chapter 1

Statement of the Problem
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Human resources form the crucial component for organizational survival and in deciding the success rate of organization growth\(^1\). The cutting edge in providing this growth and success in market place are the ‘front-line employees’. They are merely not the people who come just to work, instead, they are the people who live and grow with the organization. They are seen as a ‘valued asset’ of the corporate body. Thus, it is important that employees are looked after properly, developed systematically and managed efficiently. Today, the tendency all around is to compare India with the Asian Tigers such as South Korea, Thailand, Singapore and China where the productivity figures are much higher\(^2\). India on the other hand, has a large and growing organized sector. This sector employs 45% of the workforce of which 30% are industrial workers\(^3\). This sector requires careful human resources interventions for higher productivity to reflect favorably on the country’s economic growth.

In order to be in line with these Asian giants, an entire paradigm shift is needed. A relook at the employee development and its management practices, from a narrow training and development approach to a much wider canvas is needed. Integrating the human resource strategy with corporate strategy, while empowering employees in the process of restructuring the organization is critical. The need, therefore, is to empower employees to respond to the changing demands of the


\(^2\)International Institute of Management Development-IMD Report, 2002, Switzerland.

\(^3\)India 2000, Publication Division, Government of India, 2001
business. This is possible only when the employees identify with the mission and vision of the organization. Existing research studies point out that, it is the empowered employees who are generally most productive (Edward, and Harwood, 1992; Blasi, 1993; Clare, 1993; Barner, 1994; Carr, 1994; Chiristina, 1997; Juhl, et al 1997; Argyris, 1998; London and Smither, 1999; and Kanter, 2003).

It is clear that employee empowerment has a significant role to play in enhancing employee productivity to meet the challenges of the liberalized competitive environment. India has been facing a serious challenge in the context of liberalization, globalization and privatization. Companies cannot survive unless they cut their costs drastically to compete with other countries. Higher levels of service and qualities need to be attained. It has also been noted that developing human resources often results in a sustained organization growth (Eichen, 1989; Argyris, 1998; and Goold, and Campbell, 2002). What need to be seen are how this can be undertaken, and the impact of empowerment on the individual, the organization and the nation as a whole. Thus, an enquiry into human resource development and management through study of various strategies and practices. Infact, empowering employees would be crucial in evolving appropriate standards, as human resource is the single most valuable resource, which when applied imaginatively can make a quantum difference.

**Empowerment - An HR Tool**

Human resource management is a vital area because it drives the other resources like money, machines and materials. Clearly, adequate attention has not been paid to this area. In developing countries like India where availability of man-
power is very high, it is necessary to evolve meaningful strategies to harness this vital resource of human potential. In fact, if one looks closely at any company in trouble, it is often found that poor management skill is one of the problem areas. The study undertaken by Bowen, and Lawler (1992) proved that management is the reason for most workplace problems. Their study concludes that most employees do not have the freedom to act, and feel less motivated due to management’s conservative attitude. Further, if asked about their jobs, the employees would probably complain about the management and the systems. Even in respect of large corporations, it is found that the biggest barrier to change, innovations and new ideas is very often the management. Crises of ineffective structures, relationships and leadership issues at workplace are common problems the world over today. Similarly, the workforce of today is also experiencing more uncertainty. Business organizations need to adopt objective strategies to deal with newer and more challenging issues. It is needless to say that human resources form the major component for organization survival, which is endorsed in studies by Bowen, and Lawler, 1992; Kardas, 1994; Simons, 1995; Ray, 1998; and Ashton, et al 2003. The situation therefore calls for a major rethink on relationships within organizations, and on strategies for developing and managing human resources at the workplace.

Many organizations have a large number of employees who express inability in controlling their own destiny and believe that their own efforts have little impact on performance. This powerlessness contributes to frustration leading to low self-esteem. Indeed, a healthy self-esteem can enable people to successfully perform their jobs and make meaningful contributions. Problems of low self-esteem are often caused by major organizational changes that are beyond the employee’s control 5.

5Wolff, T. L (1997). “Power to the People”. Workforce Diversity, Fall, pp. 24-28
Problems may also stem from having to work under an authoritarian leader; when encountering rigid conservative policies, or even bureaucratic system. Restrictive workplace practices and conventional management ethos often fail to reinforce competence and innovation in a job, a fact that is supported by research investigations (Carr, 1994; Chirstina, 1997; Juhl, et al 1997; Argyris, 1998; and Kanter, 2003).

Clearly, now more than ever before, we need policies, and workplace strategies that will provoke, guide, inspire, mobilize, and above all, empower all of us to rise to the challenges we face. Many of our organizations have to deal with global challenges on a daily basis. While some have succeeded in riding the wave, some have just managed to keep afloat, and some have buckled under pressure and gone down. It is little wonder that uncertainty and anxiety about the future is widespread in our country.

At this juncture in history, a clear understanding of the challenges in managing organizations, workforce and development of human resources is crucial for India to progress on the industrial front. We need to develop a deeper comprehensive practices in managing and enhancing human force to the standards on par with global company. The importance of developing and managing human resources therefore becomes vital as we seek to respond to these complex and acute challenges. Ultimately when the issue boils down to the very survival of the organization, the only option is to go for a total overhaul and renewal of the way of functioning. Corporate Renaissances is thus mandatory for organizational success.

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and would be an additional driving change force coming from within the organization.

Empowerment and empowering employees in the organization changes the equations for better organizational growth and development. The enquiries and studies undertaken by Myron, 1989; Perry, 1992; Blasi, 1993; Clare, 1993; Nelson, 1994; Chirstina, 1997; Pati, 1997; Argyris, 1998; Marjorie, 1998; London, and Smither, 1999; Wetlaufer, 1999; Yoon, 2001; and Kanter, 2003 have demonstrated the relation between employee empowerment and the positive benefits on a macro level. Empowerment strategies and practices change the basic premises of the employer-employee relationship. The power relationships within the organization, work relationships, trust and faith relationships, delegation and shared responsibility have a major impact on development and management of human resources.

In an empowering policy, the role of leadership is to show trust, provide vision, remove performance blocks, offer freedom and encourage all activities to be performed without unnecessary boundaries. Indeed, the empowered organization is highly focused on the 'Human' element and looks at it as a prime asset of the organization. The empowered person is a liberated person in all his activities. An empowered culture is a structured culture, where one is free to work the way he wants, with total responsibility and accountability of ones actions. If organizations want to succeed in keeping pace with global developments, they first have to create an empowered environment and nurture an empowered workplace.

The vital questions before us are:

- What is this paradigm shift towards empowerment?
- what do we mean by empowerment?

• How different is empowerment from other organizational practices?
• How do we empower?
• Can everyone be empowered in the organization?
• Can everyone be empowered at the same time?
• Will all employees react similarly to attempts of empowerment?
• How much to empower?

A microanalysis is quite significant to know and understand the varied reasons including the strategy for managing human resources in future. Some pertinent questions at this juncture are - are the models of future organizations based more on the experiences of the past or on the vision of the future? Can organizations create models that go beyond their historical roots? In the present century, there is an opportunity to design and develop new organizations that are radically different from traditional ones.

The study examines the gap existing between performing organizations and others. It is the empowered workforce, empowered culture, innovative workplace programmes, systems, practices, strategies and approaches towards human resource development and management that make top performing companies different. It is indeed interesting to see how organizations are managed and their human resources developed. The various theories proposed by different management scientists and gurus in this subject are also relevant.

A look at Human Resource Management: A Snap of Reality

Employees and Organizations have reciprocal obligations and mutual commitments, both stated and implied, that define their work relationships. Those who want to understand any company's Production statistics; Marketing position; Financial status or Human Resource practices should look at the strategies a company has adopted in various areas. Be it management or organization culture,
the systems adopted at workplace, the policies followed, the management style, the ethos practiced, the governance adopted, or the leadership demonstrated - the people and the various approaches towards management of human resources would give a picture as to 'why' some organizations go out of business and why some organizations set examples and create benchmarks for others. In fact, in pursuit of continued excellence and the urge to stay at the top of the business, organizations adopt various innovative strategies. In this exercise, one does see an increased focus and importance given to human resources much more than ever. Also, with growing globalization, the accent has been on the resources in the organization to meet the challenges of competition. Traditional theories view the organization as a closed system; hence evolving progressive policies in tune with the changing organizational environment was not necessarily an issue.

