**ABSTRACT**

In this dissertation, I develop a multilevel theoretical framework of paradoxes that emerge in state-owned enterprises (SOEs) as they balance their historical roles with those necessitated by institutional transitions across the globe. I theorize how organizational actors and their existing realities lead to paradoxes at different hierarchical levels, identify interactions across levels that may augment or mitigate paradoxical tensions, and provide directions towards resolving paradoxes in SOEs. My conceptualization contributes to the organizational paradoxes literature and aims to initiate research inquiry into the study of SOEs, which are an important component of the organizational landscape but receive relatively little attention in management research.

 My review of literature reveals that SOEs are complex entities, quite different from other forms of business organizations. However, literature falls short of exploring – how SOEs, which have been identified in extant literature as organizations having a large number of idiosyncratic problems and constraints even in their historical contexts, fulfil the demands necessitated by institutional transitions?

The specific research questions that I explore in this dissertation are: What are the challenges faced by SOEs in the new world order? How do these challenges emanate and manifest in SOEs? How do SOEs manage or resolve these paradoxes? How do SOEs vary in their approaches towards resolving these paradoxes? Can management of these paradoxes lead to certain advantages? In what ways these advantages are created? How are these advantages utilized by SOEs?

I carry out an exploratory research. India provides a natural experimental setting for such a study of SOEs for several reasons. In India, there has been a coexistence of both public and private sectors for decades and public sector continues to play an important role in the nation’s economy even after twenty years of economic reforms. Further, pre and post liberalization phases give distinct opportunities to study impact of institutional transitions on SOEs. Also, India is a rapidly growing developing economy and has shown remarkable resilience and stability during the ongoing global economic crisis.

I conduct qualitative research under constructivist-interpretivist paradigm or worldview. Under constructivist-interpretivist worldview the nature of reality is such that realities are multiple, constructed and holistic. Herein, the knower and the known are interactive and inseparable and any inquiry is value-bound. The epistemology, methodology and axiology under constructivist-interpretivist paradigm are quite different from those of the positivist and post-positivist paradigms and the requirements of control of research are subsumed under “trustworthiness” requirements of naturalist enquiry.

I use grounded theory method. The data were obtained from prolonged immersion in the research contexts and from multiple case studies. This is an emergent research. The research design allowed for evolution of the research questions as well as of the theoretical understanding on the subject, as the research progressed. I use a four phase research design scheme in this research. The first phase has the objective of sensitizing the readers to the “*researcher’s perspective*” before embarking upon data collection and analysis. The second phase consists of multiple case studies of SOEs. This phase primarily emphasizes variance study across different SOEs. The third phase is about actual immersion into the context, where I explore the phenomenon during an extended stay at the Department of Public Enterprises (DPE) and interact with the bureaucrats at the ministries, top management of SOEs, employees of SOEs and other important stakeholders. The fourth or the last phase concentrates on data collection and analysis at various levels in one SOE.

In the fourth chapter I describe several contradictory requirements that SOEs have to meet in the new world order. I observe and synthesize how such requirements create opposing tensions at each hierarchical level. I propose that the theoretical lens of organizational paradoxes has the capacity to simultaneously incorporate these opposing tensions. I theorize that these opposing tensions lead to the creation of paradoxes at different hierarchical levels in the SOEs. I develop a multi-level framework of organizational paradoxes that emerge in SOEs. Further, I explore how interactions between these opposing tensions happen between different levels. I propose that paradoxes can be accentuated or mitigated during these interactions.

In the fifth chapter I explore how SOEs resolve these paradoxes. I use structuration theory to propose that the mechanism of actor-actor interaction can be used to generate some possibilities of resolution of paradoxes. I propose that interactions between actors are pliable for interventions. Therefore, actors might use various strategies for resolution during such interactions. In the second part of this chapter I derive a typology of SOEs. I propose that SOEs are different; this difference is based on their external environmental contexts like those of country, sector and industry contexts as well as on their idiosyncratic firm contexts. I display and thereby propose how various resolution strategies can be used by each type.

In the sixth chapter, I define a construct of “institutional traction”. Institutional traction is the position that an SOE possesses due to its institutional context, because of its historical as well as current standing. This position is associated with potential advantages. A top management actor, with requisite attributes, can act in a manner to leverage and nurture these potential advantages and convert them into resources for fulfilling new world order demands. I propose that an SOE, which is able to utilize its institutional traction, is likely to transcend paradoxes.

My thesis contributes to policy debates regarding public sector reforms. Drawing from extant literature I argue that top-down and “one-size fits all” approach of reforming SOEs created unintended consequences for SOEs. My study reveals that the contradictions not only arise because of diverse directives from SOEs’ environment, but also due to the presence of idiosyncratic formal and informal routines and templates present at each of the hierarchical levels of these organizations. I, therefore, argue that an adaptation of these pre-existing and legacy based routines to institutional changes necessitates a more *bottom up approach* where the aspirations of actors at each hierarchical level are accounted for in the reform process. In fact, my interaction based approach to resolving paradoxes highlights some such possibilities. Further, I acknowledge that there can be differences between the institutional/organizational contexts of SOEs. I, however, believe that my theoretical approach of evaluating paradoxes across hierarchical levels lends itself to suitable adaptation to different contexts.

Another important contribution of my thesis is that it expands the theory on organizational paradoxes to include multi-level paradoxes. The proposed framework provides a more comprehensive method of viewing organizational paradoxes. It addresses the need to look for more creative ways to balance tensions that arise in diverse organizational contexts by identifying various possibilities of managing/ harnessing these tensions across organization’s hierarchy.

 I wish to emphasize that this research is one of the few works, which looks at an important but oft-neglected problem of adaptation of public sector organizations, particularly SOEs, to institutional transitions. I acknowledge that there are several limitations of this research. I also provide directions for future research.