From Being to Becoming: Employee Empowerment as a Tool for Strategic Human Resource Management

Mousumi Sengupta
Professor, SDMIMD, Mysore
mousumi@sdmimd.ac.in

Nilanjan Sengupta
Professor, SDMIMD, Mysore
nilanjan@sdmimd.ac.in

Abstract

Employee empowerment advocates in making people feel valued by involving them in decision-making & organizational planning, appreciating and recognizing them for their efforts and contributions, and, providing them with necessary training, guidance and support. It helps to create autonomy for employees, allows the sharing of responsibility and power at all levels, and builds employee self-esteem. In the present globalized business context with fast and diversified innovation and tough competition, employee empowerment plays an important role, since, it not only motivates employees to boost the self-efficacy, but also reduces the span of time for making decisions and responding to the business challenges, and, consequently helps in the organizational sustenance. Employees' Empowerment is, thus, seen as one of the fundamental elements of managerial and organizational effectiveness that increases when power and control are shared in an

143

organization. The present paper makes an attempt to discuss various issues and concerns about the employee empowerment.

Introduction

The concept of employee empowerment advocates in making people feel valued by involving them in decision-making & organizational planning, appreciating and recognizing them for their efforts and contributions, and, providing them with necessary training, guidance and support. The concept of employee empowerment has become a more common trend since 1990s, which has started gaining status of a fad or a movement (Abrahamson, 1996, Block, 1987). More precisely, empowerment is a process of delegating the responsibility of decision-making to the employees and creating an environment of individual accountability for own performance. It helps to create autonomy for employees', allows the sharing of responsibility and power at all levels, and builds employees' self-esteem. An empowering organization emphasizes on autonomy, proper information and individual participation for organizational excellence. In the present globalized business context with fast and diversified innovation and tough competition, employee empowerment plays an important role, since, it not only motivates employees to boost the self-efficacy, but also reduces the span of time for making decisions and responding to the business

challenges, and, consequently helps in organizational sustenance. Employees' Empowerment is seen as one of the fundamental elements of managerial and organizational effectiveness that increases when power and control are shared in organization (Ergeneli, et al., 2007).

According to various authors (for example, Ripley & Ripley, 1992; Spatz, 2000; Gresley, 2005; Moye, et al, 2005; Ongori & Shunda, 2008, Liden, et. al., 2000; Spreitzer, 1995; Sparrowe, 1994; Spreitzer, et al., 1997), through employee empowerment, an organization may be benefitted with regard to the following aspects:

- Enhanced trust, loyalty and commitment among employees, resulting in a more cohesive work environment

- Increased employee motivational level leading to more proactive, productive, accountable and responsible workforce

- Increased employee participation with clearer provision of receiving employee feedback

- More initiatives towards creativity and innovation resulting in better competitiveness and long-term sustenance

- Reduction in employee turnover rate, absenteeism and tardiness (Ripley and Ripley, 1992; Spatz, 2000)

The present paper makes an attempt to discuss various issues and concerns related to process of employee empowerment.

Employee Empowerment: The Conceptual Backdrop

The concept of employee empowerment has been researched, reviewed, and discussed by a considerable number of researchers, management practitioners, and consultants. The present section explains various conceptual aspects of employee empowerment.

Employee Empowerment – The Definition

Spreitzer (1995) defines employees empowerment as the intrinsic task motivation manifested in a set of four cognitions (meaning, competence, self-determination and impact) reflecting an individual's orientation to his or her work role. Smith and Mouly (1998) define employees' empowerment as the process of transferring power from the employer to the employees to make quick and quality decision . Brymer (1991) defines employees' empowerment as a process of decentralizing decision making in an organization, whereby managers give more discretion and autonomy to the front line employees. Bowen and Lawler (1992) also defined employees empowerment as sharing with front-line employees' information about an organization's performance, information about rewards based on the organization performance, knowledge that enables employees to understand and contribute to the organizational performance, and giving employees the power to make decisions that influence organizational

direction and performance. According to Thomas and Velthouse (1990), the concept of empowerment involves increased individual motivation at work through the delegation of authority to the lowest level in an organization. Conger and Kanungo (1988) view employees' empowerment as a process of enhancing the feelings of self-efficacy among organizational members through the identification of conditions that foster powerlessness, and through their removal by both formal organizational practices and informal techniques of providing efficacy information.

