly accepted that empowered employees are more powerful, confident, passionate and committed and take more initiative in accomplishing the organisational goals of an organisation.

Singh (1997) examined the management of stress through empowerment. He opined that if autonomy is given to the employees, it increases their feeling of liberty. He advocated that there could be six empowerment strategies namely (1) Delegation of authority (2) participating in decision making (3) role efficacy (4) Quality Circles (5) empowering leadership and (6) mentoring. This will certainly promote employee effectiveness and wellbeing. He felt that
Quality Circles ensure more perceived control over their job environment. All these empowering strategies help in building confidence and competence thereby enhances their sense of perceived control. It also helps to control stress among the employees.

Dwivedi (1998) reported the results of eight case examples of industrial settings as to ‘how empowerment was practiced in India’. In his study, he presented varied theoretical perspectives on empowerment and reinforcement of them with current empowerment practices in Indian work settings. This provided a linkage between theory and practice on empowerment, and demonstrated how it had its philosophical roots in Indian soil as well as how its practice originated in work settings. He reported that empowerment had an enormous strength to take the organisation to the peak heights.

Dwivedi R.S. (1998) has made an effort to explain different theoretical perspectives on employee empowerment through eight case studies. The study has demonstrated how employee empowerment has its philosophical roots in Indian soil and how its practice evolved in the world. He has highlighted the importance of employee empowerment with reference Indian organisational climate beyond 21st century. He explained that the concept of empowerment has a strong Vedic background. As Vedanta confidently asserts “Tatvasasi” meaning “You are that as you have infinite power in you”. Besides, he also refers to Shloka 46 of Chapter XVIII “Svakarmana tam abhyarchaya siddhim vindati Manava”, meaning human being can attain the ‘sidhi’ – the final accomplishment by worshipping God through his work. That means to say that every individual has to understand that he has an infinite energy within him and he has to channelize his energy expressing it in the form of a work. By doing so, he can actualize his inner potential. To ensure this, he has to have an opportunity to take his own decisions. This unleashing of infinite inner potential of an employee needs to be done through involvement and empowerment which can in turn strengthen organisational overall performance.
He has further analyzed preaching of Lord Mahavir between 590 BC and 510 BC. The four basic principles recommended by Lord Mahavir to become Jin (empowered) are in exact similarity to that of the concept of empowerment. The principles taught by Lord Mahavir are: liberty, selfdetermination, selfrestraint and relativity. One cannot have liberty without power. Liberty of people automatically leads to democracy.

FentonO’Creevy (1998) tried to study the effects of operations of workforce involvement in 155 organisations, which was conducted through postal survey of 105 enterprises. The problem was that some of the middle hierarchy managers were not in favour of implementing employee involvement programs and consequently favourable results arising out of involvement could not be enjoyed by the entities. Interesting point which came to light was that the superiors those who were against such programs were basically shortsighted, selfish, and had a fear that they may lose their jobs if involvement is permitted in the organisation.

Jawahar (1998) reported that empowerment should come to reality in both formal informal systems in the organisation to be very successful. He suggested that there are five decision making stages as under. (1) Problem identification (2) development of alternatives (3) alternative evaluation (4) alternative choice, and (5) Implementation or followup. He says that empowerment was an ongoing process.

Tjosvold (1998) took an effort to study the effectiveness of involving workforce in the business enterprises. The results were that involving employees would foster more cooperative spirit among the workers so that it would be easier to achieve the goals of the enterprise. It was also brought to light that involvement contributes in cost reduction in all respects.

Cunningham et al., (1999) made case study findings of Parcelco Company, UK, which was providing countrywide distribution and delivery service with highly initiated empowerment programme. The study reckoned that empowerment to employees served as an emblematic device to reinforce
managerial authority. It was recognized that employee empowerment is absolutely essential to facilitate firm’s productivity.

Holden and Len (1999) thinking gap among the bank employees in Sweden and Britain were studied comparing bank staff. It was noted that the supervisory level staff who have a better knowledge of empowerment were almost seniors in the organisation. They could realize the impact very clearly and also understand the advantages long term involvement in the firm. They realized that empowering the employees had a two way effect both on the organisation as well as the workforce. They came out with a conclusion that employees in Britain institutions had a more positive attitude towards involvement of employees as compared to the other.

Kirkman and Rosen (1999) analyzed the antecedents and meditational role of team empowerment in 111 work groups from four different Fortune 50 organizations in United States of America who had introduced work teams. The observation was that empowered teams enjoy better satisfaction out of customer service and that they possess higher degree of organisational belonging.

Lashey (1999) studied benefits of employee empowerment in service sector with the help of responses of empowered employees of three organizations in the United Kingdom who were offering varieties of services to their customers and the employers managed their employees well. It was found that empowered employees respond to the customers’ needs very fast and hence service counters were successful. Empowered employees felt pride and concern for their customers. Empowered employees were in a better position to handle their responsibilities without any complaints from their customers.

Myra Fernandes et al., (1999) researched on contributions of human resource management to employee involvement and empowerment. They focused on involvement and empowerment as contributing factor towards organisational culture. Having studied exhaustively various literature and available models, they recommended four major roles of human resource professionals in an
organisation. According to them, such four roles are: HR professional as a generalist, as a facilitator, as a Champion and as an Implementer. When an organisation has a HR professional with these roles to play it will naturally have a significant impact on the implementation part of various interventions. They opined that in the role of generalist, the HR professional is expected to have a deep knowledge in respect of specific personnel functions. They should know how to attract the new employees and retain the existing employees. As a facilitator, he is required to maintain a clear communication and assist in maintaining relationship among employees within the organisations. Similarly, as a champion, HR professional is bound to motivate others towards realizing the visions of the organisation. As a champion, they are primarily change agents for a successful career of employees as well as the organisation. And as an implementer, the HR professional is required to enforce employee initiatives and resolve day today issues in the interest of organisational as well as personnel serving in the unit.

