

EMPLOYEE EMPOWERMENT - A CONCEPTUAL STUDY

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Abstract

Employee empowerment is creating a working environment where an employee is allowed to make his own decisions in specific work-related situations. The decisions can be big or small, and the size and effect of the decision is up to the employer. The logic behind employee empowerment is to increase the employee's responsibility, to build employee morale and to improve the quality of your employee's work life. Ideally, when an employee feels vested in an organization, he will be more productive, loyal and more confident¹.

This paper aims to define employee empowerment, identify the ways to create employee empowerment, benefits and disadvantages of employee empowerment and various empirical studies related with employee empowerment in organizations.

Introduction

Employee empowerment has been described and defined in many ways but is generally accepted as: the process of enabling an employee to think, behave, act, react and control their work in more autonomous ways, as to be in control of one's own destiny. Effective employee empowerment not only has positive implications for employee satisfaction, but also many other organizational facets, such as member service and member retention².

Definition

- According to Nielsen and Pedersen, (2001), employee Empowerment may be seen as part of the broader concept of employee Involvement which also includes participative Management, job enrichment and industrial democracy. The term empowerment is flexible and so it is not always clear what it means in different organizations.
- According to Rekha Murali, Consultant at NCR Consultants, "Employee empowerment is a two-way street between employee and management in which trust and responsibility go hand in hand. This requires autonomy at the workplace and enhances the employee-employer relationship."³

¹ http://www.ehow.com/about_5081891_definition-employee-empowerment.html

² <http://www.cutimes.com/2012/02/15/the-benefits-of-employee-empowerment>

³ <http://www.thehindu.com/todays-paper/tp-features/tp-opportunities/employee-empowerment/article252961>

Ten Principals of Employee Empowerment

There are ten principles related to employee empowerment practices. They are

- **Demonstrate That You Value People:** No matter how an employee is performing on his or her current task, your value for the employee as a human being should never falter and always be visible to the employee in some manner either through facial expression, body language or words.
- **Sharing Vision:** Help people feel that they are part of something bigger than themselves and their individual job. Make the employee aware of vision.
- **Share Goals and Direction:** Share the most important goals and direction for your group. Empowered employees can then chart their course without close supervision.
- **Trust People:** Trust the intentions of people to do the right thing, make the right decision, and make choices that, while maybe not exactly what you would decide, still work.
- **Provide Information for Decision Making:** Make certain that you have given people, or made sure that they have access to, all of the information they need to make thoughtful decisions.
- **Delegate Authority and Impact Opportunities, Not Just More Work:** Don't just delegate the drudge work; delegate some of the fun stuff, too. People deserve your constructive feedback, too, so they can continue to develop their knowledge and skills.
- **Solve Problems:** Don't Pinpoint Problem. For any problem don't criticize the people try to identify the problem in the system. Seek to identify and punish the guilty.
- **Listen to Learn and Ask Questions to Provide Guidance:** Provide a space in which people will communicate by listening to them and asking those questions. Guide by asking questions, not by telling grown up people what to do. People generally know the right answers if they have the opportunity to produce them.
- **Help Employees Feel Rewarded and Recognized for Empowered Behaviour:** When employees feel under-compensated, under-titled for the responsibilities they take on, under-noticed, under-praised, and under-appreciated, don't expect results from employee empowerment.

Ways to empower employees

Different ways are available to empower employees in the organization. The following are the commonly practiced five ways to empower employees.

Five Ways to Empower Employees⁴

- Give employees the power to say "yes" and "no"--whether working in customer service or dealing with clients or customers on some other level, by giving everyone the power and resources to make decisions, give answers and solve problems not only will customers be happier with fewer rungs of authority to deal with, but employees will also feel more invested in the outcome. This creates stronger connections, quicker results, and happier people overall.
- Eliminate barriers, restrictions and layers of protocol--The more steps, individuals, policies and departments employees have to work through to get results, the more frustrating and disempowering things actually are. Use cross-training, multi-department teams and projects, and trainings to help break down the boundaries and barriers that may exist between employees and departments.
- Ask for help and input solving problems--Let everyone weigh in on solving problems--not just the same few executives. Ask for input on issues that may be facing the company (send out an email or ask for suggestions at a meeting).
- Encourage and reward improvement and innovation--Employees may be afraid to offer insight and new ways of doing things because the company culture doesn't support them.
- Communication--The key to empowerment is communication. Give every employee equal and direct access to information. Many companies have developed a trickle-down style of communication that alienates those employees who may not be "in the loop."

Benefits of Employee empowerment

Employee empowerment simply means creating a stable working environment where employees can make their own decisions in certain work-related situations. The concept behind employee empowerment is geared towards motivating the employees, to improve their quality of work and build morale. Here are some of the benefits of employee empowerment in an organization⁵.

- **Encourage employee satisfaction:** Delegating responsibilities to employees is an effective management strategy the helps to increase employee satisfaction.
- **Better customer service:** Employees with incentives from higher authorities in the organization feel that they require gaining a level of authority, knowledge and control that is necessary to solve customer related problems. As a result, they are able to deliver better services to their customers.

⁴ <http://voices.yahoo.com/five-ways-empower-employees-141963.html>

⁵ <http://benefitof.net/benefits-of-employee-empowerment>

- **Employee retention:** Organizations that acknowledge employees opinion create stable working environment of honour, contentment and respect. Companies that use this kind of leadership attract trustworthy employees who work with them for a long period.
- **Increased Profits:** Since most companies work geared towards reaping nice profits, employee empowerment is essential when it comes to increasing profitability. Empowering each employee helps lower absenteeism and encourages productivity, which in turn increases profits in the organization.
- **Better motivation:** Employee empowerment is the leading factor behind employee training and education. Less conflict with managers and administration means employees are motivated to contribute in decision making which it vital in terms of increasing company profitability.