Process, Elements, and Types of Employee Empowerment

Employee empowerment is a process of enabling relations of power through perception and process, that fosters both a sense of competence and control (Ashcraft and Kedrowicz, 2002, p. 89).

Fracard (2006) suggested that employees' empowerment contains three elements. Each needs to be present for employees empowerment to be successful.

1. Style: Empowered employees have a working style of self-management and possess a team spirit. Employees make, implement, and are held accountable for work-related decisions.

2. Skills: Empowered employees are trained to have effective problem-solving and communication skills. They challenge inefficient policies and identify problems.

3. Staff: Empowered employees are bred in empowering organizations. With empowering leaders as drivers, immersed in a culture of empowerment and reinforced by empowering management practices, employees are expected to grow.

Suominen, et al. (2005) Classify Employee Empowerment into three types:

1. Verbal Empowerment: Verbal Empowerment refers to the right of expressing one's opinion. Participation in decision-making is an integral part of verbal empowerment.

2. Behavioral Empowerment: Behavioral Empowerment refers to the power to work in groups for the purpose of problem identification and providing solutions to the same.

3. Outcome Empowerment: Outcome Empowerment includes the ability to determine the causes of problems and to solve them, as well as the ability to make improvements and changes to the way the work is done with a view to increasing the effectiveness of the organization.

Factors Affecting Degree of Empowerment

Certain issues may act as moderating factors which may influence the effectiveness of the employee empowerment in an organization. They are as follows (Spreitzer, 1996, Hamed, 2010):

Role Ambiguity: Organizations must clearly define tasks, which are to be performed and avoid confusion and frustration resulting from non-achievement of the same.

Span of Control: Individuals, working under supervisors with narrow span of control, are less intrinsically motivated than those working under wide span of control, since as in the case of the formers, bosses specify much of their work behavior.

Social Support: An individual's inclusion in the support networks, including the organizational and family members, increases social exchange with key organizational constituencies and deepen a sense of personal power, which can be manifested in enhanced feelings of both self-determination and impact.

Access to information: Lack of access to the organizational information (e.g.; productivity, work planning, competitor analysis, business strategy ans so on) and organizational resources (e.g.; funds, raw materials, equipments, space, time and manpower) contributes to powerlessness and dependency.

Participative Environment: Participative organizational environment will enhance individual contribution and initiative, rather than excessive command and control by the superiors.

Steps Towards Empowering the Employees

Following are the major steps towards employee empowerment (Hamed, 2010, http://www.GrowingGreatness.com):

1. *Employees' involvement in the decision-making process* – It has been seen that employees, even with great potential, lose motivation to excel at workplace, if they do not see themselves as tangibly contributing towards organization's overall decision-making. This may negatively affect the customers' perception about the company. To tackle this issue, an organization may empower the employees by involving them in business decisions, that directly relate to them. For example, if the company considers a change in dress code, the employees may be allowed to express their views on the new dress code and offer suggestions for portraying a more professional image. This does not mean every suggestion of the employees needs to be followed. It simply offers the employees an avenue to feel a part of the organizational team and a contributor to the company's overall success.

2. *Selection of employees and their role clarity for empowerment* – Careful selection of employees to empower is another vital step towards effective employee empowerment. Employees must want to be empowered. Some employees are unwilling to accept additional responsibilities and decision-making power regardless of potential rewards. They need skills to make correct decisions and accomplish additional responsibilities. Top management must also define and

clarify employee's roles and assign responsibilities, authority, and decision-making power to meet organization and department goals.