Procter et al., (1999) conducted a case study of empowered middle managers in a Community Health Trust, which was a part of the U.K. National Health Service based at Midlands. The study focused on effects of contextual elements on empowerment of middle level managers. They emphasized on the fact that empowering middle level managers would significantly contribute towards strategic changes in the organization.

Vandenberg et al., (1999) studied 3570 employees in USA. They established that organisational practices paved the way for high level participation activities. They also found that on account of higher employee morale and organisational effectiveness, the Return on Equity (ROI) and turnover had increased.

Elsey and Fujiwara (2000) studied the concept of Kaizen by taking some trainers from Toyota. They were observed while giving the training to their foreign clients. Their attitude, readiness, preparations, assignments were thoroughly checked. It was noticed that the concept was very seriously taken by the trainers and they delivered beyond expected levels. Their involvement
in training was noticed to be very much satisfactory. The workers, to whom
the training was being given, were also in a position to give innovative
suggestions for development.

Robert et al., (2000) endeavoured to review the effect of empowerment along
with consistent developmental efforts made by the organisation in India,
United States, Mexico and Poland. The study adopted ‘individualism
collectivism’ and ‘power distance’ as the base. Simultaneously, national
culture was also considered to study the effect. The study was made on the
premise that empowerment practices should be made on the basis national
culture as the culture changes from one country to another. It revealed that
empowerment practices were not compatible with the national culture in some
cases. It was suggested that these practices should also be based on values
so that they would lead to job satisfaction. The study reported that
empowerment was not closely related to job satisfaction in the India context.
Surprisingly, a reverse situation was found in other countries chosen for the
study. They had a perfect congruence between their culture and practices
being adopted in the organisation. Hence, they concluded that when the
empowerment practices in perfect correlation with national culture, such
exercises will have a better impact on the organisations.

Carolina Gomes and Benson Rosen (2001) used Leader Member
Exchange Theory (LMX) theory as a premise to understand the outcome of
connectivity between managerial trust and empowerment. LMX theory
connotes that sometimes, a few employees are trusted by their superiors and
they develop a special relationship between them. These employees who are
trusted often receive special consideration, concern and preference as well.
Consequently, they enjoy relatively more liberty and latitude from their
managers. As is it often said, ‘trust begets trust’ and the employees who are
trusted more relatively develop an emotional bond with their superiors. As a
result, such employees involve more in the day today activities of the
organisation and feel empowered. It was concluded that employees when
trusted by their superiors will .be more involved and empowered.
**Fenton O Creevy (2001)** Academic staff of professional educational institute in London was taken up for study. The beliefs of self efficacy, their mental stature were studied to find out their impact on the workforce. It was justified that superior category personnel are more in need of involvement and empowerment rather than subordinates. This is so because, it is the managers who guide, suggest and coexist with the lower levels personnel and unless the higher levels are aware of the benefit, they cannot pass on the benefits to other below their levels.

**Mackie et al., (2001)** tried to link the relationship between the employee involvement practices and the stress levels among the employees. For this purpose, they adopted a residential care unit in the United States which was serving mentally retarded children. The employees working for the centre were the respondents of the study. An effort was make to understand the relationship between involvement practices and their stress levels. The results clearly showed that employees who were exposed to various management practices in respect of involvement and empowerment had better mental health than those who were not involved. They also noticed that the depression level in the employees who had involvement was comparatively low. As a result, they were able to focus better, provide a quality service, cohesive towards organisational procedures and methods. Thus, it was inferred that to reduce stress levels of the employees and make them more productive, involvement practices are very essential.

**Duncan Gallie et al., (2002)** made a study on the practical aspects used in the organisation. A fresh data was collected during 2001 and comparison was made between the theory and practice. The study pointed out some significant observations. The study observed that there was a encouraging increase in the involvement and direct participation of employees.

**Banerjee (2003)** suggests six approaches to empowerment: (1) Job Design (2) assisting employees in achieving expertise in their job (3) providing more control by giving employees discretion (4) creation and provision of role
models (5) implementing social reinforcement and (6) providing emotional support.

Harmon et al., (2003) conducted a study on advantages of involvement in American health sector. They surveyed 146 units for the study and reported that active workforce participation had given innumerable advantages to the firm. It positively contributed towards attracting customers in the entity. Besides, they are able to keep the existing staff happy and satisfied because of which nobody was prepared to leave their jobs. The firm gave the opportunity for mutual self respect, understanding, team spirit and sense of cooperation. This further resulted in reduced organisational problems, increased satisfaction, high work spirit and attachment.

Kaufman (2003) presented employee involvement programme at American aviation company which maintains well developed involvement programmes. It was observed that the employees were extremely happy and contented on account of existing involvement activities in the firm. The firm had given an absolute freedom to the employees to share views, take decisions because of which the industry was able to cope up with any sort of emergency situation as compared to other operators in the sector. This placed the entity in the best place as compared to other operators in the country. Best practices in respect of involving employees had paid the best the company.