The traditional organization workplace culture was characterized by hierarchical pyramid structures, where a few people at the top held the reigns of power and guided the large workforce at the bottom of the pyramid. The employee's attitude towards the job was not considered significant and orders always flowed down from few top management people to be followed by rest in the organization, and all the organizations matters were also decided by the top few. The boss and workers were sharply divided on many issues. A rigid bureaucratic style of functioning was the order of the day with strict codes of conduct to be followed.

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In fact, the policies adopted and followed in most organizations were traditional in nature. In the hierarchical system, there was no scope for additional improvements and if any workplace changes and improvements were to be effected, the management permission was mandatory. On the other hand, it is clear that there should be scope for experimentation at the workplace, which would lead to meaningful strategies. Thus, organizations have to restructure the workplace with management's support.

This was not the case in earlier structures. Most of the existing organizations have closed systems, where the top management takes all the decisions, irrespective of the relevance, importance and nature. A few people on the top have complete powers and many down the line experience powerlessness to act.

In these systems, the initiative to try new things, a creative approach of working beyond the call of time schedule was never the norm of employee's behavior. While the top management planned the activities for the entire organization, the middle management did the coordination and those in the bottom delivered.

While the relationships between management and employees were cordial, a 'distance' was always perceived. The management commanded all the activities, directed the behavior and controlled the whole process. In fact, the development of human resource was the responsibility of the top management who decided what was appropriate. They didn't seek their employee's opinion, and if at all it was

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sought, it had no impact on the final decisions. The concept of workers participation in management was restricted only to lower level activities.

Workers participation in management, which was mooted as a solution to achieve better industrial relations failed largely due to several factors such as: 1) Lack of graduated approach; 2) Lack of preparations to help the worker to contribute; and 3) Negative mindset of the management where they strongly believed that workers couldn’t contribute. Even the Industrial Dispute Act in India through Chapter V of Section 3 made way for workers participation in management through works committee. But the fact remains that it was not a success on the macro level. A well-established work routine, clear division of labour and resistance to change characterizes the traditional organization culture. Traditionally, workers labored in sharply defined slots and roles with narrow specialization. Most employees primarily operated within a chain of command and rule of law, while the basis for management action was control through force.

In the management style of the old economy, the workplace had a rigid ethos. The belief and trust between the employer and employee was low, yet the employee had to understand and implement the leader’s vision. The merited employees did not receive any recognition. The management’s approach towards labour issues was subjective. Most of the times, management had hidden agendas and didn’t reveal their mind. Workers didn’t have the liberty to verify and question the validity of the management’s decisions. No one was allowed to discuss the validity or acceptability of decisions made at the top. In terms of empowerment, the workers were deprived in several ways. They had no direct control over the work process or

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work-related decision-making; and could not (were not allowed to) influence the overall objectives or direction of the organization.

To effectively face the challenges in today's turbulent times and given sustained high performance, organizations must learn continuously and develop a culture of constant improvements of the work practices. The study undertaken by Virmani (2000) proved that human resources management and development have been considered as important approaches to the management of an organization in many competitive economies 14.

Infact, the continuous quest to bring people into the main streams call for human resources development. With over all changes in the economic and technology fronts, there is a need to relook and redefine some of the traditional HRM practices 15. The new millennium has caught both individuals and organizations in a storm of change.

A Look at the New Age Economy: HRM in present context

Till recently, the business world acknowledged the distinction between the 'old economy' and the 'new economy'. But, now due to change in all spheres of life and more so in the way businesses are undertaken, the thin line dividing the two has vanished. While people were important to an organization, now, in their quest to build up their competitive advantage, firms are totally people-centric 16.

The learning organization, which is an offshoot of the new environment, has received steady attention in the new age economy, especially since the 1990 publication of Peter Senge's book "The Fifth Discipline: The Art and Practice of the Learning Organization". Senge defines the learning organization as one "where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free and where people are continually learning how to learn together". This means that, companies need to go in for a complete overhaul and restructuring of all activities of business. Historically, organizations and their human resources were guided by a closed, boss-centric culture. In comparison, the present day organizations have made a quantum leap forward. Leadership has seen a complete new face-lift. Clearly, the focus is now on the individual and work that adds higher value to the organization and increases the perceived worth of individuals. As Thomas J Watson, founder of IBM said, "You can get the workplace systems, style of management and the organization capital and erect buildings, but it takes people to build a business". People and their development have become the focal point of all activities in the new age economy.

Today, organizational performance is perceived as a function of human resources. The human resources practices are merged with an overall system to enhance employee involvement and output through high performance work systems-HPWS. Some of the distinct features of new learning organizations are:

1. the flatter structured organizations, decentralization, total transparency in all the
activities, shared values, shared information, shared responsibility, close networking, liberated groups, and intergroup cooperation for organizational accomplishments. Designations and positions have become secondary. Management Guru Lawler III, Director at the Center for Effective Organizations, University of South California has worked with fortune 1000 companies. He identifies characteristics that support HPWS, such as shared information; knowledge development; performance reward linkage; and egalitarianism as the changed workplace ethos. Profit sharing, autonomous work groups, teams participative management and employees on the Board of the company are the contemporary workplace practices. Employees are free to do the work in their own way and have the liberty to change the work procedures. Jobs are designed for individual's and employees have greater control on how and when the work has to be done. Flexible and adaptive workplace systems, collaborative work practices, a shared common direction and vision, a unitary culture throughout the organization and relative freedom from rules are the visible systems in place today. Each person's responsibility is towards the development of organization and in doing so; each one is allowed to use all the organizational resources to the maximum. Resources are not reserved for any particular section in organization and all barriers are broken in preference of shared common platforms. Everyone is cared for and is committed to fulfilling the organization's objectives. In fact, people are respected, valued and are given top priority in all activities undertaken. In the words of Lewis Platt, Chief Executive of Hewlett-Packard, "Successful Companies of the 21st Century will be

those who do the best jobs of capturing, storing and leveraging through their employees" 20.

Even the management style and leadership lexicon have changed from boss, commander and captain into mentors, coaches and facilitators. The management is transparent and open in all its activities and various barriers at different echelons have disappeared. A management more committed to human resources is visible. Managers who are honest, caring, and receptive to new ideas highlight effective leadership in an organization. They treat the employees with dignity and respect as partners in organizational success 21. Managements are now more objective and recognize the work of each individual. The merit of any employee is chalked by his contribution in accomplishing organization mission and goals. The task of a leader is to make people believe in themselves, with a core set of well articulated values aiding character development, commitment and the capacity to shoulder equal responsibility in building the organization. Managements must foster employee participation in all activities, tempered by kindness, generosity and fairness. An open door policy, where management communicates and shares all information with employees is the norm. Leaders are no more functional heads. They lead from the front, striving hard to create an ideal work culture and climate, thus ensuring that everyone in the organization has the right tools to perform their job well. Simultaneously, efforts are on to empower employees and encourage their participation and involvement more fully to utilize the human capital available 22.

Another significant development that was non-existent in old economy is the emergence of the ownership culture. Many studies have highlighted the post benefits of ownership culture, empowerment and growth of organizations (Barnes, and Kaftans, 1970; Perry, 1992; Blasi, 1992; Ferris, 1993; Matt Ward, 1994; Owen, 1994; Nancy, 1996; Bela, and Janos, 1998; Cynde Payne, 1998; Kilcrease, and Kelly 1998; and Reynolds, 1999). The premises of the ownership culture are that for every right of ownership that employees perceive, there is a correlative and collective responsibility; and for every responsibility of ownership that managers (management) perceive, there is a correlative and collective right. The framework posits that a healthy ownership culture is one where the perceived rights and responsibilities of ownership are in balance. Employees are now the equal owners of an organization and have equal rights in organizational success. Employee involvement groups—EI's, are part of all organizational activities. Also widely known as Quality Circles, EI's are used principally as a means of involving employees in the larger goals of the organization through their suggestions for improving the overall organization performance. Even the policies of the organization have changed drastically to include practices like flexitime, self managed teams, borderless relationships, multiple leadership, openness, transparency, respect for
the individual's integrity, fairness, and ultimately the sharing of wealth with wealth creators through various stock options. Employee's chosen career paths and informal workplace relationship are standard features today. The organizations are not merely profit driven, but they also share an emotional bonding with their employees.