3. *Share organizational information* - Blanchard, et al, (1999) proposed that organizations must help employees to understand the need for change, share good and bad information, view mistakes positively, and explain organization's vision and values, clarify priorities, and learn decision-making and problem-solving skills. This would provide the opportunity to the employees to take active part in the planning process, which would create more transparency in terms of the management's expectation from the employees.

4. *Inspire individual initiatives* - An inspired employee is a highly productive resource to organization. Bartlett and Ghoshal (1997) recommended that organizations must build a sense of ownership among employees (create small performance units, decentralize resources and responsibilities), develop self-discipline, establish clear standards and expectations, and provide a supportive environment (coaching, openness to challenges, and tolerance for failure (Fracard, 2006). Research reveals that many employees feel neglected by management, as they do not get regular feedback about their achievements and performance shortfalls. Without such guidance, they become apprehensive about their job requirements and how to handle challenging situations. In order to empower the employees and develop a sense of competence and

confidence, management needs to develop communication channels to appreciate, acknowledge, and positively criticize the employees to make them take risks and acknowledge their accomplishments, no matter, how small. This is particularly important when employees are beginning to work on new tasks or when an employee moves into a new job description.

5. *Provide continual training and support* –Process of training needs to be a continuous process, as most of the job responsibilities and role definitions are continually evolving as the company matures, and employees are left without the skills they need to complete their newly assigned tasks. Employees should always be encouraged to ask for training and development assistance and support. Through employee empowerment, an environment may be created, where people are encouraged not to shy away from accepting the training needs.

Illustrations of Empowering Employees

This section highlights a number of corporate examples of employee empowerment process and techniques.

Volvo

The Volvo Group is one of the world's leading manufacturers of trucks, buses, construction equipment, drive systems for marine and industrial applications. The Group has about 100,000 employees, production facilities in 20 countries and sales in more than 190 markets. Volvo

aims to inculcate the philosophy of empowerment in the following way:

Involvement and engagement- Employees are encouraged to get involved in setting the business direction and implementing the strategy. They actively participate in an open dialogue about plans, decisions and changes that affect Volvo's work, team assignment or business goals. Employees take individual responsibility and ownership for decisions. This leads to a strong sense of commitment to meet agreed objectives and goals. Volvo develops overall objectives and specific business plans through bottom-up and top-down interaction. By aligning individual and team goals with the overall strategic objectives, Volvo creates a clear line of sight that enhances the understanding of each employee's role and contribution.

Open dialogue - Volvo employees communicate with each other and keep up an active dialogue. Active listening and a lively exchange of experiences, ideas and perspectives, promote understanding and collaboration between different teams and functions. Leaders communicate frequently and proactively with all employees, especially during times of change and challenging business conditions.

Feedback - Leaders regularly provide specific, timely and actionable feedback, which clarifies expectations and reinforces behavior leading to improvements. Leaders also set an example by frequently asking for feedback from customers, colleagues and employees.

(www.volvogroup.com)

HCL Technologies

HCL is a leading global technology and IT Enterprise in India. It has more than 80,000 employees working in 31 countries. HCL Technologies believes that, meeting the needs of employees is one of the most important pre-requisites to serve the needs of customers. Therefore, it puts a lot of emphasis on enabling, enthusing, and empowering employees. One of the most successful employee involvement activities in HCL has been the Teach@Office initiative, which has been designed to empower security personnel at the HCL offices with knowledge and skills. Many HCL employees volunteered and designed lessons to impart basic skills and knowledge in addition to personality development and interpersonal skills. The ethos of HCL culture lies in its *'Employees First, Customer Second'* philosophy, which seeks to empower employees across all levels. It's characteristics are trust and transparency, entrepreneurial spirit and agility (in learning, thinking, and execution).