Bagali (2004) took a model of empowerment to study new methods and how they would influence the organisations. He concluded that it requires a comprehensive step where the organisation has to consider the whole spectrum of systems in it, the quality of leadership, culture, ethos, the management policies and so on. However, in this combination, even if a single element skips, the organisation cannot accomplish its desired objectives.

Collier et al., (2004) conducted a study of over 6000 manages in the United Kingdom analyzed and reported that academic research strengthened
involvement. The study concluded that involvement changed the expectations of the managers.

Collier et al., (2004) conducted a study of over 6000 managers in the United Kingdom and analyzed superior level involvement in the business. It also reported two controversial versions. It was contented that workforce participation strengthened distributed range of view and improved decisions. The results further highlighted that involvement acted as a major element in decision making process. The top level managers who were a part of decision making were more powerful in the organisation. It also improved planning.

Kandula (2004) attempted to present the salient features of EI and Employee empowerment programmes, and its contribution to employee and organisational performance. It was found that there was a strong correlation between the number of decisions taken and business expansion, turnover and profits and there was a direct and positive correlation between empowerment through delegation of powers and decisions took in the organisation. Empowerment and involvement practice had been found to be the key factor responsible for (1) bringing all employees together and integrating them with a common identity, (2) enabling effective communication that included sharing of business mission, objectives and plans with employees, (3) creating a unified pattern of work across all the business units, (4) creating common symbols and language, (5) generating a congenial and high productive work environment, and (6) generating pride at work.

Kirkman et al., (2004 a) made a study on team work by collecting data from 111 teams at United States of America. The focus was also given on the length of period of service of the superiors in the organisations. It was noticed that those superiors who had a lesser period of service, such teams were not very highly effective in their performance. It was concluded that when an employee stays longer period in the organisation his team spirit also increases at the same time he would be in a better position to lead his team. New comers, however qualified and experienced, were unable to lead the
team successfully. It was therefore, inferred that team work to be powerful, the superiors in the group should be long lived in the organisation.

*Kirkman et al., (2004 b)* through email, collected information from USA based information technology teams in which sales and service teams were included. It was tried to understand the impact of empowerment on the service provided by the teams. The teams which had a greater extent of authority were able to provide a better quality service from their teams as compared to the other teams. It was also found that even though there was no frequent personal contact between such teams, the understanding and overall performance of those teams was far better than those who did lacked power in the organisation.

*Langfred (2004)* conducted a study on a self managing team of seventy one MBA students of US and non US States. An attempt was made to understand the connection between faithfulness and output. The study showed that the employees, on whom more confidence was shown, were able to give a higher output than those who were lacking credence. The study concluded that trusting the subordinates would provide a better performance as they have a feeling of reliance.

*Patterson et al., (2004)* undertook a research on the point whether Integrated Manufacturing (IM) empowered or deskilled shop floor work. It was believed that Integrated Manufacturing and empowerment enhanced competitiveness by facilitating job enrichment and employee skill enhancement. It was found that Advanced Manufacturing Technology had a very little bearing on the empowerment and company performance. However, the extent of empowerment within companies hinted the subsequent level of company performance.

*Bruno (2005)* has recognized employee involvement as participative management in an entity. It means the way in which workers do their jobs and how they are prompted to do. He has categorized involvement in to three divisions: lower, middle and higher level. When the employees are casually
asked some information about their workplace, they may be able to give some message if they are involved at lower level. However, they may not be able to give suggestions to the problems. To validate middle level, problems may be made known to the employees and they may be able to provide some recommendations to make decisions. Finally, in the higher level, the workforce gets involved in the complete decision. They have a liberty to find out the issues at difficult situations, think of available choices and bring into force the most suitable choice so that organisational problems are resolved.

Donella Caspersz (2006) took keen interest in finding out how human resource practices are used by the industries in the process of achieving advantages from high involvement work practices. The study was carried out under a thought that the employees should not be merely considered as workers rather they should be recognised as partners of the enterprise. The author conducted a study on these practices in Malaysian and Srilankan export oriented industries. It was observed that employers chase practices prevailing in labour market. Consequently, the ideas under involvement practices cannot be so easily adopted. The idea promoted here is that the employees should be able to adopt the goals of the organisation as their own goals. They should not differentiate between their objectives and that of their organisation. There should be a perfect synergy between the two.

The labour market flexibility refers to the situation where the employers use a distinct management policy to differentiate the physical numbers and functions performed by the employees in tune with the prevailing conditions prompted by the markets. Here market conditions dictate terms on deployment of employees in an enterprise. Therefore, a narrow vision is applied to the workers wherein they are considered merely as a factor of production and not as valuable assets of the organisation. The employees are recruited only on the demands created by the market which results in lack of commitment among the workers.
The study concluded that by resorting to such practices organisations will never be able to maintain competitive edge over others as the employees are considered on part with machine without any human approach.

Roy YongJoo Chua and Sheena S. Iyengar (2006) have made a study on empowerment through choice. Implicating Theory X and Theory Y, researchers confirm that employees should be empowered through giving them a choice in how they approach their work. Giving choice to employees gives them a sense of personal control which indirectly promotes their motivation. They concluded that it results in increased employee morale, consistent performance, improved organisational commitment and reduces labour turnover. They opine that the managers should know how to administer such choice effectively. Giving the choice to the employees randomly results in detrimental outcomes to the organization.