In fact, remapping the whole approach towards organization and human resource development has called for a new theory, a new model and a new paradigm. A people-centric model has emerged to address the new age organization and development of human resources. The winds of change have brought in the concept of power-sharing, thus making the employees responsible for the future course of organization activities. People centeredness has become the new mantra and both the management and the employees are driven by the ambition and excitement of creating and developing a thinking organization. The performance driven organization culture is the order of the day. Employees are granted equal rights and are given full freedom to work in all organizational activities. They enjoy the new egalitarian set-up and stand equal with all, thus breaking the pyramid. Employees participate practically in all developmental activities of the organization without any restrictions. Writing of the organization mission statement, and strategy preparations, which were once under management purview, are now under the purview of the employees. Power and control have percolated down to the lowest rung, and employees are now equal partners in a performance driven culture.


The jobs are now delinked from grades, power grid relationships have disappeared, and informal relationships exist in the workplace, and the only competitive advantage for Corporates is there people-the human wealth.

An absolutely unprecedented effort to create new democratic workplaces is underway. Indeed, to sustain high performance over long term, organizations need to embrace a culture of valuing their people. This also means moving beyond the popular cliche that 'people are our asset' to *people are our most important asset*. The transfer of organizational power to practically all the employees is a revolution in the business world. Organizations focused on a paradigm shift towards empowerment and empowering employees for business success and corporate advantage.

**EMPOWERMENT**  
*Em-pow-er-ment (im-pau [-] r-ment)*

Companies that enjoy enduring success adopt innovative workplace practices, core values and core purpose that remain fixed while their business strategies and practices endlessly adapt to a changing World \(^{25}\). The dynamics of preserving the core while stimulating progress is the reason that companies such as General Motors, Wal-Mart stores, Exxon-Mobil, Ford Motors, Daimler-Chrysler, Mitsubishi, General Electric, Hewlett-Packard, Procter and Gamble, and Sony, to mention a few, have become elite institutions, which are able to renew themselves and achieve superior long-term performance \(^{26}\). This theory also holds good in the case of large Indian Business houses like TATA sons, Hindustan Lever Limited, Infosys technologies, Wipro, Larsen and Turbo, Reliance and the like \(^{27}\). These and


\(^{26}\)US Fortune Global 500,2000, *Fortune Magazine*, USA

a few other corporates have set high standards through their innovative way of managing and developing human resources, while placing a premium on "People" as the prime asset in all organizational activities. Also, traditional and hierarchical control systems, among other practices are proving costly, ineffective and in many cases have caused the shrinking organizations. Empowerment has become a powerful way to hold a company together against a tidal wave of pressure.

Theoretical and operational dimensions of empowerment are different from those of motivation, which has played a significant role in the emergence of empowerment. Along with shaping of personality and growth of the self, it has helped us to understand how an individual attains a firm sense of worthiness and well-being. It has moved us towards our next enabling human construct - empowerment of employees in an organization, the formula for corporate success in these turbulent times. Mere motivation will not lead one to gain control of one's work world; it should go one step ahead in liberating an employee to be as what he wishes to be. Employee empowerment is a technique of enhancing employee's involvement in their work through the process of inclusions. Empowerment encourages employees to become innovators and managers of their own work, and such involvement gives them more control and autonomous decision-making capabilities. Empowering individuals, groups, teams and organizations is a noble, necessary and natural part of human enhancement.


29 Barbara Ettorre (1997). "The Empowerment Gap: Hype v/s Reality", HR Focus, 74(1); April, pp. 23-24
Empowerment Defined

To empower means to enable; it means helping people to develop self confidence; overcome feelings of powerlessness or helplessness; energizing them to take actions; and mobilizing intrinsic motivation to accomplish a task. Empowerment is much more than delegation, and is perceived in many ways. Some see it as changing others by giving full authority within the boundaries. Others see it as increasing the decision-making discretion of workers; an act of providing authority, knowledge and resources to individuals, so that they can achieve work objectives. Empowerment is also seen as a managerial technique in which employees are given substantial authority to make decisions on their own.

At this juncture, before going deeper into the concept of empowerment, it is essential to have an understanding of the concept of power. What is power? Rolly May (1972) defines power as “the ability to affect, to influence and to change other persons”. Pinderhughes (1983) defines power as the “capacity to influence the forces which affect one’s life space for one’s own benefit”. French and Bell (1999) see the power in organizations as “the capacity to effect or affect organizational outcomes and the ability to get one’s way in a social situation”.

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<th>Box No: 1.2</th>
<th>Web Definition of Empowerment</th>
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<td>• A condition whereby employees have the authority to make decisions and take action in their work areas without prior approval. For example, an operator can stop a production process if he or she detects a problem, or a customer service representative can send out a replacement product if a customer calls with a problem.</td>
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<td>• To give responsibility and some authority to one or more employees. The amount of authority may not be sufficient to fulfill the responsibility</td>
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<td>• Giving educators, parents and students a voice in the decision-making process.</td>
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Source: Google.co.in - Empowerment
Different researchers and management gurus have analysed the meaning of empowerment from different angles. As the Oxford English Dictionary says, to empower is "to authorize, to enable". Ken Murrells (1977) says that, empowerment "is an act of building, developing and increasing one's power". He identifies two major categories of empowerment: (a) self-empowerment, i.e. the ability to empower oneself, and (b) inter-active empowerment, i.e. the process of creating power with others.

Rosabeth Moss Kanter (1977), Professor at Harvard Business School, and a pioneer in the area of organizational empowerment and related work, defines the concept of empowerment as "giving power to people who operate at an advantage in the organization success". She conceives of a continuum from powerless to empowered and encourages organizations to help people move towards the empowered end. She was the first woman to propagate the concept of empowerment from a sociological perceptive and later in the industrial context. The origin of empowerment work can be traced to Kanter's work.

Jan Carlzon (1987) former CEO, SAS Scandinavian Airlines, a successful Airline business operating in many countries, sees empowerment as "a process to free someone from rigorous control, policies and orders, and to give that person the freedom to take responsibility for his ideas, decisions and actions". The definition signifies the control – freedom co-relation and the complete responsibility that rests on one who has been empowered. Conger and Kanugo (1988) defines the concept empowerment "as a process of enhancing feelings of self-efficiency among

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organizational members through identification of conditions that foster powerlessness through their removal by both formal organizational practices and informal techniques of providing efficacy information”.

Thomas and Velthouse (1990) define empowerment “as the value of a work, goal or purpose judged in relation to an individual’s own ideas and standards”. Kari and Michels (1991) definition of empowerment includes “the ability to act collectively to solve problems and influence important issues in the organisation”.

Bowen and Lawler (1992), the former an Associate Professor of Management, Arizona State University and the latter Director, the Centre for Effective Organization, University of Southern California, have done extensive work in the area of empowerment. From 1970 to 2000, they have studied this concept in US Fortune Organizations. They define empowerment in terms of four organizational ingredients: Information about the organizational performance; Rewards based on organizational performance; Knowledge that enables employees to understand and contribute to organizational performance, and Power to make decisions that influence organizational direction and performance.

Pareek (1994) an organization behavior scientist and an authority in the field of human resources, perceives empowerment as “a sense of autonomy for oneself and creating an autonomy for others”. He feels that, it is liberating one to perform at the advantage of corporate and liberating oneself to work towards organizational endure. Kinlaw (1995) defines empowerment as the “process of achieving continuous improvement in an organizations performance by developing and extending the competent influence of individual’s and teams over the areas of functions, which affect their performance and that of the total organization”.

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Foy (1996) says "empowerment is simply gaining the power to make your voice heard, to contribute to plans and decisions that affect you, to use your expertise at the work, to improve your performance and also the performance of the whole organization". Menon and Kanungo (2000) defines empowerment as "granting the necessary authority to employees for making decisions in areas that affect their jobs, like customer services, production and quality control".