(Mullick, 2011)

Nestle

Nestlé is the world's leading Nutrition, Health and Wellness company. The Company was founded in 1866 with Head Quarters in Switzerland. It employs around 2,80,000 people and have factories or operations in almost every country in the world. The Nestlé Corporate Business Principles are at the basis of the company's culture, developed over 140 years, which reflect the ideas of fairness, honesty and long-term thinking. At Nestlé, management believes that

the employees are the key to the organizational success and that nothing can be achieved without their engagement. It is also accepted that the employees must be provided with information on the company's activities and on specific aspects of their work. Through open communication and active cooperation, everyone contributes in identifying and carrying out improvements in business operations. Also by encouraging ongoing two-way communication through direct reporting lines and local initiatives, employees at all levels are invited to take part in the "Nestlé and I" global employee survey, which includes five questions covering employee engagement. This survey provides the feedback whether the employees believe in the following:

- Has strong Company values;

- Is clearly aligned to strategy and objectives;

- Demonstrates a clear focus on ethics and safety; and

- Is culturally diverse.

Employees also outline some areas that they believe require additional attention. These include:

- Recognizing high performance and managing low performance;

- Demonstrating transparency in relation to career development; and

- Ensuring higher levels of empowerment and accountability.

(http://www.nestle.com)

Chrysler

Chrysler Group LLC, is an American-based, multi-national automaker. The Company is headquartered in Auburn Hills, Michigan, United States. In Chrysler, the primary driver of the employee empowerment process is *doing far more listening to the assemblers and a lot less giving orders*. Team leaders are union members, not management or supervisors; they are empowered to lead teams of six to ten people per team. They need to empower employees to take responsibilities of their own decision. Team leaders are selected from people who have at least experience of 90 days, with acceptable attendance, safety, performance records, and test scores.

Several empowerment techniques are followed at Chrysler. For example, a five-minute morning team meeting is held. A physical tool is used, which is a simple dry-erase "problems board". People write problems, rate their priority, and suggest possible causes. The "problems board" lets the local team set the agenda, and it also provides visible evidence of progress, or lack of it.

Chrysler tries to keep supervisors and managers in step with assemblers, via, training and coaching. Rigorous training programs are arranged to meet the increasing competition and changing demands from customers. Job rotation is another key step towards making employees empowered with the business knowledge. People are also rotated out to repair departments, so they can be trained on "what not to do." This has cut internal repairs dramatically.

(http://www.allpar.com/corporate/empowered-work-teams.html)

Tata Group

Tata Group is one of the largest business groups based in India, with significant international operations. The Group employs around 350,000 people, worldwide. In this section, examples of adopting employee empowerment in three Tata Group companies have been discussed (http://www.tata.com).

Tata Steal

As a part of employee empowerment, Tata Steal organize several employee workshops. One such workshop was called *'Lakshya 2007 - Ek Chunauti'*, where employees were encouraged to write down their main responsibilities. These were then aligned with the departmental, divisional and company's key performance indices and, finally, with the vision. This initiative acquired tremendous support from employees. The employees felt important as they were made an integral element of the vision. Tata Steel's *Aspire Knowledge Manthan* is a unique programme that enables knowledge sharing among supervisors and workmen. The purpose of this effort is to instil confidence in people and help them perform better.

Tata Consultancy Services

Tata Consultancy Services (TCS) created systems to meet the need to deploy employees in a seamless and integrated manner. For the same purpose, *Ultimatix,* an innovative solution, was designed in-house, which digitized the whole organisation in real time through the web. Every single

employee was connected through this platform across the globe. Ultimatix has become the single employee-service window. Employees can log in with their claims, loans or even leave applications for processing. All approvals are done online. Employee satisfaction surveys and primary mood reflectors within the organization have also become popular. This helps in targeting employee irritants and executing policy changes. TCS has a HR help desk (which is envisaged to be operational in all the locations), where employees can call in with any HR-related questions.

TCS has implemented the employee appraisals and satisfaction surveys online. The survey findings, along with implemented suggestions, are also posted online. Long working hours, extensive travel and desk-bound jobs skewed the delicate work-life balance of many a TCSers. Under PROPEL initiative of HR, the company encouraged the formation of groups with similar interests to come together to conduct various activities like book reading. *Maitree*, another initiative for the spouses of employees, helped in bringing together the families of the employees. This has not only increased sharing and communication within the company, but also improved the social skills of employees.