Xu Huang et al., (2006) reviewed the effect of collaborative leadership on empowerment and organisational commitment by taking 173 employees in the survey serving for state owned enterprises in China. They tried to find out whether leadership behaviour coexisted in relation to employee empowerment and organisational commitment. The study observed that there was a relationship between command and organisational sense of belonging but there was hardly any connection with empowerment. For the purpose of analysis they also studied the organisational tenure of the employees differentiating between short tenure and long tenure workers. They also hypothesized that empowerment provides a link between leadership and commitment. They found that leadership helped short tenure workers to some extent to be competent and remain committed to the firm. On the other hand, long tenured employees were not much influenced by the leadership to remain committed. They also tried to find out further reasons for this status and could gather that, individual employees had differences in their personal evaluation of values and behaviours among the present and old generations of employees. This means to say that generation gap among the employees working in China was the basic reason for such perceptions. They found that old generation employees who served the firm for long time had a deep sense
of commitment towards their employer, while the short lived workers had no such feelings. The short tenured employees also did not have a social bonding with their own colleagues and coworkers in the organisation. The long lived workers had no botheration whether the leaders often motivated them or not. They were more concerned with work and their loyalty towards the organisation. The ultimate conclusion revealed that the active leadership had a significant influence on organisational commitment though not on intuitive empowerment.

Osman M. Karatepe et al., (2007) analyzed empowerment effects along with rewards and job contentment by collecting 723 frontline hotel workers in Turkey. They found that customer orientation and job resources keep the employees happy and contented and also reduce the chances of their leaving the organisation. The study stated that job satisfaction promotes organisational commitment. Dissatisfaction makes the employees quit their posts as they lose their commitment to the organisation.

Irakli Gvaramadze (2008) attempted to highlight polarity of human resource practices followed in the organisations. The concept of individualization has also been considered in the study to compare it with the prevailing conditions. The author disputes that presently used human resource practices in the firms have a duality and they are more focused on individual rather than the organisation as a whole. The study points out that what is needed in the enterprises is holistic interpersonal interactions to facilitate knowledge sharing and learning process. It is argued that as HRD practices are more individual oriented, often they do not satisfy the purpose for which they are basically designed. It is contended that these applications need to be modified in order to encourage learning process in the organisation. If the objectives and performances are individualized, they create more mental trauma as autonomy at individual levels is uncertain and unclear. It is opined that employees fall at risk when responsibilities are transferred to them. This may result in mental stress heavy work load as well for the employees. The research verified that selfgovernance of individual employees forges considerable risk for them as they may not be able to learn properly,
consequently making them ineffective. Further, individuality of HR practices divides the organisation without giving scope for knowledge sharing.

Cecilia Luttrell and Sitna Quiroz (2009) took up an exhaustive research on understanding and operationalizing empowerment. Through this effort, various conceptual expositions have been made by the authors. They have reckoned empowerment as a liberalization process wherein those who are not privileged are given an opportunity to cast their powers in the organisational matts and are made to participate. They have discussed various aspects of empowerment and their implications. Accordingly, the ‘power’ in empowerment is connected with the capacity of an employee either to transform his colleagues through convincing or forcing to do a job. It also involves revising the levels of grades of the employees and enhanced awareness.

According to the authors, empowerment can take place at various measures: single employee level competencies, at the level of improvements in the organisations, growth in the systems being used and expansion of networks. Based on this understanding, a power cube has been designed which comprises various facets of power in and outside the organisation. They opined that empowerment passes through an uninterrupted sequence. They are: local, nation and global (places), provided, invited and claimed (Spaces) and invisible, hidden and visible (power). They also finally emphasized on the ability to exercise of the given power and not the only power possessed. Power when possessed is not exercised, it becomes a waste.

Prof. Dr. Nihat K. et al., (2009) pointed out that employee empowerment promotes higher competency in the companies. The companies which have high pressure in terms of increasing the market share for its products and services are highly benefited be employee empowerment. Empowerment helps companies to gain differentiation capabilities and benefits on account of empowered human resource. Thus, empowerment helps in achieving the satisfaction of both employees and customers. The researchers have tried to
investigate the empowerment and its effects on differentiation process in companies.

**Alan Felstead et al., (2010)** analyzed individual level analysis of training effectiveness in United Kingdom. The study found that the qualities of both the training experience and on-the-job learning are directly connected with the degree of employee involvement. The study strongly suggested that workers participation is the key element in upgrading the skills in an organisation. It was examined what kind of employee characteristics and workplace features are directly connected with satisfied outcomes of training. The study revealed that individual characteristics too had an impact on training. The study further suggested that for an effective involvement, active participation should be encouraged. And this active participation can be facilitated through training.

**Abhijit Siddhanta et al., (2010)** tested Employee Engagement in the 21st Century workforce. The study highlighted on how to keep employees engaged significantly. The study revealed that employee engagement fosters commitment among the employees and these engaged committed employees facilitate increased customer satisfaction, continuous innovation, consistent profitability, which ultimately result in qualitative productivity and loyalty of the employees towards the organization. The study has traced the evolution of employee engagement. The study pointed out that the concept of employee engagement evolved from US Army researchers during World War II. This was essentially thought to forecast attitudinal battle readiness of the soldiers before a strike. Subsequently, during the post war period, in order to maintain speed and quality, a need for unity of effort with morale was felt. The term thus recognized emotional attachment of an individual to the organization, fellow workers and to his own job. Finally, the term came to be called as employee engagement.

