

## **The Benefits of Employees' Empowerment**

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**Abstract:** Empowerment fosters innovation, creativity, motivation and instills shared values to promote the atmosphere for learning, knowledge and accomplishment. More responsibility generates greater productivity, and commitment. Most employees were more productive when empowered by management; almost all firms recognize the importance of increased employee performance and measure it. Moreover, employee empowerment has to be studied from the different perspectives that are complement to each other. Empowerment not only affects employee performance but also affect customer satisfaction and the continuity of the organization.

Employee empowerment is a strategy and philosophy that enables employees to make decisions about their jobs. Employee empowerment helps employees own their work and take responsibility for their actions. Employee empowerment helps employees serve customers at all levels of the organization.

The company has the responsibility to establish a work environment which helps foster the ability and desire of employees to act in empowered ways. The organization has the responsibility to remove barriers that control the ability of staff to act in empowered ways.

To manage people in a way that reinforces employee empowerment, accomplishment, and contribution to create a work environment in which people are empowered, productive, contributing, and glad, the following actions must be taken:

1. **Demonstrate You Value People:** to demonstrate your appreciation for each person's single value. No matter how employees are performing on their present mission, your value for the employee as a human being should never falter and always be obvious.
2. **Share Leadership Vision:** Help people feel and understand that they are part of something bigger than themselves and their individual work, by letting them know and have access to the organization's overall mission, vision, and strategic plans.
3. **Share Goals and Direction:** Share the most important goals and direction for your team. Where possible, either make advancement on goals measurable and observable, or ascertain that you have shared your picture of a positive outcome with the people responsible for accomplishing the consequences.
4. **Trust People:** Trust the intentions of people to do the accurate thing, make the correct decision, and make choices that, while maybe not exactly what you would decide, still work.
5. **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.
6. **Delegate Authority and Impact Opportunities:** Don't just delegate the hard work; delegate some of the fun stuff, too. Delegate the important meetings, the committee memberships that influence product development and decision making, and the projects that people and customers observe. The employee will grow and develop new skills.
7. **Provide Frequent Feedback:** Grant frequent feedback so that people know how they are doing. Sometimes, the target of feedback is reward and recognition. People deserve your constructive feedback, so they can continue to develop their knowledge and skills.
8. **Solve Problems: Don't Pinpoint Problem People:** When a problem occurs, ask what is wrong with the work structure that caused the people to fail, not what is wrong with the people.
9. **Listen to Learn and Ask Questions to Provide Guidance:** Offer a space in which people will communicate by listening to them and asking them questions. Guide by asking questions, not by telling grown up people what to do.
10. **Help Employees Feel Rewarded and Recognized for Empowered Behavior:** 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.

So, employee empowerment can be effective to the employees by boosting their self-esteem and self-confidence that will increase their participation and their satisfaction to be more involved in their jobs. Empowering employees may lead to generate high quality products and good services which maintain productivity and ensure growth development.

### **The empowerment approaches**

Under the structural approach, empowerment is understood as the granting of power and decision-making authority. According to Astley and Sachdeva(1984), power in organization stems from sources such as hierarchical authority, control of resources, and network centrality. To Mintzberg(1983), power is the ability to effect organizational outcomes. Burke (1986) argued that "to empower implies the granting of power, delegation of authority". Similarly, Sewell and Wilkinson (1992) suggested that "for the use of the term 'empowerment' of members to be meaningful, there must be a genuine shift in the locus of power away from management and to the shop floor."

Empowering employees would engage moving decision-making authority down the organizational hierarchy and granting workers the ability to significantly influence organizational outcomes. For example, according to Kanter (1977), empowerment results from decentralization, a flattening of the hierarchy, and improved employee participation<sup>45</sup>. More recently, London (1993) declared that empowerment is "ensuring that the employee has the authority to do his or her job". This has been the traditional approach to empowerment and it focuses on the actions of the "power holders" who transmit some power to the less powerful.

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<sup>45</sup> Employee participation is defined as "a process of employee involvement designed to provide employees with the opportunity to influence and where appropriate, take part in decision making on matters which affect them." According to the Chartered Institute Personnel and Development (CIPD).

