chapter 1

introduction

and research
design
Introduction

In the early fifties, a couple of years after India became independent, our country was launching its five-year plans for economic growth and all round development. But today, the organizations world over are finding themselves being enveloped in a maze of radical transformations, sparked by new technologies particularly the Internet. The environment also is undergoing rapid changes through globalization, liberalization and privatization. National boundaries are disappearing overnight and business is suddenly governed by concepts like Global Economy, World-class production and Global Market.

Liberalization and consequent privatization of Indian Economy has a significant impact on today's organisations. The belief that new forms of work organization are overturning, the traditional managerial structures are changing and the control is returned to the employees. Employees are becoming more participative, thus resulting in increased responsibility and accountability. There is tremendous cultural change happening at all levels at all type of organisations.

There exists a need for new and innovative approaches to designing and managing organizations. Many factors and approaches are driving many changes. Some of the general approaches include

❖ Importance of social dimension and work environment.
❖ Lagging rates of growth in productivity
❖ Globalisation
❖ Technological change
❖ Labour market change
The changing composition of workforce are forcing organizations to review and revise long held beliefs and policies about people. The denial of people management problems creates and atmosphere that leads to inefficient utilization of large numbers of employees, especially those who are different in terms of race, gender, age, religion, lifestyle and appearance and leads to the inefficient functioning of the corporation with a resulting negative impact on the corporate bottom line (Fernandez, 1991).

It is an everyday reality that there must be harmony in working conditions and health protections. Fear has been expressed that some countries might take advantage of imbalances between the levels and standards of protection different countries. Uniform work conditions must be established.

Lagging rates of growth in productivity
Productivity improvement forms a major management responsibility and significant index of the health and effectiveness of an organization. The declining and lagging behind level of improvements in productivity are a serious source of concern, indicating the need to evolve new and innovative approaches to markedly improve productivity in organisational settings.

Globalization
Globalization of economy in nearly 60 developing countries, including India, forms the most significant environmental change in recent years. It has caused drastic changes in national economic policies in order to integrate one's own economy with the world economy. The early nineties saw globalization enter through the front door and liberalization take control.
National boundaries disappeared overnight to usher in competition and business was suddenly governed by terminologies like Global Quality, Global Standards, Global Market, World Class Manufacturing and Global Economy (Nandy, 1998).

Thus, for example, as a consequence of the decision for globalization of the Indian economy, the processes of liberalization and deregulation have been initiated in order to improve productivity and quality, and market the products and services abroad in competition with other multinationals. There exists a comprehensive foreign competition with respect to almost every product, especially for automobiles, consumer electronics and motorcycles. Although much can be done by improved production technologies there exists a wider scope to accomplish this goal through innovative approaches to organizing and managing business in a down-to-earth competitive manner.

**Technological change**
Organizational life is markedly influenced by technological change. At the shop floor, the new manufacturing facilities are characterized by computer-aided design, manufacturing and testing facilities. Likewise, robots have replaced people in the automobile and other industries, involving complex and repetitive tasks. There are many changes like the change in word processing equipment and electronic mail systems and microcomputers are influencing the work of managers.

**Labour market change**
The existing labour force in modern organizations is qualitatively much different in terms of education, values and expectations that it was in the past (Dwivedi R.S, 2000). There is an increased flow of women in varied jobs (managerial and professional) earlier occupied exclusively by men. Similarly varied conflicting forces are influencing the goals and expectations of people at work.
While a decade ago, self-actualization and personal growth orientation necessitated the design of jobs to provide challenge, involvement and meaningfulness to the individual, new technologies, in conjunction with the recent reversionary phase, caused a high level of unemployment, tampering with such expectations at work.

In a study, "The Impact of Economic Reforms on Manufacturing Industries (Gupta, 1996) found that reforms brought some relief for industries by way of providing wider opportunities for investment, diversification and enlarging the customer segments, but simultaneously they also brought bundles of challenges. A few of the impacts on manufacturing industries observed in the study are listed below:

❖ Expansion of market
❖ Increased opportunity for investment and employment
❖ Increased competition
❖ Reduction in profit rate
❖ Higher manpower turnover

The problem of today’s companies is:
To compete in the world market, it is difficult for the employees with greater pressures, more clearly defined jobs and tighter supervisions to give a productive gain that requires individual competence. Attention is shifting from the need for employees to personally taking responsibility for the success of any business.

The Study (Stewardson.D, Burdon.C, Shek.K & Coleman. S, 2001) titled “The Effect of Employee Involvement on Manufacturing Organizations” comes out with the results, that, involving employees fully in the decision making process can lead to increasing turnover in a Manufacturing enterprise
regardless of the changing size of the company. Thus the issues related to the manufacturing organizations are:

- Company size and Characteristics
- The markets in which you operate
- The Competition – and how you compare with them-your advantage
- Impact of change
- Organization and culture
- Manufacturing cycle times

The public sectors have a significant presence in the Indian economy. However the growth in number of public sector companies in recent years has come down drastically.

<table>
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<th>Year</th>
<th>Number</th>
<th>Sales (Rs.bln)</th>
<th>Net Worth (Rs.bln)</th>
<th>Net Profit (Rs.bln)</th>
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Source: The Hindu – Commence Guide - 2003

Currently, the oil and telecommunications sectors are dominated by public sector monopolies, which account for the bulk of the profits shown above.

