Sustainable Competitive Advantage through Employee Empowerment Plan

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Abstract

Many organizational change and development interventions have centered around the concept of employee empowerment. Employee empowerment is usually understood as 'getting workers to do what needs to be done rather than doing what they’re told'. Organizations during the last few decades have been propagating employee empowerment for organizational effectiveness through practices like Participative management, Quality of work life, Profit sharing, the Quality circle movements etc. Employee Empowerment is presently recognized as one means by which managers can effectively manage organizations, which are characterized by a greater variety of influence channels, a growing reliance on horizontal structures and peer networks, a blurred distinction between managers and workers and a diminished attachment of employees to organizations. It has been established through researches and studies that empowerment influences both satisfaction and performance of employees. Employee Involvement and Empowerment has been used as a strategic business tool to enable fast decision making for greater business results through decentralization of powers, building a salutary and unified work culture and environment for peak employee and organizational performance. In a nutshell, these are the factors which either individually or in combination are responsible for sustainable competitive advantage.

The present paper is a combination of review of literature available in the area of empowerment research and the insight of the author as a practicing professional. The author has tried to suggest a step by step designing and implementation approach for employee empowerment in any organizational context.

Keywords: Employee empowerment, Psychological empowerment, Individual factors, Interpersonal factors, Organizational factors.

INTRODUCTION

Organizations during the last few decades have been propagating employee empowerment for organizational effectiveness. Employee empowerment has emerged as a construct very critical to organizational innovativeness. It is presently recognized as one means by which managers can effectively manage today’s organizations, which are characterized by a greater variety of influence channels, a
growing reliance on horizontal structures and peer networks, a blurred distinction between managers and workers and a diminished attachment of employees to organizations. Empowerment and trust can mitigate effects of organizational complexity, reduce transaction costs, strengthen relational systems within flatter organizational structures and diminish the need for supervisory oversight, unproductive controls and measurement systems that negatively impact productivity and the capacity to succeed in highly competitive markets. If empowerment does influence both satisfaction and performance of employees, an understanding of ways to enhance empowerment is needed.

DEFINING EMPOWERMENT

Empowerment has been given a variety of conceptual and operational definitions and has been analyzed as both a relational and a motivational construct. When viewed as a relational construct, empowerment concerns an individual’s power and control from one individual to another with less power. As a motivational construct, empowerment comprises individual cognitions and perceptions that constitute feelings of behavioural and psychological investment in work.

A careful review of the available literature on empowerment shows that empowerment has been construed as ‘employee empowerment’ at their workplaces even though the construct has been tested under different contexts. According to [1] empowerment is “the process by which a leader or manager shares his power with subordinates. It is 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”. It is a process of increasing individual perceptions of control. It involves delegation, individual responsibility, autonomous decision making and feelings of self-efficacy. Employee empowerment is ‘getting workers to do what needs to be done rather than doing what they’re told’.

GAINING COMPETITIVE ADVANTAGE THROUGH EMPLOYEE EMPOWERMENT

Having an employee empowerment program enables companies to keep up with a competitor or gain a competitive advantage. Perceptions of empowerment can enhance the value of work of individuals and contribute to work productivity and success. Empowerment strengthens employees’ effectiveness, providing them with a sense of ownership and control over their jobs. Empowered workers have higher levels of concentration, initiative and resiliency and are as a result, more effective in their jobs. Employee Involvement and Empowerment has been used as a strategic business tool to enable fast decision making for greater business results through decentralization of powers, building a salutary and unified work culture and environment for peak employee and organizational performance. In a nut shell, these are the factors which either individually or in combination are responsible for sustainable competitive advantage.

DEVELOPMENT OF AN EMPLOYEE EMPOWERMENT PLAN

Set parameters. For employee empowerment to work, management needs to decide what independent decisions it feels comfortable allowing its employees to make. Top level Managers should meet and
identify all the decision-making points that occur throughout the company—decisions involving spending, procurement, resource management and even public relations. Once all the decision-making parameters and capabilities have been identified; the discussion regarding which decisions can be allocated to whom should begin.

**Gather feedback from the employees.** Actively ask employees whether they should enjoy a higher decision-making capability. Inquire in what way they feel they can contribute better in their jobs. The process of data collection could be as simple as placing a suggestion box in the front of the office, or holding multiple employee-wide meetings to gain input. The information collection process should be carried out in a non-threatening manner. All possible care should be taken to remove the fear or apprehension factors from the mind of the employees so that they can come forward with their genuine concerns which they feel are the hurdles in their work process. The whole approach should be rolled out as an organizational development initiative for enhancement of a process-driven orientation.

**Develop actionable plans to delegate decision-making capabilities to employee.** Once management has chosen several areas where employees can think autonomously, it's time to set guidelines. It's important to identify which decisions are part of employee empowerment, who can make these decisions and what the acceptable outcome of these decisions look like. It's important to teach employees what a good decision looks like and provide them with the tools to access a decision and make a good judgment that benefits the company.

**Keep the checks and balances in place.** Any sound organizational process should also have a provision for the checks and balances in the basic design itself. Measures to identify the outcomes as well as pitfalls should be designed in consultation with the employees. Also, the corrective measures and the process of rectifications should be an integral part of the design. This would help the organization to exert appropriate control mechanism to obtain the optimal result from the process.

**IMPLEMENTATION OF EMPLOYEE EMPOWERMENT PLAN**

The first step in implementation of an empowerment plan is clear understanding and preparation of the current performance metrics of the role and the position-holder. The more thought process goes in to this step; the next plans of action would be more conducive for the process. This step is essential as at the end of the day it is the role holder who is expected to complete the empowered assignments allotted to him. The more clarity webbed in to the role, the better would be the quality of the empowerment metrics.

The second step of implementation is taking the employee in to confidence. Ensure to communicate the basic objective and the proposed process of roll out. Spend quality time in explaining the merits and demerits of the proposed empowerment structure to the employee in context to his role. Employees will take ownership and feel empowered when they have understood their role in the new process.
The next step is to identify a few parameters to be empowered, in consultation with the employees from the empowerment metrics. Ask the employees to draft their own action plan with respect to these empowerment parameters. It may be a good approach to consider a few easy parameters to start with. Reiterate the employees’ plan and ask if it sounds workable, or if anything needs to be added or omitted. Ensure to have regular follow up meeting to coach the employees.

Monitor the employees’ progress and offer encouragement and recognition along the way. Employees feel empowered when they are given room to correct their own deficiencies but still mentored.

Finally, review the outcome of the implementation plan at the time designated in the first meeting. At this point of time management should recognize the employee’s success vis-à-vis plan, along with constructive suggestions and feedback for improvement. All review sessions need to remain positive to foster a friendly and empowering culture.

CONCLUSION

Many organizational change and development interventions have centered on the concept of empowerment. So, in the field of Human resource development and organizational behavior employee empowerment is no doubt an emerging area of research considering the lack of enough empirical study in the field. [1] rightly pointed out that despite its popularity as a concept as illustrated by articles, books, training films; little empirical research has been conducted on empowerment in the workplace. The lack of adequate empirical findings on the subject has been a reservoir of knowledge for further research in the area and for OD practitioners.

References: