

Case-19

Decision Making that

Empowers

One of the smaller divisions of a large paper-processing company was scheduled to be closed in the not-too-distant future. The employees of the plant were informed by company headquarters that they could either move 400 miles to a similar operation or leave the company. At first the decision seemed to be a matter of individual choice, but as they met with their local management group, they identified another option. They could decide as a group to negotiate purchase of the plant & save their jobs, although it would require them to invest much of their future salaries as start-up capital. The government was willing to help them create an employee stock ownership plan (ESOP), but the major risk and thus the decision, was all theirs. They discussed and argued over every aspect of the decision until they

reached consensus and decided to start their own company.

The empowerment they experienced from taking control of their own destiny produced an organisation that, in both climate and performance, exceeded what they had achieved as part of the larger company. This group of sixty people had decided to take full responsibility for themselves and their economic success was clearly the product of that decision. Their decision to stand together unified them and their decision to be fully responsible empowered them.

- i. Explain the implications of empowerment in the light of the above case.
- ii. Why do modern management thinkers emphasize empowerment?

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ii. Their decision to stand together
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Reference :-

Book : Human Resource Management
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