From 1992 onwards, the government has followed a policy of partial disinvestments of ownership of some public sector companies. So far, shares of 49 public sector companies have been partly sold to the public. These companies are some of the biggest companies listed on the BSE, and their
market capitalisation is roughly Rs.1.3 trillion, or one-fifth the market capitalisation of the BSE.

The Union Finance Ministry in new guidelines issued in June 1995, has instructed all the public sector companies that shares offered to the employees should be at the same price as that offered to the public. Further, a maximum of 5% of the issue should be reserved for the employees.

In today's world as Byrne says (1993) is of fast-moving global markets and fierce competition, the windows of opportunity are frustratingly brief. Looking into the changes some of them are:

❖ Larger companies employ fewer people
❖ There is a shift from vertically integrated hierarchies to networks of specialists.
❖ Pay tied more to the market value of his or her skills.
❖ A change in the paradigm shift from products to services and from full-time to part-time or temporary employees.
❖ Outsourcing of activities that are not core competencies of a firm.

The researcher wishes to find out whether the manufacturing organizations, that wish to build teamwork and individual skills in their employees, have many program options, including leadership-training courses for the individuals and for teams.

Innumerable articles and books are published on the subject of managing change at organizational level. But how the change affects the individual within the organization has been neglected. The impact of change for the individuals is substantial particularly in the area of empowerment. The researcher has identified this problem and for this purpose, a measuring instrument is developed to measure the degree of empowerment and its consequences in this research work.
The Human capital

Human Assets or Human Capital is increasingly demanding center stage focus with growing complexities in employment relationships and hyperactive perceptual changes in the conceptual framework.

The most significant resource of an organization is often said to be its people. In simple terms an organization is a group of people whose activities have been planned and coordinated to meet organizational objectives. An organization that exists to produce goods and services has a good chance to survive and prosper if it consists of the right people.

To attract and retain good people, successful companies use their mission, vision, values and leadership first. Most employers know that it is the committed employees who keep them in business and create customer relations. On the importance of human resource, Ulrich (1998) said, “skilled employees who are committed to business goals, are a company’s most important and only appreciable asset”.

Pareek and Rao (1981) have argued that people in the organization are a resource and so are valuable for the organization and hence deserve to be treated differently. Committed and capable people are in terrible short supply, particularly in the knowledge-based new economy. At the same time in most organizations there are surplus people who fail to learn and enable themselves to cope with the changing demands.

As people are the most valued resource of any organization, and the organization must unequivocally commit itself to the belief that people make it grow and prosper, and their potential is unlimited. The sheer quality of manpower is what distinguishes one organization from another (A.K.Mohapatra1998).
There is growing emphasis on Education and Human Capital. For an organization to flourish the employees working for it should be skilled, highly talented and well balanced. Recruiting such people are the first challenge any organization faces. The next task is to hire the overall competence of the employee in relation to his job skills and his personality. As the cost of loosing human assets is high and avoidable, it is imperative to have proper retention strategies.

Employees must have insight into the power of knowledge management, which when, managed effectively, helps in empowering knowledge workers. To retain the talented knowledge human capital, a company has to endeavor in the direction of development of people.

There is a need for change in the definition of management. The conventional definition of management is “getting work done through people”. However, real management is in developing people through work.

On the importance of Human Resource, (Drucker, 1998) predicted, “The typical business will be knowledge-based, an organization composed largely of specialists who direct and discipline their own performance through organized feedback from colleagues, customers and headquarters. For this reason, it will be what I call an information-based organization”.

Companies can ensure satisfaction of their customers only when their employees are satisfied. This includes both the intrinsic and extrinsic factors of motivation. Also both the lower level needs and higher level needs (Maslow, 1954) should be taken care of. Only then the companies can utilize the full capabilities and potentialities of the employees. To keep the best minds engaged, organizations will need to create the best kind of cultures and reward systems. There are some concepts like leadership, motivation,
power, delegation of authority which a very important role in the life of employees.

A manager or leader who can facilitate the developments like using the capacity of the valuable human resources and gaining a competitive edge is essential in today’s market. As a leader goes up in the hierarchy, it becomes impossible for him to handle all assigned the task to him, and therefore, delegation of authority becomes necessary. Delegation has a three-fold objective.

As organizations have become more complex, dynamic and fast paced over the past decade, the human capital must recognize that attracting, retaining and managing people is more important. In this context Schuler et al (2000) has given the four basic roles of HR manager.

They are
1. As Strategic partners they should show concern for multiple stakeholders.
2. As innovators must help their organizations to create an environment that supports continuous learning and improvement.
3. As collaborators must be aware of how to create win –win situations.
4. Lastly the HR managers must act as change facilitators, and anticipate the need for change, and prepare their organizations to deal with it.

A beginning for empowerment was provided by the theories of motivation and their applications. Extensive research has demonstrated the complexity and variability of human motivation. Organisations need to rethink strategies to motivate people and retain the best thinkers.

Most of the theories reflect that people seek growth and development. The past study (Mc Gregor, 1960) reveals the necessity to motivate employees and provide a focal point for transition of the organizations. Foundation of
major organizational changes took place by the study of motivation and focus on individual’s needs, wants potential and growth. The responsibility for human motivation is multidimensional.

Apart from motivation (Chris Argyris, 1955) it is discussed that any company will be in dilemma because of the company needs, which does not coordinate with individual development.