**David E. Melchar and Susan M. Bosco (2010)** tried to explain whether one leader with all his virtues can attract the other to be a leader. They opined that leadership quality is something, which is beyond comprehension though there are many definitions to explain it. They gathered information from the
respondents though a questionnaire covering the employees from automobile dealership. Leader supervisor cadre was selected and they tried to understand whether they are able to influence the other workers by their behaviour. They developed the questionnaire based on literature available on servant leader. Servant leader traits were also taken into cognizance while preparing it. Questions included areas such as, their behaviour, honesty, culture, interactions with the employees, listening and communication skills and their behaviour towards care and concern for the employees. Different individual characteristics were taken into account. The discussions revealed that if the superiors have the servant leadership qualities, they can equally influence the other employees as well to be the leaders. They also realized that worker leadership can also further enhance other qualities of leadership which might have a great influence on others and the organisation. They inferred that servant leadership can foster other choice to the leadership theories considering the behavioural aspects.

Guohong (Helen) Han (2010) studied the concept of trust and career satisfaction using leader member exchange (LMX) theory in United States of America by surveying 241 employees of fortune 500 companies. The study emphasized on the importance of trust that the management need to have on its employees. He pointed out that when the superiors start reposing trust in the subordinate staff, it automatically pleases and makes them focused towards career development. At the same time it has be duly supported by a cordial relationship between the superior and the subordinate. The study reinforced that it is not enough to have only trust, but it should also be backed up by mutual respect between the boss and the worker. It was focused that when the people get employed somewhere, the first think they look for is career prospects and growth. In this context it is a reciprocal interaction between the employer and the employee in the sense that employee should work in such a spirit that the organisation grows fulfilling its desired goals, at the same time managers should ensure that the employee also grows along with the firm. He has given equal importance to intrinsic and extrinsic facets of career
Paul Boselie (2010) made a case study in the Netherlands on medical centres. It suggested that people in the organisation who were involved and empowered had more initiative to work on their own. They were ready to contribute extra efforts voluntarily for their enterprise. The study suggested that longer the number of service of the employees better would be the sense of attachment. The staffs that have put in more number of years of service generally have a high level of organisational commitment than the employees served for a brief duration. The study proved that it has become imperative for the firms to focus on friendly workers so that they can foster employee commitment, job initiation, and extra participation with value addition in their work.

Solomon Markos and M. Sandhya (2010) evaluated the significance of workers’ participation. The study examined that when the organisations are not managed properly and labour forced is not taken care of, engagement of employees cannot take place. The study revealed that employees will come forward to contribute beyond their agreement obligation, only when they are fully engaged in their respective jobs. Further they will be more emotionally attached. This situation brings about a homely atmosphere in the set up so that they will work with one mind and one heart.

Paul Boselie (2010) undertook a case study of Dutch health care centres in the Netherland. The main purpose was to study impact of high performance work practices on the behaviour and commitment levels of the employees. The assumption was that when the workforce is motivated to develop their skills and actively participate they were prepared to put in extra work without any expectation. The results of the study showed that various human resource practices practiced by the firm had a direct implication on creating a congenial work atmosphere with highest productivity among the workers. It also came out with an interesting observation that the number of years put in by the workers had a significant role in their level of commitment as well. Hence, detainment of employees is very crucial for an organisation. Many organizations do not bother about their workforce despite the fact that such employee is a senior and put in many years of service. When the
employee resigns, he gets relieved without any reconsideration. Perhaps, a word of counseling and convincing may make him feel better. Such employees should be retained as their level of commitment and loyalty will be relatively high.

**Yang and Alison M. Konrad (2010)** a study on employee involvement was made considering 182 samples in Canadian establishments. Emphasis was laid on reciprocal effects of multiplicity at work place in contrast with empowerment. In the effort it was established that, there exists a three way interrelationship between the extent of involvement, variation in participation and racioethnic diversity on innovation. It was observed that the relationship between involvement of Canadian employees and their innovation was high positive when they were provided a highly involved organisational environment. This concludes that innovating revolution and modernization can be effortlessly accomplished through employee involvement process.

**Zhongjun Tanget al., (2010)** conducted a study on using behavioural theory. The study was done with a sample of 396 respondents. The study was aimed at isolating the individual level factors that would promote or demote employees' involvement in work related activities in Chinese Cigarette firm. The study involved onsite surveys with TQM implementation over a decade in the past. The study revealed that the employee involvement behaviour is greatly influenced by the intentions backed up by a positive attitude towards involvement and also by their individual level of professional ethics, besides perceived empowerment. Study revealed that intentions to involve are the most important influencing factors of employee involvement in continuous improvement activities. Attitude of the employees is very crucial in determining the intentions to involve. Besides, perceived level of empowerment is also an important element in determining the involvement.

**Hasan Tutar et al., (2011)** undertook a study to find out the impact of empowerment on achievement motivation of the workforce of private and public banking industry. They found that there exists a direct connection between the two and it is the responsibility of the management to foster such
arrangements in the organisation in the joint interest of all the stake holders. They also concentrated on various work process which were more difficult and found that such complex works were being easily done with the help of such arrangements in the entity. They also noticed that free flow of proper communication helps very much in achieving such success for the enterprise. They highlighted the importance of giving them the feel of the meaning of the work they carry out in their individual responsibilities and also imparting them clear understanding in respect of value based vision and mission of the organisations. They reiterated that often, firms do not keep their workers informed on the goals of the organisation and they are merely looked as workers. Therefore, empowering them will overcome all these hassles and lead the entity towards higher performance.