Disadvantage of Employee Empowerment

The main disadvantage of employee empowerment is that when conflict arises, interpersonal relations might suffer since differences between employees can arise. On the other hand, not all employees are proficient to work in a dynamic environment and therefore are not able to contribute in decision making⁶.

- **Egotism / arrogance:** Worker arrogance can create a big trouble for the supervisors and the managers. There can be problems in delegating. Employees avoid reporting about their work and feedback can be taken negatively.
- **Security:** Since information comes and is shared by all, there are apprehensions about leakage of critical data.
- **Risk:** Creativity and innovation demands a greater risk bearing capacity and there are equal chances of success and failure. Workers often lack the expertise to **execute** an enterprise, which can cost big.
- **Industrial Democracy:** Labour unions and workers are empowered and they may misuse the same. Strikes and lock outs become more frequent. Also, labour unions gain insights into management and their functioning and they leak the same.

Empirical studies on Employee Empowerment

- Conrad Lashley (1995) explained that interest in employee empowerment in hospitality operations is largely concerned with the improvement of customer service quality. Specifically, it is intended that through empowerment employees will be more committed to successful service encounters and will have the necessary discretion and autonomy to do whatever is needed to “delight the

⁶ <http://www.managementstudyguide.com/employee-empowerment.htm>

customer”. Investigation of the various initiatives under the name of empowerment reveals a variety of managerial meanings and motives for empowering employees. Four different motives can be identified. These shape the nature of the initiatives selected in an organization. These in turn are likely to generate different levels of commitment, and allow different degrees of autonomy and discretion among the empowered. It provides a framework for understanding managerial motives in selecting different forms of empowerment.

- Linda Honold (1997) explained that employee empowerment is frequently used in management circles. In practice, however, it is a daunting effort to find an exact definition of it. Some attempt their own definition; others expect that the reader already knows what the concept means. In an organisation empowerment is about delegating directly to non-management employees a significant amount of decision-making authority commonly reserved for managers. They further argue that a truly participative organization is characterized by work systems that are structured to make employee involvement ongoing.
- Adrian Wilkinson (1998) supposed, in recent years, the term empowerment has become part of everyday management language. It has also been associated with popular management movements of the times such as human resource management (HRM) and total quality management (TQM). Empowerment is regarded as providing a solution to the age-old problem of Taylorised and bureaucratic workplaces where creativity is stifled and workers become alienated, showing discontent through individual or collective means. However, there are significant problems with much of the prescriptive literature on empowerment, in that there is little detailed discussion of the problems employers may experience implementing empowerment or the conditions which are necessary for such an approach to be successful. It is assumed employees will simply welcome the new way of working. Moreover, it is also assumed that empowerment is a universal solution appropriate to all organisations in all circumstances. Empowerment itself is not seen in a contingent way. Such literature has also been criticised as superficial and furthermore as trivialising the conflict that exists within organisations.
- Gijs Houtzagers (1999) believed nowadays in order to contribute to the competitive strength of the organization empowerment is seen as a useful tool. But the organization must know what it wants to empower. Therefore it must be able to map the desired skills and competence levels for the workforce and to compare these with the actual situation. This article gives an overview of how to set up skills and competence management.
- Gary D. Holt, Peter E.D. Love, L. Jawahar Nesan (2000) examined the business environment of construction organisations has undergone significant change over the last 50 years. As a result, construction management has had to respond to

issues such as increasing levels of client expectation, globalisation of the construction economy, cut-throat competition, and tight margins, plus the “inherent” obstacles to operating in the sector, such as separation of design and construction, fragmented production methods, adversarial relationships, and a reluctance to innovate and take up information technology. Furthermore, the problems of poor and unstructured training, multi-tiered management systems, and poor communication provide less than optimal conditions for achieving high quality products in good time and to budget. One approach to addressing these issues is through the concept of employee empowerment. This paper presents an overview of the empowerment concept in the context of construction management, highlighting the hurdles, an implementation process, and achievable benefits.

- Sanjay Menon (2001) researched an integrative psychological approach to employee empowerment was developed based on the premise that the psychological experience of power underlies feelings of empowerment. This research extends existing perspectives on empowerment by incorporating the empowering effect of valued goals, such as those provided by transformational leadership. Goal internalisation was identified as a major component of the psychological experience of empowerment, in addition to the two traditional facets of perceptions of control over the work environment and perceptions of self-efficacy or competence. Standard measure development procedures using a sample of employed individuals from Quebec, Canada and subsequent validation with an organisational sample from Ontario, Canada yielded a three-factor scale of psychological empowerment corresponding to these three dimensions. The implications of defining empowerment as a psychological state and the need for multiple measures of empowerment are also discussed.
- Kim.s (2002) concluded that the participative management practices have a positive effect on employee’s job satisfaction. It seems this fact encourages Kim to recommend that “the essential implication is that executive leaders and managers should become aware of the importance of manager’s use of participative management, employees’ participation in strategic planning processes, and the role of effective avenues of communication with supervisors. When agencies implement leadership development programs or other training for managers and supervisors, they should consider including participative management and employee empowerment techniques as key components of the programs”.

Conclusion

Thus the above article described the meaning of employee empowerment, concept, principles, strategies to incorporate employee empowerment in the organization, advantages and disadvantages of employee empowerment and some of the empirical

studies conducted on this topic. From the above reviews we can identify that employee empowerment is a important concept to be followed in all organizations and the effectiveness of implementation of employee empowerment in manufacturing and service industries need to be studied through different researchers. There is a wide scope of doing research on the effective employee empowerment practices.

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