Essentially, empowerment is a process wherein decision-making authority and responsibility percolates from managers to the employees at the lowest rung. It involves more complex issues than just the traditional concepts of delegation, decentralization, and participation management. In all these three, it is just the work that is redistributed in different ways. In empowerment, people are trusted and given total freedom to do their job as they deem best- rather than getting them do the boss's bidding. It also means that individuals have freedom at different levels to decide not just their own course of action, but also that of organization, which help them to gain mastery over the organizational resources, benefiting both self and the organization. Empowerment enables people make independent decisions and operates towards organizational success. Empowerment results in individual employees having the autonomy for which they are totally accountable. Ultimately, empowerment is about altering, removing or attenuating the conditions that make one feel powerless. In light of these definitions, empowerment can be conceptualized as a liberating force. It gives one freedom in all practices at workplace and enables every employee to give his innovative best for the Corporate's advantage.

Further, it is the process of empowering employees at every level of the organization with freedom and responsibility to control their own work, make decisions
and take appropriate actions in meeting the organization's objectives. Thus, the old adage "I am supposed to do only what the management tells me to do and nothing more", is no longer applicable. Empowerment, on the other hand, creates an environment where absolute control is given up, allowing everyone make decisions, set goals, accomplish results and receive rewards. Further, it liberates people from constraints such as checking with the boss before taking actions. Empowerment helps the right person to be on the right job at the right time, resulting in optimum performance and best results. Each individual is responsible for his actions and is accountable for future too. It is critical therefore that one should also know whom to empower, when, how much and at what time. An understanding of employee-employer relationships at the workplace will clarify as to why empowering employees is crucial for organizational survival and the need for paradigm shift in developing and managing human resources.

Employer-Employee Relationship

It will not be an exaggeration to say that human resources management has been practiced from time immemorial- ever since human beings started to work. In order to understand the development and management of human resources through the ages, one has to appreciate the evolution of employer-employee relationships and the paradigm shifts that have taken place.

In India, as compared to the western world, industrialization took place very late and mechanization registered a painfully slow growth rate. In the initial years of industrial development, the displaced masses worked in pathetic conditions. The employer-employee relationships were also not cordial and the employers exploited
employees for their advantage. With the growth of industrialization, especially during and after the First World War, conditions changed.

In the sixties and seventies when plantations, mines and factories started flourishing, the country as a whole progressed and the need for workers welfare and security was greatly felt. India gradually emerged as an industrial nation and the number of industrial centers and industrial workers increased. The percentage of people working in the industrial sector rose, and different types of industries opened up various avenues for occupations to the different sections of the Indian population.

The initial phase was characterized by the labour welfare approach. The poor conditions that prevailed then compelled this approach, which was concerned with the labour welfare activities. Such as leave for varied reasons, social security and employee's accident and safety information. With the advent of trade unions, dealing with the unions was an add-on function. This involved receiving the charter of demands from union leaders and interpreting it. Frequent meetings were held with employees for grievance settlements, particularly with regard to the interpretation of filament, discipline and enquiry cases. Trade Unions were the sole bargaining party on behalf of labour interest. They sat with the management and discussed varied issues. It was the union members, on behalf of the working class, who were allowed to bargain. It was here, that the concept of asking workers and their representatives started in a small way.

Next came the fire-fighting era. In this phase, conflicts were resolved after considering various labour demands. Managements were preoccupied with keeping the engines of production moving at all times and less importance was given to human resources issues. At this stage, human resources management was limited to giving the worker the benefit of doubt in a dispute. The trade unions achieved this with the aid of a few labour laws and the interpretation of the courts. On the other hand, it was the stage of hire - fire and no one was allowed to question the management's action. Workers were retrenched without being given valid reasons. The upper hand was always the management, since all the power rested with them.

Over the ages, the teeming millions, who constituted a sizeable chunk of the industrial society, have struggled hard to achieve some measure of protection against the in-human treatment meted out to them by the employers. The trade unions initially acted as agents of the workers and the working class. Later, the changed times saw a shift towards voluntary participation of the employee, but with limited and restricted scope. They were consulted in matters related to welfare, canteen and security. But, usually the managements did not consider employees' opinions while taking the final decisions. Also, there were no legal provisions for doing so, until a few progressive laws were passed to protect labour interests by allowing them to negotiate with the management. In fact, the factory system and various labour legislations made it possible for the labour community to sit face-to-face with the management and bargain for facilities. The atmosphere was cordial, but never the less, the master-slave relationship always guided the discussions.

The workforce has changed vastly now. The functions have also changed from welfare to transfer of power to all. The industrial society has seen tremendous changes in the area of technology, production, and machinery and in the area of
developing and managing the human resources. Now, management and development of human resources is given top priority in the organization. While different shades of opinions exist on this, several theories have tried to explain issues of development and management of human resources. A look at these theories is necessary to understand how organizations were managed, and human resources were developed.

1.7 The Short and Glorious History of Organizational Theories

Early management theory dealt with how organizations were managed and regulated human behavior. The purpose, however, is to enable one to recognize how the developments in the past have contributed to current management practices and have led to a shift in paradigms. An attempt has been made here to identify major thinkers and analyze organisational theories of historical significance, which are still relevance to present day organizations.

One sometimes wonders how organizations came into existence, grew and how human resources were taken care-of. Although historical evidence can be traced to the Romans, it is only after the industrial revolution that great changes occurred in the way organizations were managed and human resources developed. As in the case of other Asian countries, India too, a largely agrarian society was gradually transformed into industrial society. The advent of factories and their way of functioning called for an entirely new approach to systematize workplace issues. Initially, management in the factory system was characterized by strict controls of operations. The owners were mostly concerned with making the largest possible profits from their investments. A great deal of interest was therefore
focused on streamlining the operations and exploiting workers to increase the output.

During the industrial revolution, pioneers of management theories were practitioners who wrote about their successes in solving the problems at large organizations. What is perhaps most interesting about their comments is how each thinker has identified challenges that are not so much technical or rational as they are cultural; how to lead the organization that creates and nurtures knowledge; how to live in a world in which companies have increasing visibility; and the art of human management which is crucial for business success. In fact, the way human resources was managed and developed against all odds is the focus of many thinkers.

Adam Smith's (1723-1790) "The Wealth of the Nation" (1776), for example, describes how productivity can be improved as a result of division of labour, by citing the well-known example of pin manufacturing industry. Robert Owen (1771-1858) experimented with human resource practices in the cotton mills of Manchester. His theory was that investment in human resources was superior to investment in machinery and equipments. He was more concerned about the evils and inhumanity from industrialization. He advocated a total shift in attitudes of industrialists towards improving the quality of working conditions and focusing on employee welfare. Robert Owen also demonstrated that workers could be motivated and improved if there was an enlightened and sympathetic approach to their welfare. He saw Manager's role as important in enlightening the workers by keeping faith, confidence and in guiding them towards the fulfillment of organizational goals. Owen is remembered more for his courage and commitment to reducing the suffering of the working class than for his management successes. Labour welfare, improving
working conditions, relieving human sufferings, and providing meals at work are the focused areas of Owens success.

The early 20th century classical or traditional schools of thought were votaries of management science or the quantitative approach. Also known as scientific management approach, it is based on the concept of planning work to achieve efficiency, standardization, specialization and simplification, in order to increase productivity through mutual trust between management and workers. Henry Fayol and F.W.Taylor were the founders of the classical theory principles.

The classic theorist Henry Fayol (1841-1925) laid down a number of principles, grouped into three categories structural, process and purpose. Henry Fayol along with Taylor, was the first to develop significant principles for top-level management and one of the first to analyze different activities that constitute labour management in organizations. Fayol’s administratative theory views management as a process of administration consisting of five activities namely: Planning, Forecasting, Organizing, Commanding and Controlling, which aid in effective management of organizations and their human resources. The fourteen principles that Fayol proposed guided many organizations in managing their activities. The need for division of labour at the workplace, defining authority and responsibility of every person in organization, unity of command, where the command and orders should flow from one person to all in avoiding confusion and ambiguity, unity of direction towards shared common objectives and scalar chain in working together are the principles proposed by Fayol to manage the workforce and the organization. He also says that unity is strength and teams should be encouraged.