This made the researcher to find out and analyse the employee empowerment practices, which gives the employees, and inner strength of confidence and trust in the employees. The tool “empowerment” helps in smooth flow of communication, thereby encouraging the employees to put forward their ideas, take risks and build a moral organization. Building a moral organization is a necessity in the present day business environment.

Thus the concept of empowerment appeared in the mind of the researcher and its application as a tool, the benefits derived is the work done through this research work.
**Concept of public sector**

Historically the PSU played an important role in the development of the Indian industries. Public sector in India now constitutes an important sector of the national economy. With the growth of the idea planned, coherent and rapid development in the technology and other factors of the country, the importance of public enterprises is growing day by day.

After independence (Sindhwani J 1998) a lead role should be played by the state in attaining the economic self-reliance and hence, a number of PSUs were established across various important industry segments. During the last four decades huge investments have been made by the state in building a sound industrial setup. This resulted in India being ranked as one of the highly industrialized nations with modern industries and processing a large pool of highly skilled manpower.

There are different forms of public enterprises. They are:

- The departmental form
- The company form
- The public corporation form

For the process constraints most of the Public Sectors have their powers to operate delegated from central Government and non-government Public Sectors often operate in an environment of heavy-handed regulation.

Public sector undertakings (PSUs) of India are in the throes, due to a variety of factors, namely, moving away from Nehruvian socialism, globalization, decontrol of economy and the withdrawal of budgetary support to PSUs, most of which are in the red. These have necessitated innumerable measures like modernization of technology, improving the supply side, reduction of cost, quality improvement and productivity.
The public sector is also faced with tremendous competition, both from units in India and abroad, whose products are procurable both cheaper and of an excellent quality. The monopolist, tendency of PSUs have had their days numbered, and shall have to meet many challenges to survive, and give a fitting fight. These tasks are really Herculean and call for the highest amount of planning and perception. All these changes have human implications or even ramifications of a varied nature, in terms of the skills required, manning patterns and its deployment and manpower productivity.

Public sector undertakings have been growing in size, diversifying their activities, and entering into new areas of business to suit the changing situations. The requirement of technical and managerial manpower for the future cannot be adequately met unless appropriate methods of manpower estimation in terms of skills and skill-mix, in future, cannot be same as it is today, and they are bound to change in approach and change in operations.

On the many consequences of liberations, the two could affect corporate survival directly. Firstly, as Indian companies will be allowed to invest and enter global markets without the barriers placed in the past, the result is a mega growth opportunity to tap and capture potential markets which until now were inaccessible.

A number of other problems cropped up in the recent past, though the PSUs were successful in meeting many of the nation’s objectives. The problems observed relate to under utilization of assets, low productivity, poor project management, over manning, lack of technical up gradation, inadequate attention to R & D and inadequate HRD.

This research on the study of the level of empowerment of employees in public sectors serves as a compliment and brings to light the achievements and failings of the public sectors regarding empowerment.
Need for the study

The need for empowerment of employees has been felt for the last three decades, because of a number of evidences in research literature, which supported the fact that an empowered person would perform better. However studies were made in bits and pieces like empowerment and job satisfaction, empowerment and commitment etc., With the changes in business scenario, technology, trade union movement, environmental protection movement, the human behaviour in the organizations has changed a lot and employee empowerment has gained strategic importance for competitiveness.

A few companies today want to win the hearts and minds of their employees, to get the best possible returns. They appreciate that if employees are motivated through recognition, rewards and genuine empowerment, excellence in performance can be ensured. Focusing on employees has become a necessity for organizational survival. A self-directed work team has greater commitment to work, learns faster, communicates better and solves more problems. As a result, quality and productivity improve, operating costs are reduced and changes are better managed. Multinational managers and multi-cultural teams need to share values, vision, objective, business performance, rewards and profits.

As the top executives are making changes in the environment, the new place is becoming traumatic, and brings a new set of threats and challenges for the employees. To respond to these challenges, organizations are has to be redefined in different ways. The intensifying need is the involvement of work force and concentrating on development of human resource in the right direction.

Therefore the need to carry out the present study by developing a wider framework and measuring empowerment as an instrument was felt.
Review of literature

A review of related literature covers the books, research papers case studies, articles, unpublished thesis works, dissertations and the opinions of the industry professionals.

The word empowerment has become a widely used term in literature and in organizations seeking cultural change. Different thinkers, writers and researchers use the word empowerment in a limited sense as a result of which it is often used synonymously with terms like delegation, participation and autonomy.

Empowerment is a relatively new topic of academic interest. Although some theorists might argue that similar theories under the names of employee participation, commitment and motivation have existed for many years, the concept of empowerment is a recent one as it is wider in scope than employee participation, commitment and motivation.

Definitions of Empowerment by Management Thinkers

The Oxford English Dictionary defines the verb empower as ‘to enable’. In contrast with the earlier concepts used in chapter-1, enabling implies motivating through enhancement of personal efficacy which is the result of empowerment.

In the literature search conducted, it was found that empowerment is used in a much broader range of context and that the use of the term is interpreted and understood through a wide range of metaphors.

The need for self-actualization was recognized by Maslow (1954) but it is the ‘expectancy theory’ proposed by Lawler (1974) and self-efficacy theory of
Bandura (1977,1986), which most clearly support the concept of empowerment as a motivational construct. According to expectancy theory, and individual’s motivation to increase his or her effort in a given task will depend on two types pf expectations i.e. their effort will result in desired level of performance and that their performance will produce desired outcomes. Therefore empowerment would enhance motivation for better performance.