Mahfuz Judeh (2011) made a study with a data collected from 176 participants. The study clearly revealed that employee involvement directly influences teamwork effectiveness in the organization. The study also contributed a strong literature in the field of study. It was therefore, suggested that the managements should always encourage employee involvement so that teamwork spirits can be fostered on a long term basis.

Sarbapriya Ray and Ishita Aditya Ray (2011) undertook a study on the impact of practices applied in human resource on keeping them satisfied all the time. They collected forty five samples and tried to understand the effect of numerous practices being used in human resource development. Primarily, they formulated two research questions whether there lies any connection between job satisfaction of the employees and the practices used by the firm and whether these practices have any influence on the employees’ contentment.

By adopting correlation analysis the study revealed that, there is a close positive association between such practices and the job satisfaction. It proved that employees would be fully contented depending upon the nature of such programmes which the organisation adopts. They also stated that the firms need to keep the workforce satisfied by resorting to appropriate and
A professional way of appraising the employees, providing them timely and consistent training, creating opportunities for growth oriented prospects, proper selection procedure, giving them standardized amount of remuneration and including the workers in profit sharing. These practices will go a long way in motivating their morale and consequently increase their spirit of commitment as well.

Sut I Wong Humborstad (2012) made a study in England investigating institutional effects on empowerment practices in Europe with sample respondents of 4415. An effort was made through the present study to understand whether diverse institutional environment leads to different degrees of empowerment within an organisation by studying additive empowerment practices and perceptual empowerment practices. The results were obtained through reliability tests by examining Cronbach’s alpha coefficients. The study finally revealed that empowering forces such as unionisation, employee representation, and other empowerment practices increased their good feelings.

Swarnalatha and Prasanna.T.S (2012) investigated on role of empowerment in motivating employees in health care industry. The study came out with inferences that in order to ensure empowerment, presence of participation, innovation, availability of information and accountability should exist in an organisation. The study also unearthed the basic characteristics of empowerment to be diffusion of information and presence of delegation. It also made an observation that employee satisfaction is based on the core values which are inculcated by the employees in the organisation.

Muhammad Arif K. (2013) presented findings on association of involvement and achievements. The study focused on three components of employee involvement namely empowerment, team orientation and capacity development. 509 sample respondents showed that employee involvement resulted in strong empowerment, team orientation and capacity development along with positive relationship with organizational performance.
Shyam Narayan and Santosh Rangnekar (2013) conducted a study on critical factors of organisational culture through primary data collection of 286 samples. It was found that each element in the organisational culture had a different level of existence in the organisation selected for the study. It was concluded that supportive organisational culture promotes greater achievement.

Adnan Celik et al., (2014) tried to understand the impact of empowering the employees on the organisational innovation with an experiment on fifty two employees with different positions. Their main focus was on how to enhance organisational creativity in the present day competitive world so that the organisation can implement presently applicable conditions instead of mere following what was done earlier. An exhaustive survey was done with reliability tests as required. They considered employee empowerment as predictor variable and organisational creativity as independent variable. The study confirmed that there is a relevant relationship between empowerment and organisational innovation. They came to a conclusion that those organisation who adopt empowerment, are definitely in a position to enhance the inventiveness among the employees and that they can surely suggest more effective work systems. They strongly recommended that when such innovativeness is observed by the managers, the workforce needs to be further inspired and appreciated so that they will continue to follow the same. This would certainly inspire the employees to involve more in such innovative thinking and systems for the benefit of the entity.

Akancha Srivastava et al., (2014) contributed towards the elements which predict the future of the research and development organisations on the strength of empowerment practices. They argued that organisations engaged in research and development has to be endowed with adequate attributes of ethical values, innovation and new enterprising ideas in order to keep pace with the latest trends. Such organisations should be powerful, potent, and persuasive in nature. And this can be attained only by engaging the employees with due empowerment at all the times.
They emphasized that to be involved in innovative ideas and development, workforce need to have a clear understanding of latest instruments and devices, various processes of products and services, besides theoretical concepts. Equally practical knowledge and exposure is also very crucial. These qualities are obtained only when the workforce serve with value addition to their employers. They need to give their own interpretations, judgement and blend of new ideas. This can be made easy by empowering the employees and reposing trust in them throughout their service tenure. The study finally revealed empowering the people results in transfiguration of leadership qualities. This further facilities and fosters organisational innovativeness. Each worker has his own hidden potentials and that can be inspired only through engaging the employees properly and empowering them.

Deepa S. and Shree Kala Kurup (2014) made a study on empowerment factors in Chennai region by taking 100 respondents from IT and BPO industry. They focused on factors influencing on empowerment in the study sector. The study revealed that organisational affinity is dependent upon the empowerment levels given to the employees. They concluded that employee empowerment has overall positive effect of the performance.

Dia Zeglat (2014) made a study on effect of empowerment on customer centered reactions. For this purpose, he considered structural and psychological empowerment as independent variable and customer focused behaviour as dependent variable. Employees from 13 commercial banks in Jordan were taken. 377 questionnaires were collected from the bank employees. The study found a significant impact of empowerment on customer focused behaviour. It revealed that when the employees are empowered then only they will deliver ‘extra’ to the customer in terms of value. The author strongly suggested that there should be a open communication system between the employees and the superiors. There are some organisations where a proper communication or interaction does not take place between the management and the employees thereby leave a large gap between them. The study finally identified two kinds of
empowerment namely, structural and psychological whereas, in the earlier studies these kinds were not seen.