F.W.Taylor (1856-1917) in his “Scientific Management” published in 1911 emphasized certain principles for managing organizations and human resources on
scientific lines. His main philosophy was that higher productivity could be attained through people in the organization, which could be gained through a scientific approach and mutual trust between management and workers. To increase the level of trust, Taylor puts forth certain ideas: (a) the advantage of productivity improvements should go to workers; (b) capabilities of workers should be developed through training, and (c) the traditional 'boss' concept should be eliminated. Replacing old rule of thumb with science, scientifically selecting and training workers, developing workman, management and labour co-operation were the focus of Taylor's work.

Further, division of work, delegated and shared responsibility, better relations between managers and workmen for better management of workers and organization are a few other principles proposed by Taylor's. An initiator of Scientific Management, Taylor set out to transform what had previously been a crude art form into a systematic body of knowledge. His work is synonymous with breaking down tasks into smallest details, evaluating the abilities of workers and then matching the two together to achieve optimum efficiency. His methods have been associated with both massive increase in productivity and an obsession with control. He contended that there should be a complete mental revolution for management and labour, and that there should be a total attitude change in the way both looked at organization growth as a joint effort. With collaborative efforts of management and labour, profits can be increased. He encouraged employers to pay productive workers more than others, to motivate workers. Rewarding workers for individual productivity, incentives for performance as a whole, careful work design which would help the workers to do their best and allocating to workers the work they are able to do the best, are
some of the guiding principles for HRM. Standardization at the work with respect to tools, instruments, period of work and amount of work has to be optimized.

The focus of Taylor’s principles rested on:

(a) Development of a true science of management;
(b) Scientific selection of workers;
(c) Scientific education and development of workers;
(d) Intimate and friendly co-operation between management and labour rather than conflict.

These are the principles that guide organizations towards excellence, growth and better management of workforce.

Mary Parker Follett (1868-1933) has contributed immensely through her principles of co-ordination. She argued that the primary task of management is to create a situation where people readily contribute on their own accord, and evolved the theme that people do not wish to work ‘under’ or ‘over’, but ‘with’ others, and this should always be the guiding principle while managing human resources in organization. Her salient contributions regarding how to manage human resources through group dynamics and leadership. A strong pressure for change in the group can be established by creating a shared perception by principles of the need for change, thus making the source of pressure for change lie within the group.

Information relating to the need for change, plans for change, and all relevant people in the group must share the consequences of change. Follett proposes that an individual finds his/her creative self only in relation with others in the group and individual potentials remain dormant only until released through group association.

Follett recommends cross functioning among departments to foster co-ordination in the organization and opines that human beings grow through their relationships with others in the organization. The relationships in an organization
have to be developed and maintained and managers and workers should view
themselves as partners and as part of a common group. Disparity and gap between
these groups should not exist. The art of getting things done through people was the
management philosophy of Follett. According to her, the primary concern of
business was worker's productivity. The first test of productive power of
organizational life was nourishment of the individual's. She also focuses on how
organizations and human resources should be managed through leadership, which
inturn, should come from the manager's greater knowledge, expertise and not
derived through power. She believed in the power of groups, where individuals could
combine their diverse talents and produce something big. Managers should rely
more on their expertise and knowledge to lead subordinates rather than on the
formal authority of their position.

The Human Relations School focused its attention on the Human element.
The school emerged partly because the classical approach did not yield sufficient
production efficiency and workplace harmony. To the manager's frustration, people
did not always follow predicted or expected patterns of behavior. Thus, there was
increased interest in helping manager's deal more effectively with the "people side"
of the organization. The Hawthorne studies (1924-1932) at Western Electric
Company, Chicago, where Elton Mayo (1880-1949) and his research staff
associates (F.J.Roethlisberger and W.J.Dickson) from Harvard Graduate School of
Business took an extensive work (1927-1932) and came to the conclusion that good
human relations at the workplace in an organization makes all the difference. A
series of experiments conducted as part of Hawthorne studies in relation to
efficiency of employees and productivity output from groups divided as 'controlled'
and 'uncontrolled'. Factors like illumination conditions at workplace, introducing
group coffee breaks, allowing workers to choose their own rest periods and letting
workers have a say in other suggested changes were a few areas of observations.
The researchers concluded that the increase in productivity in one group weren't
caused by any physical event but by complex emotional chain reactions. As
employees in both groups had been singled out for special attention, they had
developed a group pride that motivated them to improve their performance. The
sympathetic supervision they received further reinforced that motivation.

The Hawthorne experiments led among other things, to the creation of an
employee-counseling program in the 1930's. Mayo and the group conclude that,
when employees are given special attention, productivity is likely to improve
regardless of any change in the working conditions. The social environment of
employees, informal work group relationships, friendly workplace, positive peer
pressure, understanding employees' needs, wants and sources of satisfaction,
awareness of employee feelings and sympathy supervision are the reasons for
improvement in productivity rates. These are the crucial factors, which need to be
noted while managing the workforce in an organization, as they lead to high
productivity. This phenomenon known as the Hawthorne effect, pointed out that
workers are not simply "cogs in the machinery".

Further, Mayo also argued that self-esteem was critical to effective
performance and that management needs to gain the consensus of working groups
as well as individuals in matters directly concerned with the workers. He also
championed the need for efficient and recognized communication channels between
workers and management so that individuals and groups could identify with
corporate goals and objectives. After a series of experiments conducted over a
period of nine years, the behavioral approach in assessing humans at workplace
caught the world's attention. Based on this work, concepts such as leadership, motivation, relationships at work, need analysis, informal relations, change and communication were studied in relation to human productivity. The study created a tremendous interest among researchers and scholars of various disciplines, particularly psychology, sociology, social psychology and anthropology. The approach became known as the human side of enterprise. Theorists like Argyris, Barnard, March and Simon have made valuable contributions and opine that an employee must be treated as a valued human being and not human to be treated as a mere factor in production. That human relations at the workplace can change the very face of business is what the of Hawthorne experiments concludes.

From human relations the focus shifted to the behavioral science approach in understanding human behavior at workplace. Behavioral scientist studied the organization and management behavior, applying knowledge of psychology, sociology and anthropology. Early proponents like Douglas McGregor (1906-1964) and Abraham Maslow (1908-1970) focused on how relationships can be beneficially arranged in an organization. McGregor's 'X and Y' theory provides reasons as to how one can manage the human resources through analyzing human characteristics and traits systematically. His work on the human side of enterprise focuses on the human aspect and how people should be treated as a valued capital. A person's basic nature and behavior has to be studied, and based on whether the person is inclined towards work and organization, managing has to be done accordingly. The outcome of experiments and observations in behavioral science led to the following broad conclusions:

(a) Employees are motivated by social needs and get a sense of identity through their association with one another,
(b) Employees are more responsive to social forces exerted by their peers than to management's financial incentives and rules;
(c) Employees are most likely to respond to managers that can help them in satisfying their needs.

Maslow spoke about self-actualizing people who want more than instantaneous pleasure and rewards. His theory on need analysis directs one to look at individual needs before fulfilling organizational needs. A need analysis points to what the individual is looking for in an organization and the activities one would perform. Marlow's insights contributed greatly to our understanding of the worker intrinsic factor for motivation.

Next came the Quantitative School, which stressed the use of quantitative techniques and methods in decision-making. This approach advocates logical sequences of problem formulation, gathering information and data, constructing mathematical models, exploring tentative solutions and executing them. Drawing on the theorist's idea, the focus on a scientific approach to managerial problems and situations to improving managers decision-making skills. This school largely ignores the human side of the enterprise.