Tannenbaum and Allport (1956) and Vroom (1964) emphasize the need for flexibility of management style. They discovered that subordinates prefer autonomy and self-control, and respond more positively to participative leadership in terms of both satisfaction and performance than subordinates who do not have such preferences. The outcome of autonomy (freedom of decision making in work area), self-control and participative leadership are better response and performance.

Bradley and Taylor (1972) wrote, "Whilst there is significant debate amongst marketers about the principle of empowerment, one aspect which produces greatest agreement is that marketing managers should be given discretion in two key areas: the management of their teams and the interface with their customers. The marketing managers should release themselves from the routine tasks and focus their attention to task of dealing with customers".

Lawler (1974) however, found that the need to control was not common to all people. His studies clearly showed that some people prefer self-direction and self-control. This is an important finding which reinforces the fact that not all individuals are likely to respond in the same way to empowerment.

McClelland (1975) suggests that the practicing of empowering subordinates is a principal component of managerial and organizational effectiveness. The experiences in team building within the organizations within the
Organizations (Beckhard, 1969) suggest that empowerment techniques play a crucial role in group development and maintenance.

Kanter (1983) studied improving organizational capability and concluded that the infallibility of management, the certainty of management tasks, and the predictability of management careers have declined, but the potential of the rest of the work force for contributing to the solution of organizational problem has increased. They feel that this occurs as a result of shift of the focus on employees for their development.

Normann (1984) also stresses the importance of empowerment in the service process. Since service is a social process, there is a need for individual motivation and freedom at the local level which management must also cater for. He finds that a power structure is lacking balance between central and local units, might be one of the key reasons for organizations failing to achieve quality service. This is an interesting argument which organizations need to consider when they move towards increased centralization. In case analysis of Kroc, Love (1986) observed that Kroc built the most talented services organization of franchising, not by dictating to its managers but by giving them enormous decision making authority. In other words, Kroc harnessed the energy of his staff by unleashing it.

Conger and Kanungo (1988) defined empowerment as a process of enhancing feelings of self-efficacy among organizational members through the identification of conditions that foster powerlessness and through their removal by both formal organizational practices and informal techniques of providing efficacy information. They were amongst the first academics to investigate the topic of empowerment. They found that empowerment is often used as 'rational' construct i.e. as the giving of power. This power originates in the literature on power and describes the process of delegation or sharing of power or authority with subordinates. According to them, much
of the management literature equates empowerment with employee participation, and does not take the concept much further.

They observed in studies on leadership and management skills that the practice of empowering subordinates is a principal component of managerial and organizational effectiveness. From the analysis of power and control within the organizations they opined that the total productive forms of organizational power and effectiveness grow with the sharing of power and control by the superior with subordinates.

From the literature in team building within an organization, they expressed that empowerment techniques play a crucial role in group development. They conceptualized empowerment definition in motivational terms as a process whereby individual's belief in his or her self-efficacy (synonymous to competence) is enhanced. This process may enable them to set higher performance goals and also to accept higher performance goals from their leaders. It is important however to note that recognition is critical.

Even under conditions of failure to gain desired outcomes, individuals may feel empowered if their efficacy is reinforced by their leader's recognition of their performance. The recognition is in the form of reward for better performance. They also noted that in the literature, meanings of power and empowerment are often fused together and their relationship with each other are not clear. They proposed however that empowerment should be primarily interpreted as a motivational construct meaning 'to enable' rather than simply 'to delegate'.

Kelly (1988) describes the four qualities of followership as:

- Self management
- Commitment
- Competence and focus
- Courage, honesty and credibility
On cultivating effective followers the leader has to evaluate them on qualities such as independent thinking, originality, courage, competence and credibility and provide them constructive feedback.

Byham (1990) asked, "How do you get people to improve constantly? I feel strongly that the only way you can do that is to get people to own their jobs. You can't talk to them into it, you can't control them into it and you can't compensate them into it. None of these things work in long term. What empowerment does is to give them the motivation to improve".

Kizilos (1990) held the view, that education certainly has some power to change behaviour but altering people's orientation towards empowerment, same as that of turning a bureaucratic goldbricker into a risk seeking, initiative-taking, problem solving go-getter, is no simple training task. He adds that organizational inertia tends to discourage people from acting in an empowered fashion and that individual fiefdoms carefully nurtured over time do not crumble overnight.

Staples (1990) makes the point, "In addition to transformation in consciousness, beliefs and attitudes, empowerment requires practical knowledge, solid information, real competency concrete skills, material resources, genuine opportunities and tangible results". Focus of Staples can be seen from the result of empowerment processes, which he describes in terms of competence and tangible results. The results are the ultimate aim of any organization.

Block (1990) states, "As managers we become more powerful as we nurture those below us by becoming a role model for how we want them to function". He also describes empowerment as a state of mind and a culture that values initiative, absolute honesty and achievement. Unlike Schein, however, he
does believe that a cultural transition is possible provided that leadership behaviour changes.

The author also describes that empowerment would mean a process of moving organizations and individuals from a bureaucratic cycle to an entrepreneurial cycle. He believes that operating in bureaucratic culture increases the tendency to experience ourselves as vulnerable, losing control and somewhat helpless. He suggests that a shift from one cycle to another is feasible but requires a fundamental shift in the way managers think and operate.