Tata Motors

Tata Motors has implemented a unique scheme named 'leave bank'. In this scheme, every employee voluntarily donates one day's leave to a notional bank every year. In return, the employee is entitled to one year of paid or two years of half-pay leave. This helps in the case of any

accidents or need for long leave. On resuming duty, the employee pays back only 10 per cent of the leave withdrawn. To prevent the misuse of this facility, two members of the management and union head the leave-approving committee.

Tata Motors' *FastTrack* initiative was launched to nurture leaders from a young age. Aimed at recognizing talented employees, it facilitates early advancement to challenging and visible assignments through a systematic procedure. The selection involves a three-stage process: a written test, a 'power' interview and assessment. Short-listed candidates are required to go through an interview with the Executive Directors. Selected candidates gain a huge lead in terms of promotion and learning. They are relieved from their current jobs and put on various project-based training programmes under the guidance of senior managers in the company. If the candidates do not possess management education, they undergo a four-month course at the Indian Institute of Management, Ahmedabad. Any employee with two years of work experience in the company can apply for this programme.

Unilever

Unilever is one of the world's leading fast-moving consumer goods companies, with operation in more than 100 countries, with 163,000 employees. An employee engagement campaign of Unilever Australia illustrates the management philosophy towards employee

empowerment. The campaign has been created by a specialist sustainability creative agency, "Republic of Everyone". Every Unilever employee in Australia and New Zealand was to receive a personalised 'Head of Sustainability' business card, along with a 'job manual' outlining Unilever's business case for sustainability and why each employee has been given the new title. A series of posters introducing six Unilever employees - from the factory floor to field sales- as the company's "new Head of Sustainability" was to be placed around Unilever's six major sites to reinforce the central idea that anyone could be the 'Head of Sustainability.' By giving everyone the title of the 'Head of Sustainability' management wanted to educate how all the employees could make a huge difference, both to the business, and the wider environment.

<div align="right">

(www.sustainable-living.unilever.com,
www.sustainablebrands.com)

</div>

Conclusion

The earlier sections of the present paper make an attempt to highlight a number of issues with regard to the process of employee empowerment. The researchers and management practitioners have established that organizations today require to change themselves by being more innovative, creative and employee-friendly through motivation, empowerment and freedom. Empowerment inspires change and increases the level of workplace commitment which increases the degree of individual

commitment and helping for achievement of organizational goal. However, one needs to remember that, policies, such as, employee empowerment is more important to believe and practice with sincere intention, rather than document it on paper. The philosophy of empowerment, thus, should get initiated at the topmost level of an organization, which in turn would trickle down to the lower hierarchical levels.

In present times of market turbulence and increasingly shrunk market places, organizations are fiercely battling it out to remain in business, competitively. In this context, as a strategic intent, initiatives taken by companies to empower its workforce will increasingly help in creating a much needed competitive advantage for sustainable business growth. Also in terms of talent management, the above has an implication, since super-talented employees in the company look towards empowerment as a tool and process for innovative expression and maximizing self-actualization. Empowerment helps in talent retention and consequently succession planning, since employees feel a greater sense of commitment and dedicate themselves to a better company, as they readily identify with the mission, vision, and goals of the organization. Ultimately, this leads to the development of self-independence and creation of the much needed leadership process within the organization in a continuous basis, thus placing the company in a strategic business position, for greater sustenance in business.

References

Abrahamson, E. (1996). Management fashion. *Academy of Management Review*. Vol 21, pp 254-285.

Aschcraft, K. L. & Kedrowicz, A. (2002), "Self-direction and Social support: Non-profit Empowerment and the tacit Employment Contract of Organizational Communication Studies", *Communication Monographs*, Vol 69, No. 1, pp 88-110.

Blanchard, K (1999). *The three keys to empowerment,* San Francisco: Barrett-Koehler Publishers, Inc.