Another method was the socio-technical systems approach towards organization development and human resource management. Organizational behavior scientist Kurt Lewin (1890-1947) focused on the management and development of human resources in organizations through a behavioral approach. Kurt Lewin is the founder of Group Dynamics theory and Father of Sensitivity Training. His study on inter-personal and inter-group dynamics has found a direct relationship between production and participation in decision-making process. He was also a pioneer in the use of unstructured discussion groups that function without a leader and without a specific procedure or agenda. Similarly, Kenneth, Benne,
Lippitt and Branford's learning group through 'T' group training in 1946; Robert Tannenbaum's 'team building' concept in 1957; Robert Blake and Jane S Mouton work on propagating 'Managerial Grid' in 1957, theorised about management of human resources in pursuit of organization goals through interrelated components of human and technical aspects 32.

A micro observation of these theories perhaps throws light on how each thinker identified the element of human resource as important in all functions of organizational activities. What matters most is that changing times calling for changed theories. Can organizations create models that go beyond their experiences of the past? For organizations in the present century, there is an opportunity to design and develop new systems that are as different from today's as today's are from yesterdays.

1.8 Foundation of Empowerment Concept

An exploration of the contribution of various fields such as psychology, education, motivational and organizational literature, experiences of participants in the civil rights movement, volunteerism, higher education and women’s movement, are the concept of empowerment most significant to understand the present day beliefs and practices.

Though the term "empowerment" was not coined, various forms of its practices in different ways existed. The civil rights movements have generated a solid foundation for empowerment in theory and experience. The black voter registration in political activism has especially stimulated several studies of how a

32 French, W. L and Bell, C. H, Jr (2002). Organizational Development; Behavioral Science Interventions for Organizational Improvement, India: Prentice Hall
group can overcome powerlessness, and discrimination and gain democratic rights (Solomon, 1976; Perry, 1980).

In Sociology, notions of empowerment have been fundamental to most women rights movement, in which people campaigned for freedom and control of their own circumstances. Similarly, sociologists have seen empowerment at work in community and neighborhood development (Fainstein, and Martin, 1978; and Perlman 1979). Various other forms of empowerment are being explored by organizational sociologist like Longhary (1977) and Schein (1981). They support the empowerment concept not only for social change and personal benefits, but also for economic development.

Within the women’s movement too, empowerment has been given considerable attention by women academician and consultant Moglen (1983). She analyzed personal experiences with power in larger organizations. Moglen’s study points out that those managers who empower their subordinates, would not only assist both men and women, but would also help reverse productivity problems. In addition, the concept of empowerment is also based on an understanding of human behavior rooted in numerous research studies and works of several theorist and analysts (Byham, 1988; Barry, 1991; Blasi, 1993; Collins, and Porras, 1996; and Christensen, et al 2003). Each of their contributions not only helps to define the construct of empowerment, but also can be used as a firm foundation for implementing it. In the field of Psychology, the notion of empowerment led to the concept of “mastery motivation”, emphasizing that people have the competence to deal with their world (Conger, and Kanungo, 1988; Deci, et al 1989; Jackson, et al 1994; Frank, 1996; Hardy, and Leila O’Sullivan, 1998).
several decades ago include 'effective motivation' and an 'intrinsic motivation' to make things happen.

In Professional Management literature, several writers have paid increased attention to empowerment as an antidote to bureaucratic malaise (Betof, and Harwood, 1992; Taylor, and Ramsey, 1993; Argyris, 1998; Menon, and Kanungo, 2000; Yoon, 2001; and Kanter, 2003). The concept of empowerment derives from a long tradition of literature on employee involvement and research in such areas as job design, job satisfaction, job enrichment, self-managing teams and socio-technical work systems providing support for management practices that emphasize employee involvement. In Industrial and organizational sectors, empowerment has been talked about and observed, in relation to organizational success (Bennis, and Nanus, 1985; Conger, and Kanungo, 1988; and Thomas, and Velthouse, 1990).

The Evolution of Empowerment

Mary Parker Follet espoused the notion of workplace empowerment. Although she never used the term, an analysis of her lectures from 1925-1933 reveals ideas identical to the modern day concept of workplace empowerment. The historical evolution of workplace empowerment can be traced from its low point in the early 1900's. Explicitly, empowerment practices appeared in the 1970's in USA. The idea was most closely associated with Rosabeth Moss Kanter, Professor, Harvard Business School, from way back in 1979. Her major publications include Work and Family in USA (1976); Another Voice.... Social life and Social Sciences (1977); Men and Women of the Corporation (1977); A tale of being different in an
organization (1980); A Change Masters (1983); Creating the future (1988); and When Giants learn to dance (1989).

She is the one woman who can legitimately be called the Empowerment Management Guru. She argued that large companies need to liberate their employees from hierarchical systems, if they are going to be able to ‘dance’ in the flexible and fast changing future. She calls on Corporates to become more flexible. Her observations of US Corporates made her moot the concept of empowering employees in the Corporates for better results. A study of Kanter's work is most crucial and relevant in the context of knowing how the empowerment concept emerged. In her view, innovation is the only way to move forward and organizations must create a climate in which innovation can flourish. A climate of transparent culture and open communication is a key to such flourishing of innovation. She feels that lack of communication is a critical problem. Workers feel cut-off from the prime decision makers at the executive level and lack power. In trying to achieve power they slip into a static state in which they perform less productively. The result is a bureaucratic set up, which is demotivating. Her solution is to break down these barriers and flatten the hierarchy, so that executives will know their employees and can communicate with them, both formally and informally. She suggests opening-up the channels of communication, so that everyone, not just a select few organizational members, have more access. She also speaks about the senior's role in grooming the junior employees (Kanter, 1989).

Most other studies undertaken later on empowerment and related areas came after Kanter's work. Eichen (1989); Marjorie Reynolds (1991); Lawler (1994); Cyndy Payne (1998); Bo Burlingham (1999); and Marty O'Neill (1999) have dealt in analyzing the concept of empowerment and its different dimensions.
Evolution in Indian context

The concept of empowerment might be new for organizations in developing countries, but as far as India is concerned, it is deeply rooted in Indian philosophy. From the time of the Vedas, Indian philosophy embodied the concept of understanding and mobilizing this power potential. The Vedanta asserts: "Tattvamasi" ('You are that'). It says that every individual is infinitely powerful. Concepts like Swadhyaya (self study), Svakarma (worship god through one’s work), Swadharma (making decisions and work only in terms of one’s nature) are intrinsic to Indian philosophy, which are in vogue now. Likewise, the Bhagvat Gita (XVIII-46) specifies: "Svakarmana tam abhyarchya sidhim vindati Manava", i.e. human beings can attain the "sidhi", the final accomplishment, by worshipping god through his work. Work becomes a means of self-expression (power). To articulate work as a means of self-expression, one has to understand that one’s “energy” (power) and “happiness” is within oneself. A person has to merely realize that he has infinite energy, which can be expressed in the form of work. He is also required to organize his energy in a collective form. It will help him to realize that the organization stimulates his uniqueness by treating him as an individual, rather than on a preconceived pattern. Providing him an opportunity to make his own decisions can do this. It will enable him to work in terms of his nature - "Svadharma". The Gita further specifies "YajnaKarma", which means that the individual should work not only according to his nature, but also as a part of a team or as a part of the totality of an organization. The "YajnaKarma" implies collective work and is dedicated to a higher purpose.

Historically, empowerment is deeply entrenched in India, both in scientific and industrial work settings. Homi Bhabha, a Nuclear Scientist, initially at Tata Institute of Fundamental Research, practiced it in a scientific work setting for the first time in 1944 and later on at Atomic Energy Commission (when he became its Chairman in 1984) and Atomic Energy Establishment (now named after Bhabha, called Bhabha Atomic Research Centre), established in 1954. The scientists there enjoyed great freedom while building the reactor, and had the power and liberty to decide the course of action. This is indeed a true example of empowerment. In the Indian industrial work setting, empowerment was practiced at the New India Assurance Company in its most extreme form in the 1950's. It empowered its 500 odd field force to commit the company for crores of rupees. The concept of empowerment worked exceptionally well in this company with a very high level of trust, freedom, initiative and accountability. But, present practices are far removed from our ancient philosophy and practices.