Under the motivational approach pioneered by Conger and Kanungo (1998), empowerment was conceptualized as psychological enabling. These authors defined 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 providing efficacy information.” Thomas and Velthouse (1990) extended this approach by viewing power as energy: to empower is to energize. With respect to these authors empowerment is associated with “changes in cognitive variables (called task assessments), which determine motivation in workers”. Spreitzer’s (1995) model, based on the Thomas and Velthouse (1991) approach, defined empowerment as increased intrinsic motivation manifested in four cognitions:

1. Meaning (value of work goal or purpose), the meaning of a value of a mission goal or aim judged in relation to individual own ideals of standards.
2. Competence (self-efficacy), competence is an individual’s belief in his or her capability to act task activities cleverly.
3. Self-determination (autonomy in initiation and continuation of work behaviors), autonomy in the initiation and continuation of work behaviors’ and processes and impact.
4. Impact (influence on work outcomes), the perception of the degree to which an individual can affect certain outcomes of job.

Under the leadership approach, the emphasis is also on the energizing feature of empowerment. Leaders energize and empower their followers to act by providing an exciting vision or image for the future. They inspire subordinates to share in the process of transforming the organization (Yukl, 1989). The writing of Bennis and Nanus (1985), Block (1987), Burke (1986), Conger (1989), and Neilsen (1986) are main examples of the leadership approach. For example, according to Burke (1986), leaders empower followers by providing clarity of direction: “...but not just any direction- a direction that encompasses a higher purpose, a worthy cause, an idea, and will require collective and concerted effort”. Burke also recommended stimulating employees through intellectually exciting ideas and encouraging them to take on difficult challenges, as empowerment strategies.

Good leadership is crucial for sustaining continuous improvement of employee empowerment in organization (Zairi, 1994; Taffinder, 1995). Good leadership needs to be demonstrated at all levels of the organization. Hamish (2004) “leadership is not only having innovative ideas”, but it is also getting people to follow, not just in dragooned single file, but with pride, aflutter in their hearts and expectations.

Looking across these three perspectives, we find out that while each one views empowerment a bit differently, they are complementary to one another. Each provides a different lens for understanding empowerment in the workplace.

### **Employee Empowerment and Productivity**

As employees assume greater control over their environment and start to self-direct work efforts, there is a normal increase in their self-confidence. Enhanced self-confidence leads to greater self-esteem. The development or advancement of such individual control generates a sense of ownership and initiative as creativity is encouraged and innovation appreciated. Today, growth of empowerment programs in the work environment has sustained towards employees. Fulfillment is essential to today’s workers, but so is feeling included as part of the company’s decisions and objectives. Employee empowerment offers a sense of ownership that creates energy and enthusiasm and interest for the work being done as well as for the corporation. Developing and maintaining employees’ self-esteem is a central factor in empowering employees. Self-esteem could be simply defined as “having a good opinion about oneself.” People with high self-esteem are confident about their abilities and excited about discovering new opportunities. In fostering self-esteem in employees, their feelings of self-worth should be maintained. Their ideas and suggestions should be acknowledged, and confidence in their skills should be expressed. They should be treated as intelligent and bright, valuable members of the company.

Without customers, a company will not stay in business. One of the purposes of business is to acquire and gain new customers, retain them, and has them consume more and more of the company’s products and services. Empowered employees can make decisions that meet customer needs and can make exceptions that solve troubles.

How does empowerment enhance customer service?

- Empowered employees are able to resolve customer problems more rapidly.
- Creating solutions for customers with problems is diminished to one or two decision layers, not many.
- The time saved in resolving customer problems quickly allows more time for creating new sales.
- A reputation for typical customer service extends beyond current customers and starts to create new customers as the word spreads about the company's quick, responsive actions.

Understanding customer value well enough to obtain additional returns is an effective key to increasing development productivity. Employee empowerment leads to job satisfaction, employee involvement<sup>46</sup>, loyalty, higher performance and faster service delivery to customers. According to Wellins (1991) suggested that an organization that empowers its employees will be able to survive in the free economy.

Productivity is the easiest of all empowerment effects to measure. When productivity rises, employees empowered to make decisions and alternatives that affect their own work and the organization begin to observe the bigger picture of how what they do fits in the success of the business. People are more satisfied and enthusiastic when they have the freedom and autonomy to use their talents. Empowerment instills an individual sense of pride and achievement that spills over to benefits everyone. Empowerment supervisors actively involve their workers in planning and decision-making procedure. They infuse mutual trust and develop collaborative goals. They set achievable goals and recognize accomplishments. The results are a more productive and dynamic workforce that pushes through difficult challenges and reaches for innovative solutions.

How to measure employee productivity?

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<sup>46</sup> Employee involvement is “a range of processes designed to engage the support, understanding and optimum contribution of all employees in an organization and their commitment to its objectives.” According to the Chartered Institute Personnel and Development ( CIPD).

Productivity is a measure of output from a production process, per unit of input.

Productivity is the prime determinant of people standard of living. If productivity lags, salaries also decline. When all else is equal in a market, the more productive company will enjoy greater earnings. Accordingly, an increase in productivity is characterized by a move of the production function and a consequent change to the output/input relation. The formula of total productivity is normally written as follows:

- $Total\ productivity = Output\ quantity / Input\ quantity$  <sup>47</sup>

## Conclusion

**Empowerment is not about power it is about productivity.** So empowerment is the ability to allow others assume the responsibilities (the requirement to accept the consequences of one's actions), risks, and rewards connected with making their own decisions. For empowerment to work, management must let selected employees assume control of a given task and take it to completion.

Some following guideline could prove to be very beneficial for managers who believe in the great benefits of employees' empowerment:

Engage employees in decision-making; provide them the authority (the right to make a decision without consulting the manager) to act in the best interests of the company. Give training in resolving customer problems and then trust them to formulate the exact decisions. Donate your people some time to think and plan by building in some slack through sufficient staffing and by providing clerical support. Don't criticize employee' mistakes; instead commemorate honest mistakes. Recognize that making decisions naturally results in making faults because no one is perfect. If you criticize honest mistakes, your people will cease making decisions. Failure is also acceptable, because it is a natural part of the road to success.

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<sup>47</sup> Changes in input and output have to be measured comprehensive of both quantitative and qualitative changes. ([Jorgenson](#) and [Griliches](#) 1967). In practice, quantitative and qualitative changes take place when relative quantities and relative prices of different input and output factors alter. In order to highlight qualitative changes in output and input, the formula of total productivity shall be written as follows:

$Total\ productivity = Output\ quality\ and\ quantity / Input\ quality\ and\ quantity$  "Productivity, from Wikipedia, the free encyclopedia."

Nothing is more gratifying than to notice your people develop the skills and confidence to work independently and to make sound decisions that are in the top interests of the company and consumers. In empowering employees in organizations, management should consider external environment forces, the strategy of the organization, the nature of the decision, the attitudes of the employees, and the size and the growth rate of the organization.

So, for employee empowerment to operate in any organization there must be a companywide commitment to the program. And for ensuring employee commitment to company goals that result in customer satisfaction, management must recognize the six key issues: 1) training, 2) motivation, 3) communication, 4) effective listening, 5) responding, and 6) self-analysis.

Finally, employee empowerment is critical for the success and survival of organization in this era of globalization. Employees' empowerment provides significant benefits for both to the organization and the individual.

In a world with a fierce competition, employees' empowerment is a core competency that allows the organization to be a leader in the industry, instead of being a follower, or a market goer.

After all people empowerment is a worthy philosophy with a huge return on investment.

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Dr. Armache served as a Human Resources Manager in many prestigious organizations in Lebanon and in the U.S. He served also as an H.R. consultant for many international companies

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As a Lebanese American educator he is interested in various educational and management topics that transcend national boundaries.

The author's Motto is: "If you think education is expensive, try ignorance".

The author believes also that one must act local but think global. After all, people are citizens of one global village.

Dr. Armache has many publications in the areas of Leadership, Human Resource Management, and Strategic Management.

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