Block, P. (1987). *The empowered manager: Positive political skills at work*. Jossy-Bass, San Francisco.

Bowen, D. and Lawler, E. (1992), The empowerment of service workers: what, why, how and when. *Sloan Management Review*, Vol 32, pp 31-39.

Brymer, R.A. (1991). Employee empowerment, a guest-driven leadership strategy. *The Cornell Quarterly*, Vol 32, pp 56-58.

Conger, J. and Kanungo R. (1988). The empowerment process: integrating theory and practice, *Academy of Management Journal*, Vol 13, pp 471-482.

Ergeneli, A. Guler, A. Sag[caron]lam and Metin, S. (2007). Psychological empowerment and its relationship to trust in immediate managers. *Journal of Business Research, V*ol 60, Issue 1, pp 41-49.

Fracard, K. (2006). The real meaning of empowerment. *Contract Management,* Vol. 15, March, pp 1-7.

Gresley, K (2005). Employee empowerment, Employee Relation, Vol. 27, pp 364-368.

Hamed, S. (2010). Antecedents and Consequences of Employees Empowerment**.** *Management Review: An International Journal.* Vol 5, No. 1, Summer, pp 64 – 94

Liden, R. C., Wayne, S. J., & Sparrowe, R. T. (2000). An Examination of the mediating role of psychological empowerment on the relations between the job, interpersonal relationships and work outcomes. *Journal of Applied Psychology*. Vol 85, pp 407-416.

Mullick, P. (2011). HCL Technologies: Empowering employees is the path to success. *www.hindustantimes.com*,   Friday, July 29.

Moye, M. J., Henkin, A. B., & Egley, R. J. (2005) "Teacher-principal relationships: Exploring linkages between empowerment and interpersonal trust". *Journal of Educational Administration,* Vol. 43 Issue: 3, pp 260 – 277.

Ongori, H., & Shunda, W. (2008). Managing behind the scenes: employee empowerment. *International Journal of Applied Economics and Finance*, Vol. 20, pp 1-11.

Ripley, R. E., & Ripley, M. J. (1992), "Empowerment the cornerstone of quality: Empowering Management in Innovative Organizations in the 1990's", *Management Decision*, Vol 30, No. 4, pp 20-43.

Smith, C. & Mouly, V. (1998). Empowerment in New Zealand firms: insights two cases. *Journal of Empowerment and organizations*, Vol 6, pp 69-80.

Sparrowe, R. T. (1994). Empowerment in the hospitality industry: An exploration of antecedents and outcomes. *Hospitality Research Journal*. Vol 17, No 3, pp 51-73.

Spatz, D (2000). Team-building in construction. *Practice Periodical on Structural Design and Construction,* Vol 5, pp 93-105.

Spreitzer, G. (1995). Psychological empowerment in the workplace: dimensions, measurement, and validation. *Academy of Management Journal*, Vol. 38, pp 1442-1465.

Spreitzer, G. M. (1996), "Social Structural characteristics of Psychological Empowerment", *Academy of Management Journal*, Vol. 39, No. 2, pp 483-504.

Spreitzer, G. M., Kizilos, M., & Nason, S. W. (1997). A dimensional analysis of the relationship between psychological empowerment and effectiveness, satisfaction and strain. *Journal of Management.* Vol 23, pp 679-704.

Suominen, T., Savikko, N, ; Puukka, P., Doran, D.; a Leino-Kilpi, H. (2005). Work empowerment as experienced by head nurses. *Journal of nursing management*, Vol. 13, No. 2, pp 147-53.

Thomas, K. W., & Velhouse, B. A. (1990). Cognitive elements of empowerment: An "Interpretive" model of intrinsic task motivation. *Academy of Management Review*. Vol 15, pp 666-681.

Webliography

http://www.allpar.com/corporate/empowered-work-teams.html

http://www.GrowingGreatness.com

http://www.nestle.com

http://www.tata.com

www.sustainable-living.unilever.com

www.sustainablebrands.com

www.volvogroup.com