Edward Negwaya (2014) analysed factors influencing employee empowerment levels in Zimbabwean government training institute. The study was conducted by dividing the employees in two categories managerial and non-managerial from a population of 187. The study revealed that organisational culture and availability of resources were the main factors influencing the employee empowerment in the organisation.

Lawrence Wainaina et al., (2014) reviewed effects of employee participation in decision making. The study was basically focused on organisational commitment by considering Kenyan private and public university faculties. The study took a sample of 347 respondents. It was found that employee participation in decision making was directly connected with organisational commitment. Therefore, it was concluded that there exists a direct nexus between these factors and to have a better commitment among the employees it was necessary to have them involved in the decision making process.

Ms. Sonali Sharma (2014) studied implications of engaging the employees in enhancing Productivity. The study endeavoured to trace out the various operators in the organisations in respect of the authority entrusted to its workforce. The studies pointed out those Organizations which provide higher delegation of power, perform better as compared to those who do not enjoy autonomy. When they get higher levels of engagement in the organization, they take more initiative and care in discharging their duties. They also exert extra for the betterment of their firm without being asked to do. The study confirmed that if employees are not given full engagement, their focus on achieving the organisational objectives cannot be ensured. On the other hand, if they are given higher levels of engagement, they focus better on day today activities of the organization and get committed to perform better. This in turn reduces employee turnover in the organization.
The study concluded that maintaining high engagement of employees is absolutely required to ensure that efficient staff will not move out of the organisation. When they are unengaged, it makes them unhappy causing dissatisfaction and reduced employee morale. Lower degree of happiness induces them to badmouth and ultimately spoils both employees and the company. It might lead to a negative advantage to the competitors which might in the long run cause an irreparable damage to the organisation.

Abdul Ghani Kanesan bin Abdullah et al., (2015) attempted to study cognitive empowerment and its impact on work contentment and commitment of the school teachers by taking a sample of 800 teachers in Malaysia. The study conducted by them revealed that intellectual empowerment has a substantial influence on job contentment and commitment. It was evidenced that a positive feeling in empowerment leads to total satisfaction as well as attitude and behaviour of the employee. Further, behavioural changes in a positive sense develops the interaction levels among the employees and ultimately contribute towards the accomplishment of organisational goals.

Antony George(2015) made comparative study on various components influencing employee empowerment Tamil Nadu and Kerala based institutions of higher education with 519 respondents. The study clearly proved that authorization to the employees automatically enhances performance.

Elamurugan B. et al., (2015) wanted to check the influence of citizenship attitude in a firm and its relationship with empowerment in the education field. A sample of 150 participants was collected for the study. They also tried to explain the impact of empowerment by using various models. They inferred that when the employees are fully empowered, they naturally tend to behave in an acceptable manner and naturally their attitude changes to the positive way so that they would be in better position to contribute constructively for the organisation.

J.Marin and Bonavia (2015) conducted a study in Valencia region of Spain on participation and performance. Four variables connected with employee
involvement such as empowerment, training, contingent remuneration and communication were used for the study. The study revealed that lean manufacturing solely depends upon the involvement of the employees. Further, it also concluded that involvement is induced by empowerment, training, information and new forms of remuneration. It was also brought to light that lean manufacturing firms are not serious on employee empowerment consequently causing weak involvement of employees in the organisation.

**Maslina Mohammed Shaed et al., (2015)** with the help of their study concluded that positive outcomes of an organization can be very well achieved through the mechanism of Participation in Decision Making. Therefore, they strongly recommended that it is very important and crucial to give utmost importance to participative decision making process in an organization.

**V. Chauhan (2015)** made a comparative study of employee empowerment in two aeronautics industry in Karnataka with 150 samples. The study revealed that highly qualified employees felt poorly empowered and low level educated employees had a feeling of very less empowered.

**D.Suresh and Dr.N.Abdul J. (2015)** examined Impact of Employee Empowerment on Organisational performance in Automobile Industry. 100 samples were drawn from ten different automobile companies in Chennai, Tamil Nadu. The study revealed that highly empowered employees are always effective for an organization.

**Dr. Rukhsana Rehman et al.,(2015)** conducted a study to know the effectiveness of empowerment on job satisfaction in health sector. In the economy of a nation, health centres and hospitals are regarded to be the important assets of a nation as it provides health care to the citizens. The data was collected from 400 respondents. The study revealed that empowerment has a significant positive effect on job satisfaction. They primarily wanted to test the effect of empowerment on overall hospital performance focusing on satisfaction of the workforce. They also wanted to incorporate non-monetary
efforts in the health care centre to have the employees empowered. Total respondents comprised of both men and women employees in the sector. They used five point scale to measure the results. The study also brought out the fact that empowerment was very crucial in order to plan a congenial atmosphere in the organisation while keeping the employees happy. The role of management in this process was stressed.

Winnie Kivuva (2015) analyzed Effects of Employee Involvement in Strategic Management Implementation. The study strongly recommended that the employers have to recognize the value of the employee and facilitate employee involvement so that employee gets a feeling of his being attached to the organization thereby fostering employee loyalty, higher productivity and commitment leading towards accomplishment of desired goals of the organization.

M. Maran et al., (2016) have reported a research study on an empirical study of aptitude development in Total Productive Maintenance Firms. This research was taken up focusing on production and maintenance employees in reputed belt manufacturing industry in Madurai, Tamil Nadu, India. The study compared the employees’ competency levels with total productive maintenance (TPM) with the competency level of employees' in other than that line in the same industry. The results of this study brought out a significant level of competency enhancement during the TPM implementation. It was concluded that TPM in the organisation cannot be initiated without authorization. Hence, employee empowerment is a key to successful organization.