Barry (1991) confirms that the impact of empowerment has obvious implications for the role of managers. He writes, "they are no longer required to command and control individuals, but need to know how to coach and support them to realize optimum performance and **job satisfaction**". From this it is clear that empowerment has a strong link with leadership style, which provides the freedom of decision making, allows the individuals to perform better and get better job satisfaction. The literature on empowerment also points out that empowerment is a cultural issue and cannot be divorced from the climate, beliefs and management style of the organization. The management style has a direct influence on the leadership style. The author believes, "If empowerment means that responsibility for individual **creativity**, initiative and **decision making** is pushed as far down the management line as it is possible, then each employees becomes actively involve in planning his or her own responsibilities, **skill development** and ultimately career development, a concept which would be alien in any command–control environment".

Ginnodo (1992) differentiated between involvement and empowerment, describing involvement as employee having opportunity to help solve the problems and influence the decisions and empowerment as employees and...
manager solving problems and making decisions that were traditionally reserved for higher levels of the organization.

Shipper and Manz (1992) described empowered organization as one, which values independence, teamwork and independent efforts as well as fairness, freedom and commitment. Although it can readily be described, it may not be as straightforward to achieve, as some of the management books seem to suggest. The extent to which organization culture could change to accommodate empowerment is the extent to which (climate) is an issue of considerable importance in the empowerment debate.

Relating the values with empowerment authors mentioned, “Values enable people to know their own minds. What to do and what not to do. When values are clear, we do not rely upon the direction from someone in authority. By knowing what means and ends are important, people can act independently. At least they can recognize that they have conflict between their own values and those of bureaucratic society. In either case people are in more control of their own tasks if the values are clear. In this sense, values are empowering”. On further examining empowerment, authors expressed, “Empowerment means everyone is expected to accept responsibility for getting his or her job done as well as helping others to accomplish their work and no one is forced to say it’s not my job. Thus providing opportunities to be responsible empowers people.

The authors Shipper and Manz (1992) found, “In a few companies where the emphasis had shifted from focus on management control of employees to a decentralization of power and the provision of opportunity for workers, at all levels to exercise increasing influence over themselves, giving of power had worked”. They pointed out that this has been achieved through a fundamental shift in organizational culture of giving of power (delegation) and providing support to the employee to handle this power in the form of
**training.** The support and direction will empower employees to provide significant results.

Manz (1992) expressed, "At the heart of any empowerment effort should be an emphasis on self leadership". He believes that 'self leadership' is the missing link in managerial effectiveness and that what empowered organizations really do is to create the conditions for each individual's self-leadership system to be developed and unleashed. The author agrees with Block (1990), when he wrote, "In terms of influential leaders, there has been a recent shift away from powerful leaders to those who are able to empower his followers. Perhaps, effective leaders should be judged more on their ability to tap the leadership potential within each person".

Alcorn (1992) also believes this to be the key. He discussed the concept of dynamic followership and maintained that, "Leaders who perceive followers as dynamic are more likely to believe that their staff are willing and capable of acting on their own and doing far more than their traditional job descriptions prescribe. Escaping from style of control and micromanagement, they empower their staff to make front-line decisions. The workplace atmosphere is charged with high levels of energy and trust rather than with mediocrity and mistrust".

Hatch (1992) wrote, "Late Sam Walton, the founder of the highly successful Wal Mart stores in the USA, took the opposite view and was well known for his empowering approach towards his store managers. He believed in facilitating managers to generate ideas (innovation) and take action. Do it. Try it. Fix it. It is not a bad approach, and it works".

Posner and Kouzes (1993) said, "Empowerment is an important concept but often misunderstood perhaps in its absolute term. The problem with the empowerment is that it suggests that it is something leaders magically give or do for others. But people already have tremendous power. It is not a
matter of giving it to them but of freeing them to use the power and skill they already have. It is a matter of expanding their opportunity to use their service in a common and useful purpose. What is often called as empowerment is really just taking off the chains and letting people loose”. The organization climate should provide people with freedom of decision making for achieving organizational and individual goals.

Mahesh (1993) studied several organizations for their speed of response and concluded the empowered front-line employee can take decisions on the spot and commit to the customer.

Dobbs (1993) explains the meaning of empowerment as sharing of responsibility and power at all levels of the organization, helping employees to develop, enabling them to innovate, to take initiative and make independent decisions to satisfy the needs of customers.

Yukl (1994) while examining the heroic leadership impact on followers tries to show the research support, which indicates that the leadership in executive teams at different levels in the organization (Barnes and Kriger, 1986) can be the force behind empowerment. Researches on self-managed teams, co-operatives and employees managed companies have explored the consequences of sharing leadership functions (Hackman, 1990; Manz and Sims, 1989).

Scott and Jaffe (1991), emphasise, “Empowerment is fundamentally different way of working together in which employees feel responsible not just for doing a job, but also for making the whole organization work better”.

Robbins (1995) defined empowerment as a process that increases the intrinsic motivation. The author considered intrinsic motivation as the effect of empowerment.
Lowe (1995) puts that empowerment is the process arise as a result of which individual employees have the autonomy, motivation and skills necessary to perform their job in a way, which provides them with a sense of ownership and fulfillment while achieving shared organizational goal.

Caudron (1995) observed that employee empowerment programmes are destined to fail unless an environment is created which nurtures and encourages employee initiatives. Further the author explained that when employees own their job they are able to measure and influence their individual as well as department and their company’s success.

