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Employee Empowerment: A strategy to sustain in Globalization

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Abstract: Employee empowerment is a process which begins with tactics of handling people, rewards, duties, technology, organization structure and information procedure. Empowered employees can accept change or initiate change in organization. Dedicated Employees are emotionally involved to an organization and they contribute a lot in organizational success. This lead to improved competitiveness, accountability, risk taking, low wastage, inter personal intractation, degree of satisfaction and improved job performance. Empowerment, Inspires Change which leads to increase the individual employee commitment and helps in accomplishment of Organisational Goals. Strong wind of competition have forced organizations , which have been limited to local and national markets with their limited environmental conditions to move to big field . And Empowerment is the only tool which helps the people to become more dedicated and result oriented in globalized economy. This paper explains the theoretical review of empowerment, its strategy to sustain in globalized economy, its requirement to survive in competitive environment and innovative strategies of employee empowerment.

Keywords: Employee Empowerment, Initiate Change, accountability and risk management, Handling people, Global Economy, Stability and accomplishment of Goals.

I. Introduction

Employee empowerment is a means by which individuals are given authority to analyze situations autonomously and take proactive decisions. This instills a sense of ownership towards the company in the employees. IT is a philosophy which believes in enriching people's jobs and giving power to exercise control over and take responsibility for outcomes of efforts (Venkat Ratnam, 2006). Employees are the real drivers of any organization, this is a unique resource which cannot be copied by competitors and also not easily available in the market. An empowering organization emphasizes on autonomy, proper information and individual participation for organizational excellence. In order to achieve empowerment, the executives must ensure that employees having the right mix of information, knowledge, power and rewards to work more enthusiastically (Singh, 2003). Employee empowerment, is a perception of novel management which is beneficial to share different knowledge, skill and talent of the employees at the highest level, it plays a vital role in customer satisfaction. We can also say that customer satisfaction starts with employee satisfaction. The most effective way to save companies from the whirlpool price competition on the basis of „similarities“, which destroy the companies rapidly, is differentiation (Argüden, 2006).

II. Employee Empowerment: A Theoretical Perspective

Employee empowerment is the practice of changing power and liability to employees at junior level in the organizational chain of command. It is a transmit of power from the employer to their subordinates. Employee empowerment tended to revolve around issues of power and control, where empowerment was considered a management technique used to motivate employees by delegating or sharing of power with them (Kanter, 1983). Ashcraft and Kedrowicz (2002, p. 89) have defined in their earlier study, empowerment as enabling relations of power through a perception and process that fosters both a sense of competence and control. It was reflected in sharing of power that those of staff members who were given power more likely to achieve the desired outcomes (Conger and Kanungo, 1988). Conger and Kanungo (1988) define empowerment as a process of enhancing 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 proving efficacy information. This definition implies developing people mind set to excel individual and organizational peak performance in order for achievement of company goals.

The examples of definition that emphasize the purpose, process and different dimensions of employee empowerment are as follows:

The examples of definition that emphasize the purpose

According to Kanter (1977), empowerment is to give power to people who are weak in organizations (Ugboro & Obeng, 2004: 249) Empowerment is spreading the administrative responsibility to all the places in the

organization (Cunnigham & Hyman 1999; 193). Empowerment is to give more authority to employees in organization in management of work (Pearson & Chatterjee, 1996: 17). It is to bring employees to the position of owners of work (Koçel, 2003: 414). According to Foster, Fishman and Keys (1995), it is a process of bringing an individual or a group to a position that he/she can affect events and the results (Hanold, 1997: 202).

The examples of definition that emphasize the process and dimensions of empowerment

According to Rothstein (1995), Empowerment is “an act of building, and increasing power through cooperating, sharing and working together”(Honold,1997:202).

According to Pet and Miller, employee empowerment is the concept of enabling subordinates to have the authority and capacity to make decisions and to act for the organization in order to improve both individual motivation and organizational productivity (Elmuti, 1997:233).

According to Zemke and Schaaf (1989), employee empowerment means turning the “front line” loose, and encouraging and rewarding employees to exercise initiative and imagination.

A more operational-level and process-oriented definition of empowerment was offered by Bowen and Lawler. They define empowerment “as sharing with front-line employees the information about an organization’s performance, information about rewards based on the organization’s performance, knowledge that enables employees to understand and contribute to organizational performance, and giving employees the power to make decisions that influence organizational direction and performance”(Ugharo and Obeng, 2000:249).

Empowerment is an elementary motivation that involves positively valued experiences for which an employee derive directly for a task. The employees consider themselves as having freedom, autonomy and discretion, feel personally connected to the organization, and feel confident about their abilities and capable of having an impact on the organization. Randolph (1995) asserts that employee empowerment is a transfer of power from the employer to the employees. Newstrom and Davis (1998) define empowerment as any process that provides greater autonomy through the sharing of relevant information and the provision of control over factors affecting job performance.

Employee Empowerment is not only giving power. The sense of empowerment can be enhanced by listening and being more responsive to employee comments, training, support by management and associate employees, sharing significant information. It is found that empowerment starts at the top and it is practically applicable with the support of top management. Empowerment can change an organization’s model. Thus, upper management must be an active factor for building and implementing employee empowerment initiatives. According to the researchers R. Ripley and M. Ripley (1992) and Spatz (2000), employee empowerment will bring the followings:

- increase employees’ trust and commitment;
- increase motivational level to reduce mistakes and individuals take more responsibility for their own actions;
- provide a forum though which employees can express their beliefs and innovative ideas about day-to-day activities;
- assist the continuous improvement of processes, products, and services;
- increase employee loyalty, while at the same time reducing turnover, absenteeism, and illness;
- increase productivity by increasing employee pride, self-respect, and self-worth;
- use peer pressure and self-managing team methods for employee control and productivity;
- increase the bottom line by such methods as reducing waste and building quality, while meeting customer requirements;
- maintain and increase competitiveness and achieve long-term competitiveness with an ever increasing market share;
- increase trust and cooperation with management;
- increase communication among employees and divisions;
- enable employees to identify & solve problems so that they can improve their own performance;
- increase organizational commitment and organizational effectiveness; and
- build a healthy organizational climate and culture.

III. Employee Empowerment and Sustainability

In the globalized economy, we need to fight continuously with the competitors for sustainability. In respect of sustainable competitive advantage Porter (1985) states that such concept arises when a firm creates value for its customers, selects markets in which it can excel and presents a moving target to its competitors through improving position in a continuous manner. The firm can achieve it through the resource that has some specific, unique characteristics. Resource based theorists Barney and Wright opine that in order for a resource to be a source of sustainable competitive advantage it must possess four characteristics. The resource must be (a) valuable that can create value for the organization (through reducing costs or by differentiating the product or service) (b) rare, (c) almost inimitable. And the fourth characteristic is that the firm must have appropriate

structure and systems that can effectively and efficiently utilize the resource . (Barney, 1991, 1995) Again, arise a question in this context: Do all resources possess these four characteristics? The answer is No. Gloria Harrell-Cook (1996) explains that few of the resources traditionally thought of as sources of competitive advantage possess those characteristics. The human resources, however, possess those four characteristics. They with their specific, unique, rare and qualitative ingredients can make differentiating value addition service/product if the firm can make/design appropriate strategy, structure, system and develop/create enabling culture, utilize them efficiently and effectively.

So, human resources can make things happen and organizations can obtain sustainable competitive advantage through human resources, For this, organizations need to make the human resources committed, competent in a distinctive embedded culture through changing, redesigning appropriate structure and systems to enable them to render much more value added service and product to the customers as compared to the competitors. Barney and Wright (1998) contended that firms must be organized in a manner to take full advantage of the resource. More specifically organizations must have highly integrated and cohesive set of practices to motivate human resources to excel individual performance as well as team performance and to produce value that is rare and inimitable. All this contributes to achieve sustainable competitive advantage. Employee empowerment is considered to be one of the most powerful and effective HR practices.

IV. Employee Empowerment and Innovation

In today's competitive environment, change and innovation is required for accomplishment of goals. Empowerment of existing employees is the only tool which helps employees to think differently and increase the level of commitment for survival and sustainability of the organization. Paul Sloane had given a statement, **"A great leader can turn your team into entrepreneurs who are hungrily looking for new opportunities. The key is empowerment"**. The challenge with innovation is finding products and services that are easier to use, easier to maintain and more appealing to customers. Where can you draw the creativity and drive to make this happen? Often the best source for innovation is the team within your business. A great leader can turn them into entrepreneurs who are hungrily looking for new opportunities. The key is empowerment. By empowering people you enable them to achieve goals through their own ideas and efforts. (<http://www.innovationmanagement.se/imtool-articles/empowering-innovation>)

Many organizations in the current framework have come up to develop strategies with the help of empowerment. Several strategies which are exercised for this purpose are:

A. *Passing on Power*

It is believed that through passing on power to the executives will cultivate the hidden talents or competencies towards the business requirements.

B. *Feeling of Ownership*

Employers are like the owners for their respective employees because they think for the benefit of organization and welfare of employees'. The most important reason behind the feeling of ownership is to motivate them for organizational achievements and fulfillment of individual desires and needs.

C. *Employees Proposal Design*

Employee Proposal Design is design where employees are given an opportunity to share their suggestions with management. In this design they can give suggestions in any of the decision of the management and involve themselves in organization building activities. An employee is the best judge of the job, and the best person to suggest changes for improving performance.

D. *Communication with Higher Management*

In the System of employee empowerment, it is suggested that higher management along with board of directors and CEO should meet their staff in once or twice the year. Meeting with employees or addressing employees is a platform where the employees can raise several issues can give suggestions, share their views for the betterment of the organization. The meeting followed by lunch or dinner hosted by the management to make the employees more emotionally attached with the organization. In order to achieve empowerment, the executives must ensure that employees having the right mix of information, knowledge, power and rewards to work more enthusiastically (Singh, 2004). Empowerment thus helps to create autonomy for employees, allows sharing of responsibility and power at all levels, builds employee self-esteem and energizes for workplace commitment and better individual performance.

V. Conclusions

Employee empowerment facilitates organizations to gain sustainable competitive improvement. It is a essential to increase the ability of employees so that they can make value addition to an organisation. Employee empowerment is closely related to employee involvement, a concept that is easily understood and more uniform throughout the organization. The process comes about by giving employees a combination of information, influence, and incentives (Hammuda & Dulaimi, 1997). Organizations must establish a culture of openness, trust, experimentation and competitiveness to make empowered employees result oriented, to make organization

unique, distinct and incomparable from other organizations in terms of cost, quality and customers' delightment. Organizations must use employee empowerment as a strategic tool to attain business excellence and achieve goals. All these make organizations strong, powerful to face competition and obtain sustainable competitive advantages.

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