Aletaiby et al., (2017) adopted a study on the major factors in total quality management, taking oil industry in the state of Iraq. The study brought out various aspects of total quality management such as employee empowerment, training, continuous improvement, quality culture and free flow of communication. Having studied the implications of these aspects on the overall quality of the organisation, they opined that these are the success factors of total quality management and every organisation has to implement
them in order to achieve overall quality. The study unfolded that there is a wide research gap between the major success factors of total quality management and performance of the employees with special reference to the sample unit adopted for the study. This brings to light that the industry chosen for the study is in its primitive stage as far as quality awareness is concerned. Therefore, the researchers strongly recommended immediate implementation of key success constructs of total quality management in order to accomplish higher and speedy performance.

Sonali Vaghani (2017) made an exhaustive study to understand the employee related practices being adopted in the IT sector. Commonly adopted strategies with regard to employee involvement have been highlighted by the researcher. Various theories of human resource management have been discussed in relation involvement of employees. The author has concluded that participative management theory (Theory Y) and Two Factor Theory of Herzberg are the two most applicable theories in the IT sector. The researcher has emphasized on the fact that employees are the most valuable assets of an organisation and they need to be taken care with respect and dignity. It is the responsibility of the employer to provide training and motivate the workers towards enhanced output in the organisation. The study has found that there are number of options in involving the employees. The study has point out that provision of training to the employees, making them responsible, maintaining open communication in the organisation, following a proper feedback system, appreciation of employees through rewards, giving them recognition for their value added work and considering work life balance for employees are some of the employee involvement programmes that need to be extended to other sectors as well. The study reiterated that providing opportunities to the workers towards actualization of their full potentials is need of the hour.

The study has established that employee involvement has a wide spread effect on the enterprise in terms of building a culture, nurturing the talents and generating revenues to the organisation. It acts as a facilitator to build brand image and ultimately, employee involvement is not to be looked as a
mere human resource process, but it should be construed as a way of thinking so that various approaches could be implemented in the right spirit of providing a competitive edge to organisation as a whole.

In summary, most of the earlier studies pertaining to the current field of investigation concentrated mainly on employee empowerment. Previous studies are sparse in respect of other related aspects.

The chapter presented a critical review of forty one empirical studies touching upon the multiple components of employee involvement and empowerment such as (1) Employee Involvement (EI) (2) Employee Empowerment (EE) (3) Participative Decision Making (PDM) (4) High involvement work system (HIWS) (5) Employee Engagement (6) Employee Involvement and empowerment programmes (7) Employee Involvement and empowerment outcomes.

With regard to employee involvement and empowerment programmes, previous researchers examined and reported the effectiveness of only a few programmes such as team work, employee stock option plan, quality circles and kaizen. On the other hand, earlier research studies measured and reported the intended outcomes of implementing employee involvement and empowerment programmes such as positive job related attitudes, reduced turnover and work stress. It is all about self management without being questioned by a boss. The other corollaries to this idea of self management: no one can be fired, there is no commanding authority, no one can walk up to another colleague and say that his employment would be terminated. Summarily, no one can direct the activities of the others.

As supported by the above literature review, it is absolutely true that involvement and empowerment of employees in an organisation is something which can give incredible results if taken care of properly. There are umpteen number of live examples where in multinational corporations have effectively adopted these two broad ways to achieve highest performance. There are adequate instances where workforce efficiency has tripled or grown beyond
imagination as supported by the available literature. In many cases, triple time involved in manufacturing units has decreased from twenty five days to twenty minutes through various techniques. The most impressive point in the last twenty five years is that empowerment has given farfetched benefits to the entire corporate world by incorporating a new culture among the workforce. People work hard every day to make business better. And the way they know that they are doing the right things is the real strength with which they can perform better.

Often, many organisations do accept empowerment and start implementing it but in the long run the interest gradually reduces because the appropriate culture also needs to be given. It takes lot of efforts, appreciation to understand and bring it to practice. Therefore, the business corporations are required to permit the employees to do what they want to do and they also need to trust the employees. This would obviously, give a feeling of comfort among the workers and inspires them to contribute more. Therefore, through the process of involvement and empowerment, business units can have phenomenal advantages if guided properly.

There are adequate examples at global level wherein only 30.0% workers are inspired and engaged in their respective work as a result of complacency shown by the enterprises to provide empowerment to their employees. Quite a number of superiors pass on discontent to their subordinates as they themselves are disengaged. This can be overcome only by empowerment of employees in the organisation.

However, the currently available anecdotal evidences are largely based on “oversampling failures and undersampling success” and some “prescriptive” western studies on employee involvement and empowerment. Indian contribution towards published literature on employee involvement and empowerment is very small. This is particularly so in the subject of insurance. Moreover, no such research study has taken place so far in the district adopted for the present study. Hence, the researcher has gathered sufficient information with regard to the theoretical expositions only through these
available resources which are totally outside the district and the State as well. To this extent, whatever information gathered and presented in this study are all of first hand nature. However, on the whole, the existing research literature on employee involvement and empowerment is disintegrated, and hence there is an imperative need to add value to the current literature by carrying out both quantitative (surveybased) and qualitative empirical studies. This would go a long way in unfolding the domain of employees’ involvement and empowerment.