1.9 The Power of Empowerment

It seems serendipitous that empowerment has come to the core of organizational life at this point in time. The philosophical swing of the 1950's, the self-expression phase of the 1960's, the technical focus of 1970's, the group and quality models of the 1980's and the participative workforce of 1990's, have steadily led to the emergence of a new paradigm of empowerment. Indeed, in all these stages, the basic concern derives from the individual's drive for self-empowerment. The new paradigm tries to define what people must do or experience to develop this power in relation to organizational enhancement and growth.
It is needless to say that empowerment makes people work that extra hours (Betof, and Harwood, 1992; Lawler, and Bowen, 1995; Argyris, 1998; Yoon, 2001; and Kanter, 2003). When it comes to it, nobody does anything because it helps the organization; they do it because there is something in it for them. At least empowerment is one of those initiatives that reap benefits for the individual first whilst enhancing the organization, as employees are prepared to give that bit extra to achieve both for themselves and the organization. It also makes one understand one’s responsibility towards corporate success. But, one thing is quite clear that empowerment has positive implications in organizational success and growth as endorsed by studies undertaken by Marjorie Reynolds, 1991; Bowen, and Lawler, 1992; Rothwell, 1993; Howard, and Welkins, 1994; Lowe, 1994; Nelson, 1994; Owen, 1994; Gates, 1995; Lorsch, 1995; Mayer, et al 1995; Wall, and Jackson, 1995; Kahn, 1998; and Kanter, 2003.

The Characteristics of an Empowered Organization

The million-dollar question is - are empowered organizations different from other organizations? And if it is so, how are they different? When one looks at an organization putting practice into concepts of empowerment, the unique characteristics predominantly found are: lean and agile, flat organizational hierarchy, and high performing work systems. Further, models of excellence, employees working towards a shared vision, autonomous work teams at all levels, continuous improvement and learning, open interactions, high belief and trust in people’s action, enhancement of leadership at all levels, climate of collaboration and web relationships, humanness and enjoyment, atmosphere of openness, authenticity and...
acceptance, freedom from all the threat and insecurity, work excellence and effectiveness, and an holistic climate of mutual respect and supportiveness are the features of an empowered organization.

Increased mental resources of the company - both tangible and intangible, creating a strategic vision from bottom-up, valuing autonomy, clear ethical cornerstones, broad participation in all activities, broad career paths, egalitarianism, helping relationships, continuous improvement through continuous feedback, high level of job satisfaction, group approach and an transparent culture, where all things are open, and can be verified and questioned by all, are the visible characteristic in an empowered organization.

The workplace practices are also quite unique and noteworthy. People are treated with high respect and are treated as equal partners in all organizational endeavors. Transfer and acceptance of power to the lowest appropriate level is the unique feature of an empowered organization. Responsibility in the organization is shared and each person is an independent decision maker in attaining the shared goals. The uniqueness of an empowered organization is also reflected in its predominant climate of freedom resulting in individual employees enjoying full autonomy, a sense of ownership and an increased sense of need fulfillment. In empowered organization a climate of trust, mutuality and freedom of expression are widely accepted norms. The workplace values that bind everyone together are honesty, respect, truthfulness, risk taking, and no scapegoat attitude. The belief systems communicate core values and inspire all participants to be committed to organizational purpose.

Transparent ethos is another characteristic feature of an empowered organization. Secrecy and confidentiality are never practiced and cannot be found
in any of the organizations activity. Open lines of communication and participation are the way of life. Freedom to decide not just one’s course of action but also that of the organizations is unfailingly practiced and a high level of trust and faith forms the basis of most activities and relationships. The high performance work systems and ideal sets of work practices are other added features of empowered organizations. Flexible schedule, uncompromising employee integrity, low employee turn-over, quality productivity, self directed workforce, participative decision making systems, no boundaries or borderless relationships and no nit-picking work rules are all associated with empowered organization.

Characteristics of an empowered workforce

There is a sharp difference between organizations that have put in practice of empowerment concepts. One of the main characteristics is an empowered workforce, and evidences show that that employees differ in traits from people working in a non-empowered organization (Caudron, 1995; Lawler, and Bowen, 1995; Christina, 1997; and Kanter, 2003). This is reflected in their behavior and approach towards work and workplace issues, perception and attitudes towards organization endeavour and the way they think and act. In fact, there is a significant difference in the culture and ethos followed by an empowered person.

The other visible characteristics of an empowered employee include active involvement for better organizational growth, seeks new challenges, grows-develops-learns continuously, has the feeling of self-worth, high morale and motivation, feels sense of shared responsibility, imparts trust, wants new things to
be done, doesn't follow a particular mind set, desires to excel all the time, feels
delight and happiness in another mans' success, ethical approach, and value
based behavior.

An empowered person thrives on excitement and risk taking, generating lot of
idea's, imagination, seeking freedom to do assignments and also giving freedom to
others. Such a person is less egoistic and seeks information from all sides, adopts a
benchmark approach, drives for perfection, works on own initiative, seeks
challenges, sets exacting targets, is outward looking, likes responsibility, and above
all, appreciates and express happiness on the work done by fellow employees. He is
an open communicator and does not believe in double standards, and never says
anything that he does not believe. He is open to criticism and works positively on it.
What makes a person empowered is the continuous learning processes in all
activities and at all the stages, as is endorsed by studies undertaken by Betof, and
Harwood, 1992; Taylor, and Ramsey, 1993; Lawler, and Bowen, 1995; Argyris,
Benefits of Empowerment Systems

Organizations accrue benefits through various methods. In manufacturing settings, for e.g., production uncertainty is best met by devolved decision making and higher employee discretion (Wall, and Jackson, 1995). Moreover, as competition puts a premium on speed, organizations benefit directly if employees at the point of customer contact can make needed decisions and take appropriate actions. Organizations are constrained if individual workers lack the power to act (Howard, and Welkins, 1994). The consequences and benefits of empowering employees are manifold, such as: workforce having a satisfied life; no workplace complains; high commitment and dedication; high work performance; quest for continuous improvement in all the spheres; high level of motivation; impressive results; less labour turnover; improved productivity; and finally people staying in jobs and enjoying their work 33.

A study under Kellogg Leadership Project (1996) 34 listed the benefits of empowerment to an organization: high-involvement of employees in organization endeavors; high morale of workforce; improved effectiveness organizationwide; leadership at all stages; improvements in organizational communication; speedier responses to requests and problems; better co-ordination across the organization; increased improvements in customer focus and high quality of products and services. Empowerment also brought graded improvements in organizational competitiveness and quality of work-life. In addition to these, study also found that

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there was simply more satisfaction with top leaders, people expressed much greater satisfaction with leadership practices and expressed the desire to be with the organization. The practice of empowering also motivates the employees in the organization and inspires them to upgrade their performance (Byham, 1988; Lawler, 1994). The positive psychological impact helps employees feel that they can perform their work competently and leads them to believe that the work is worth doing well. It also reflects in the employee's behavior in taking up new assignments and tasks supporting the organizations efforts.

**Box No: 1.4**

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<thead>
<tr>
<th>Benefits of Empowerment</th>
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<tr>
<td>High motivation of employees</td>
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<td>Positive commitment towards organization</td>
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<td>Enthusiasm in all organizational activities</td>
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<td>Improved customer focus</td>
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<td>Increased sense of ownership</td>
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<td>Reduced staff turnover</td>
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<td>Increased innovation</td>
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<td>Improved individual performance</td>
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<td>Better ability to cope with change</td>
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*Phil Lowe (1996). Empowering individual's, UK, Hardridge Consulting Group Ltd*

Further, empowerment makes them to work hard, and effectively (Galinsky, and Friedman, 1993) with a high level of commitment towards the work and the organization (Howard, and Wellins, 1994). It also initiates a learning process on the part of all involved (Conger, and Kanungo, 1988; Jackson, et al 1994).

There is increasing evidence that with empowerment, great strides can be achieved, but at the same time, if the environment and practices are not in line with the nature of empowerment, the consequences are negative (Frank, 1996; and Hardy, and Leila O'Sullivan, 1998).
Conditions for empowerment

Despite all the rhetoric surrounding transformation, the reality is that today's managers have not yet encountered change programmes that works (Dobbs, 1993; Barner, 1994; and Argyris, 1998). There could be people all-round in organizations, which are seeking to implement and put practice into an empowerment programmes. Empowerment isn't just empowerment, if appropriate conditions are not created (Lawler, and Bowen, 1995; Lorsch, 1995; and Menon, and Kanungo, 2000).

