1 Introduction:

India has been witnessing a paradigm shift in Human Resource Management in the present scenario. As said by Charles Darwin, “it is not the strength of the species that survives, nor the most intelligent that survives, it is the one that is the most adaptable to change”. Accordingly, ever since the dawn of Human Resource Development movement in India, under the leadership of Late Shri Uday Pareek, Human Resource Development has undergone a sea change and has assumed the most significant role in the management of Organisations both in practice as well as theory.

In the ever growing global competition in the present market scenario, an effort needs to be initiated by the organizations through employee involvement and empowerment so that they can also reduce dis-satisfaction of employees arising due to lack of these practices.

Recent Concepts of Employee Involvement (EI) and Employee Empowerment (EE) have become the core themes in the contemporary Human Resource Development (HRD) literature. Despite its growing importance, scanty systematic information exists on why organizations are adopting employee involvement and empowerment programmes, what type of programmes they adopt and how effective they are. Employee Involvement also called participative management refers to the degree which employees influence how their work is organized and carried out.

The underlying philosophy of employee involvement and empowerment is based on the idea that organizations should be designed from top to bottom, so that the employees are in control of their destiny and able to participate in the organizational business. Organizations are expected to create and maintain a supportive organizational culture and empowerment-friendly systems for implementing innovative employee involvement and empowerment programmes. By doing so, these practices would certainly have their positive impact on product or service quality, innovation, employee motivation, job satisfaction, job involvement, organizational commitment and in minimizing cost, absenteeism, Labour turnover and work stress.
Employee Involvement is a participation concept which provides means for making important decisions that is delegation of authority, power to take own decision and so on. Ultimately these initiatives enhance productivity and foster stronger work ethics.

Employee empowerment refers to giving employees a certain degree of autonomy and responsibility for decision-making regarding their specific organizational tasks. It is a management practice wherein the employees are allowed to share information, rewards, and power with employees so that they can take initiative and make faster decisions to either solve problems or improve the situation towards better performance of the organisation.

Employee involvement and employee empowerment are interconnected concepts. However, one can differentiate from these two from the point of view that, while employee involvement indicates the degree of the contribution made by the employee to the organisation, employee empowerment shows the capacity of the employees in taking decisions for their organisation. Through employee involvement a congenial atmosphere in the organisation is built up so that they can take correct and wise decisions for the organisation and employees can constantly contribute towards achievement of the organizational goals.

This present study therefore, highlights employee involvement and empowerment in Life Insurance Corporation of India, Uttar Kannada District. In this area, very little is known about predictive power of employees’ empowerment on customer satisfaction particularly in insurance industry where insurance products and services are highly susceptible to customers’ involvement.

In this pursuit, the research scholar believes that it is worthwhile to provide the related literature on the topic by empirically verifying the impact of employees’ empowerment on customer satisfaction in insurance industry, where there is enormous customer involvement in insurance products and services.