Rothstein (1995) wrote, "Empowerment means many things to many people but to me, empowerment is an act of building, developing and increasing power through co-operating, sharing and working together. It requires creation of culture which both encourages people at all levels to feel they can make a difference and helps them to acquire the confidence and skills to do so".

Top management executives of manufacturing organizations (Gupta, 1996) expressed that the key role of the marketing manager should be dealing with customers. They are required to take decisions and actions in order to satisfy needs of the customers. Therefore, empowering marketing managers is essential in today’s business environment.

Luthans (2001) while examining empowerment defines it as the authority to make decisions within one’s area of operations without having to get approval from any one else.

From the above definitions it is evident that empowerment deals with processes like delegation of authority, autonomy, freedom for employees to achieve organizational objectives. The above discussion is clear the empowerment is a complex and multidimensional concept, which cannot be
defined, in a single sentence. It seems that organization’s interpretation is restricted to the devolvement of responsibility for certain decisions downwards, but within a defined framework. This interpretation being primarily formed by the relational construct: the giving of power, and to some extent by the motivational, ethical, leadership and cultural metaphors. These fundamental differences in interpretation are important and represent the difference between empowerment as an initiative, extrinsic to the organization; and empowerment as an intrinsic part of organization’s culture.

In the researcher’s view, however, it is the culture, leadership and organization capability metaphors, which are the key to empowerment. An empowering organization must therefore be responsive and flexible, with a culture which values initiative honesty, achievement and teamwork, provides a climate for continuous learning, open communication and supports employees in taking more responsibility for their jobs. The following dimensions of empowerment emerged from literature:

   a) Organization culture and climate
   b) Leadership
   c) Power and politics
   d) Training and development
   e) And quality of work life.
Statement of the Problem

An organization’s health and effectiveness can be carried out by most influential and innovative approaches. These innovative approaches should help in designing and managing organizations. There is very little scope for the lower level employees to have the authority to fix up their duties. This study will bring about an insight into empowerment and workers want a choice and a voice. Empowered teams are among the most innovative organizational applications of recent times.

When people are empowered, that is, they are allowed to have control over the conditions that make their actions possible, then more is accomplished, and more gets done. Thus the meaning of power is closer to mastery than to domination or control over others. This is in support of the proposition that empowerment would enhance the performance.

In the process of satisfying the needs of the employees, many companies have resorted to novel programmes and procedures and have become employee driven. How much, and to what extent the companies meet the increasingly diverse and growing aspirations of its employees, will depend upon the cost benefit analysis of these complex programmes in terms of organizational efficiency and employee satisfaction. To gain a competitive edge industries are seriously thinking of empowering their employees. However due to varied use of the concept of empowerment in literature and in organizations seeking cultural change, its application has been limited.

The problems generally found in the public sectors are:

- Lack of understanding amongst the employees.
- More amount of control.
- Highly centralized features.
• Team building within organization suggests that less amount of group development.
• Lack of proper understanding of the work environment.
• Lack of understanding that the training programmes and interventions lead to empowerment.
• Lower level employees are not aware that empowerment leads to increase in their control and thereby the productivity.

Many organizations do not know the effect of restructuring of the organizations. There can be different innovative approaches to employee empowerment. Human resource managers are required to examine the employees of the company thoroughly before deciding on an approach likely to be valued by the employees, and those that will be most appropriate for the organization.

Therefore there is the need for developing a holistic concept and a measuring instrument (model), which could be used to assess the level of empowerment presently and thus plan for future interventions needed to improve the current status, in order to achieve the organizational objectives. This made the researcher to find out what can be suggested to employees and organizations to make the correct decisions and how it can be done thorough empowerment as a tool.

Hence, the statement of the problem is "Employee Empowerment Practices in Selected Public Sector Undertakings in India".
Objectives of the study

Why the interest in empowerment in public sectors: While one can name a myriad of contributing factors (technological development, worldwide communication, market expansion, education, political change, and many more), one believes that we as human beings have reached a new level in our evolution, demanding fuller self-expression, self-determination, and contribution to our world society. Secondly world problems, organisation and business problems, have become incredibly complex, making management systems that separate the functions of management and workers obsolete. They are insufficient to meet today’s challenges. We cannot afford the economic, social and political havoc raised by failing businesses and massive unemployment.

What kinds of organizations and systems do we build in their stead? Whatever these new structures look like, they must mobilize, develop and apply the full intelligence, knowledge, experience, imagination and commitment of all participants.

There is a place (Linda Logan 1995), a vital role for each human being. It matters not which role one plays, team leader or team member, but the role enables maximum utilization of human potential. Empowerment is not a fad: it is a way of being that we are growing into. One must reinvent and explore to reinvent the organizations to reflect who they are becoming.

This leads the researcher to come forward with the following objectives.

1. To understand the definition of empowerment.

2. To understand the impact of empowerment in public sector units taken for study.
3. To make the higher-level authorities understand the need for delegation of duties and the power of empowerment.

4. To help the lower level employees to be empowered.

5. To study the differences in the level of empowerment in different public sectors undertaken for the study.

6. To sensitize middle level managers/officers to the concept of empowerment and its importance in the increase in productivity.