There are several prerequisite essential for an empowerment programme to be successful and certain conditions, which are to be instituted organization-wide. The systems and practices mentioned herewith are not exhaustive, but hold as good as all the other systems and practices, per se. It is these systems, irrespective of the age of the organization, composition of workforce, or nature of production, that one needs to institute. Practices like: Power to act; participation at all levels; way for innovation; transparency in organizational activities; shared culture; accountability for one's action; right kind of leadership; autonomy to work; way to release extra energy; proper recognition and appreciation for the work done; climate of trust and faith in other's action; a learning culture for one to develop; no rigid control systems; a system for joint and shared decision-making; a transparent feedback system; open information and knowledge sharing premises; promotion for open relationships; a proper reward system; open lines of communication; climate of liberty and openness; politics-free environment; responsibility sharing; a shared common mission; a system of power distribution; way for self managed teams; and the like are the conditions which make empowerment work.
Benefits to the Leader

The benefits of empowerment are also far reaching for the leaders. Leaders are themselves rewarded if they empower others (Howard, and Welkens, 1994; Lawler, and Bowen, 1995; Jeong, 2001; and Kanter, 2003). The more empowering leaders were shown to have greater commitment towards their organization, more loyal and caring, more satisfied with the job, they like doing their job, were clearer about what they were supposed to do and enjoyed the challenge of decision making. Leaders were also positively benefited because of the assignments done on time and the quality of work output. While empowerment has positive results, the relations are always good, which is reflected in less workplace problems. The individuals are also benefited for being empowered at workplace. There is an improvement in people self-esteem, pride in all activities undertake; feel elevated and respected for the value given to each one of them. The feeling of being empowered is a great advantage for employees and these post-feelings are reflected in organizational growth and development as also endorsed by studies undertaken by Marjorie Reynolds, 1991; Bowen, and Lawler, 1992; Nelson, 1994; Lorsch, 1995; and Kanter, 2003.

Language of Empowerment

The language in an empowered organization is different from what it is in most other organizations. We and not I; Ours and not mine; us and not me; are the language visible in an empowered organization. It is an open and united feeling that binds the workforce at workplace. The “WE” concept dominates the environment in an empowered organization and figures in almost all the activities. Such an
environment is seen at the GM-Saturn Corporation. Saturn employees are called team members. Everyone in the workforce of 8,500 people belongs to a team and wears a name badge that identifies the team. The pervasive attitude is 'I am part of a bigger operation here'. 'We' is more important than 'me'.

Some examples of language that is heard in an empowered organization are:

My door is always open for discussion; how to solve your problem; your problem is our problem; you are the boss of the organization; I look for everyone in joining hands with me; you have done a good work, let me also learn from you; let me help you by discussing your ideas; please share the new techniques you have learnt with me; let me put up your achievements and tell others about them; I will arrange a programme for sharing your success story; I don’t require to tell anyone for changing the work procedure; let me remark on the boss’s action; come let me write a strategy for the organization; let me also chair the meeting; let me write the mission statement for organization; let me make my observations on the proceedings of the annual general meeting; let me write my dissatisfaction on managements new policy; come, we will all share the achievements; come let me cheer the excellent work done; let me arrange for an informal social event; let us have a forum to discuss syndicate work; I will put a weeks performance figures for all; let me invite the guest from front on behalf of you all". It is such language that is usually found in an empowered organization. This is reflected in each employee's behavior and in his or her day-to-day activities.

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Dimensions of Empowerment

While empowerment banks on organizational results, the areas of practical application become crucial. Trustworthiness, belief systems, leadership, vision setting, shared culture, values, communications, transparent ethos, management style, ethical approach, organizational relationships, sharing of responsibility, delegation of authority, power distribution, open and transparent feedback are the few areas of prime concern in empowering workforce. The other broader areas of empowerment practices include: degree of accountability, employee autonomy, self managed teams, collective bargaining system, industrial democracy, organizational politics, suggestion systems and the like. There could be other dimensions too, but the bottom line is to getting results.

The other crucial issue is the way these systems effectively practiced and inculcate in the organization. It is also felt that these systems are effective only when priority of introducing them in the organization is taken care-of. You can trust an employee and give power only when the person has understood his role and responsibility. Otherwise, mere giving of power without the person being mature enough to take it, will lead to confusion and failure. It is like first giving power to a person and then asking the question: Is he the right person to be empowered?

Barriers for Empowerment

Executives and Organizations would agree that there has not been much development in the process of empowering workers over a period of years due to varied reasons. Some times employees are reluctant to accept responsibility and power due to long standing cultural attitudes (Nelson, 1994; Lorsch, 1995; Mayer, et
Employees don’t want additional responsibility and many even feel that they are paid to work and not to think. Even fear of losing one’s job for not handling the given responsibility could be another limitation for instituting the system. Employees are skeptical about taking risks and punishment for failure. But, mainly the long standing cultural attitudes and thinking of most workers is a drawback for the system to work effectively as endorsed in the studies by Bowen, and Lawler, 1992; Howard, and Welkins, 1994; Wall, and Jackson, 1995; and Kahn, 1998. Most employees still need to understand the true spirit of the system. There is also the illusion that it is not their job to take power and act on it, hence workers don’t respect the process, and some don’t even try to understand the process for the reasons that it doesn’t fall under the scope of defined work. The mindset also is an added negative factor among employees leading to the dysfunction of the system. The fear of failure if the power and responsibility is given, as also a resistance and wariness to change have limited in practicing of the programme on a larger canvas (Ferris, 1993; Menon, and Kanungo, 2000).

Even the management’s feel that empowerment is a good exercise and want to empower employees. The employees feel that the management should (in many case, they do not) support for a longer duration. Leaders in many organizations are skeptical of putting empowerment to practice at workplace, as it would lead to confusion in many matters, including ‘who should take decisions’. Even on the part of top CEO’s and Managers, the fear could be in terms of being powerless, if power is shared. Managers feel insecure and may fear power dilution. The feeling among the top people is that, one can be powerful only until one has the power to control. When it comes to practical empowerment, executives and employees are in shadow boxing (Argyris, 1998). Management says that it wants employees who participate
employees say that they want to be more involved. But, it is difficult to know if people really mean what they say. Is it just a charade? Employees push for greater autonomy; management says that it is the right thing but tries to keep control through information systems, processes and tools. Employers see vestiges of the old command-and-control model confirming their suspicion that management still wants to hold the rein (Argyris, 1998; and Kanter, 2003).

Managements could also wonder if it is worth keeping faith in employees, and if so, when should it be done? They also worry whether the right person had been empowered? It is also a pertinent point that the behavior of each individual changes from time to time and from situation-to-situation. How then should one be empowered? Does an empowering employee at a time hold good in the entire context. On the other hand, Managements also feels that is necessary to empower employees and share all the responsibilities with the employees. But, the question is employees serious enough to look at things through management’s eyes? While managements look for employee empowerment, do employees really understand the system? These are some of the frequently asked questions from management side. Also, while empowerment is practiced and employees are given power and freedom, who is to be blamed when things don’t go as planned? Whatever be the limitations, it is certain that, the benefits of empowering employees are far reaching (Betof, and Hanwood, 1992; Christensen., Raynor., and Anthony, 2003).

The warning bells are already ringing. Unless organizations learn the lessons by adopting good winning practices now and change the fundamentals of managing their human resources, the way they educate and train people and the way they build ideas through research, they will become uncompetitive and will not have another chance to change in future.
Although empowerment has its roots in the various fields and areas of research, it is the synthesis of these sources makes it a new and innovative construct. This account demonstrates that the theoretical and practical foundations are already in place. Having some knowledge of what has been considered and put into operation in the past can help organizations to creatively visualize what is needed in the future. The present approaches and practices of human resource development and management in organizations need a total relook, so that the future course of actions can be planned. Now, there is an opportunity to design and develop new organizations that are as different from today's as todays are from the enterprises of medieval times. Thus, an enquiry into employee empowerment is necessary to create a global workforce and a winning organization.