7. To acclimatize respondents with empowerment process framework and understand the reshaping of working environment.

8. To make the respondents understand their vision and mission.

9. To identify the effect of training programmes as an intervention leading to empowerment and

10. To strengthen the employees by emphasizing on self-development in order to face organizational realities.

As many organizations begin restructuring their corporate cultures with empowered employees and empowered teams, the employees will be involved in the decision making process. So to help those organizations taken for the study, the researcher concentrated on increase in employee productivity and increase in the quality of the services and product by introducing the conceptual framework of empowerment.
Limitations of the Study

In a country like India, any kind of generalization may be out of place in view of the industry, size, and regional variations in the practices followed in both public and private sector units. Hence, it would be appropriate to present cases on how Indian companies have approached issues concerning human resource management as a whole.

The empowerment in public sector undertakings has to be in accordance with the organizational pattern of the enterprise. The limitation of the present study is that the results of the study cannot be generalized for other public sector undertakings. The public sector undertakings taken for study are not uniform in their character.

The study has been carried out by taking the sample groups of each of the organizations for measuring the level of empowerment. The score of the samples may not represent the whole organization. The score of the sample may not give the true level of empowerment in the organization.

Though some precautions have been taken to reduce the self-reporting error, there still exists a little chance of error. The response may be influenced by social desirability, which may not be true perception of the organization.

The interpretations should be used with caution. The researcher covers only four of the manufacturing Public Sectors. This does not apply to all the public sectors.

The questionnaires were administered to middle and lower levels only, as the study was confined to them. The researcher has taken three years of study, and during this time lot of changes are likely to be taken place in those units selected by the researcher.
Research methodology

The present study is basically an empirical inquiry based on explorative and descriptive research design. The data required by the study were collected, analyzed and interpreted keeping in view the principal objectives of the study.

The data required for the study are elicited from primary and secondary sources. A structured questionnaire was administered to the employees of four public sector units to gather primary data. The researcher collected the data personally from all the respondents, to find out level of empowerment and to know the effect on different dimensions.

The secondary data was obtained from various research reports, journals and the Internet. Secondary information is also collected from the study units, periodicals, reports and Government publications.

Sampling
The total sample size is 800 employees drawn from four public sector units with coverage of 200 employees from each organization. Among the 200 respondents two different levels were identified from the middle level and from the lower level in organizational hierarchy.

Efforts were made in this study, to measure the level of empowerment and make a comparative study of the public sector units selected for study. The study mainly concentrates on the significant impact of the score if empowerment of each public sector concentrated upon. An in depth analysis of four public sectors that is practicing certain specific interventions may show whether interventions can bring about changes in empowerment.
The selection of those respondents is based on stratified disproportionate random sampling technique. Table number.1.1 presents the sample frame in detail:

**Table number.1.1**

Sample Frame of the present study

<table>
<thead>
<tr>
<th>Study units</th>
<th>Middle-level Employees</th>
<th>Lower -level Employees</th>
<th>Total Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>HAL</td>
<td>100</td>
<td>100</td>
<td>200</td>
</tr>
<tr>
<td>ITI</td>
<td>100</td>
<td>100</td>
<td>200</td>
</tr>
<tr>
<td>BEML</td>
<td>100</td>
<td>100</td>
<td>200</td>
</tr>
<tr>
<td>BEL</td>
<td>100</td>
<td>100</td>
<td>200</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>400</strong></td>
<td><strong>400</strong></td>
<td><strong>800</strong></td>
</tr>
</tbody>
</table>

**Development of Instrument (Questionnaire)**

A questionnaire was developed to measure the perception of the respondents on the factors given. The questionnaire consists of 100 items measuring the different dimensions. A five point Likert type scale was used for the purpose with a rating of 1 for never and a rating of 5 for always. The details of rating are:

1. Never
2. Rarely
3. Sometimes
4. Often
5. Always
The items selected from the standard scales used for different dimensions were adopted with minor modifications to suit the requirement of the responses in the above rating of 1-5 scale. A few items were framed and integrated to the requirement. These items are arranged as of the five dimensions.

The dimensions are organizational culture and climate, leadership, power and politics, training and development and quality of work life. The items are also arranged in the same order of the five dimensions mentioned above.

Item numbers 1-20 are based on organizational climate and culture. 21-40 are on the dimension of leadership, 41-60 are based on power and politics, 61-80 on training and development and the remaining 81-100 items are based on the dimension called quality of work life.

The spectrum covers only the public sectors located in Bangalore. Organizations are related to heavy engineering, of high precision, high technology ranging from multi products and multi locations.
Organization Of The Study

The research study is divided into 9 chapters as under:

The **first chapter** deals with brief introduction, importance of social dimensions, the human capital, review of the Literature study limitations of the study, research methodology, organization of the study and the concepts used in the study. It briefs the growth of Public Sectors with the growth of investment and, employment. The latest approaches used in the field of motivation, participation and delegation and the difference of these factors with respect to empowerment.

The **second Chapter** provides the conceptual framework relating to the empowerment and the relation between empowerment and motivation, empowerment and delegation and empowerment and leadership. It also attempts to enumerate the origin of empowerment, followed by perceptions of eminent management professionals, academicians and authors on empowerment concepts. In order to develop a conceptual framework the researcher carried out personal interviews, with the middle level managers to find out how practicing managers understand the term empowerment.

The **third Chapter** deals with the profile of the four public sector units selected for this study. It provides the information regarding the origin and growth of the company, the business activities carried on, the range of products manufactured and the future advancements. It also includes the structure of the organization, the company’s joint ventures and future advancements. The last part of this chapter contains the tables regarding the financial details i.e. the growth of the company for over a period of five years and the manpower strength at different levels taken for the study.
Chapter four, five, six, seven and eight attempts to cover the dimensions of empowerment. The dimensions are culture and climate, Leadership, Power and Politics, Training and Development and Quality of Work Life.

The fourth Chapter covers the analysis and interpretation of culture and climate.

The fifth Chapter centers on the analysis and interpretation of leadership.

The sixth Chapter centers on the analysis and interpretation of Training and Development.

The seventh Chapter centers on the analysis and interpretation of Quality of Work Life.

The ninth Chapter brings out an analysis of the trend of employee’s contribution to empowerment in the four PSUs. It also covers the research findings with the summary of conclusions and suggestions for the study. This chapter summarises the important conclusions emerging from the present study and attempts to offer few suggestions for the purpose of the all round improvement of the empowerment practices in the organizations.
Concepts Used in the Study

Accountability
An individual is accountable or responsible for the purpose, goals and approach towards his activities.

Authority
The exercise of authority is one of the agents which make organizations live, adapt and survive. It is the influence, which is brought to bear upon people, things and decisions and it, has several different bases. It is the organizationally granted right to influence the actions and behaviour of the workers they manage.

Autonomy
The autonomy refers to the meeting of responsibilities towards one's work and having control within his/her limit.

Communication
It is the process of transmitting meaning from one person to another that information and ideas can be conveyed.

Culture
It is the environment within which employment decisions are made, and the environment within which employees work on a day-to-day basis. It has been described as the DNA of an organization-invisible to the naked eye, but critical in shaping the character of the workplace.

Delegation of Authority
Decision discretion is pushed down to lower-level employees within their authority limits. It is a process of distributing and specifying the subordinate's range of discretion.
Employee Voice
A method of ensuring procedural justice within an organization by providing individuals and groups with an opportunity to be heard – a way to communicate their interests upward.

Globalization
The globalization of business refers to the free movement of capital, goods, services, ideas, information, and people across national boundaries.

Human resource Management
An overall approach to management, comprising staffing, retention, development, adjustment and managing change.

Job enrichment
This refers to the vertical expansion of jobs and it increases the degree to which the worker controls the planning, execution, and evaluation of his or her work.

Job evaluation
It is a process of determining and comparing the demands of normal performance of a particular job without taking into account the individual abilities or performance of the workers.

Knowledge Management
It is the study of understanding and knowing the value of knowledge possessed by people at all levels of an organization.

Leadership
It is the ability to influence the actions of others. Leaders initiate change, either by making decisions or by encouraging others to make decisions.
Motivation
It is the willingness to exert high levels of effort towards organizational goals, conditioned efforts and ability to satisfy some individual need.

Organizational Commitment
It is the degree to which an employee identifies with an organization and is willing to put forth effort on its behalf.

Organizational Development
OD is a collection of change techniques or interventions built on humanistic and democratic values that seek to improve organizational effectiveness and employer well being.

Paradigm Shift
In management philosophy, it is a dramatic change in the way of thinking about business problems and organizations.

Participative Management
It is the style of management, which includes industrial democracy and, indicates an attempt on the part of an employer to build his employees into a team, and enhance their ability in decision-making at different tiers of organizational hierarchy.

Performance
Performance includes the competent people in the organization who can create valuable results without using excessively costly behaviour. It is a way to ensure that employees know what is expected of them.

Performance Management System
It is a system to improve the overall objective of the organization and the employee and improves the efficiency of the company by attempting to mobilize the best possible efforts from individuals employed in it.
**Personality**
Personality is a dynamic concept describing the growth and development of a person's whole psychological system. It is the sum total of ways in which an individual reacts and interacts with others.

**Positive reinforcement**
When a response is followed with something pleasant, it is termed as positive reinforcement.

**Power**
Power is the capacity that one person influences the behaviour of another, while the latter does the things he or she would not otherwise do.

**Productivity**
Productivity is a measure of the output of goods and services relative to the input of labor, capital and equipment.

**Self-actualization**
The drive to become what one is capable of becoming and it includes growth, achieving one's potential and self-fulfillment.

**Self-efficacy**
It refers to an individual's belief that he or she is capable of performing a task.

**Socialization**
After the employee recruitment and selection process, the new employees are introduced to company policies, practices, and benefits through orientation program. It is the mutual adaptation of the new employee and the new employer to one another.
Team
A team is a group whose individual efforts result in a performance that is greater than the sum of those individual inputs.

Team Building
It utilizes high interaction group activities to increase trust and openness among team members.

Total Quality Management
Total quality management is a set of principles and practices whose core ideas include understanding customer needs, doing things right the first time, and striving for continuous improvement.

Transformational Leaders
Leaders who pay attention to the concerns and developmental needs of individual followers and they change the follower’s awareness of issues by helping them look at old problems in new ways.

Quality of work Life
It is a set of objective organizational conditions and practices and it equates employee’s perceptions that they are safe, relatively well satisfied, and able to grow and develop as human beings.

Value-based hiring
Recruitment of employees by considering them as human capital or investment that the employer’s can receive returns through value of the company.

Workforce diversity
Employees coming from different segments like difference in race, language religion and ethnic minorities. They bring multiple perspectives during any discussion in organization matters.