
Democratization of Corporate World Through Employee Empowerment

Abstract

An organization's human resource is its most valuable asset. The employees are the repository of knowledge, skills and abilities that can't be imitated by the competitors. Technologies, products and processes are easily imitated by the competitors; however, at the end of the day, employees are the most strategic resource of the company. Generally, people are a firm's most underutilized resource. And that is why management tries to empower the employees. But employees often are afraid of taking this responsibility. They fear the additional work pressure that they will have to bear as a part of being empowered. Besides, they also fear being held accountable for the decisions they make. Employee empowerment entails identifying how much responsibility and authority an individual can effectively handle without becoming over-burdened or distressed. Empowerment includes supervisors and employees working together to establish clear goals and expectations within agreed-upon boundaries. In this paper all the aspects of employee empowerment which leads to democratic decision making is discussed.

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Introduction

Employee empowerment is a two sided coin. For employees to be empowered the management leadership must want and believe that employee empowerment makes good business sense and employees must act. Let us be clear about one thing immediately, employee empowerment does not mean that management no longer has the responsibility to lead the organization and is not responsible for performance. If anything the opposite is true. Stronger leadership and accountability is demanded in an organization that seeks to empower employees. This starts with the executive leadership, through all management levels and includes front line supervisors. It is only when the entire organization is willing to work as a team that the real benefits of employee empowerment are realized.

It is a general perception that most of the big corporations are *Managed as Top-Down Dictatorships* that exploit their workers, misinform their customer, produce shoddy products, and ignore the damage they do to the environment. Management is based upon Separation, Competition, Deception, Invasion, Exploitation, Usury, and *Short-Term Profits at Any Price*. Moreover these corporations are filled with ethically questionable management practices, riddled with conflicts of interest, controlled by the super-wealthy men addicted



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to Money& Profits at any Price, run for the The Powers That Be, and managed by The Warlords of Business who are excessively self-centered and arrogant multi-millionaires who don't give a damn about the people, their plight, their rights, the truth, or the environment. For an *incredibly-easy-to-see-example*, we can refer the Enron Scandal. The two-hour documentary, produced by HDNET Films, titled: ***Enron - The Smartest Guys in the Room*** will clearly show that how *drug addicted corporate mismanagement* is at its worse. The above described corporate management practices are the same style of gross, corporate mismanagement that produced the 2009 financial crisis.

In sharp contrast the corporate management practices, *True-Corporate-Democracy Business Structure* is vastly different. It's based upon choice. Management is answerable to the will of the employees and to its partnering foundation. Its focus is long-term. All major activities are long-term sustainable and environmentally sound. Caring, sharing, mutual support, creating community, and environmental protection are its core values. *The democratization of the corporate world* is surprisingly simple to implement and incredibly profound. The resultant transformations will dramatically change the world.

Employee empowerment is a term used to express the ways in which non-managerial staff can make autonomous decisions without consulting a boss. When employees feel as though they have choice and can make direct decisions, this does often lead to a greater feeling of self-worth. In a model where power is closely tied to sense of self, having some power is a valuable thing. An employee who does not feel constantly watched and criticized is more likely to consider work as a positive environment, rather than a negative one.

In the new knowledge economy, independent entrepreneurship and initiative is needed throughout the ranks of the organization. Involvement in an organization is no longer a one-way street. In today's corporate environment a manager must work towards engaging organization forcefully enough to achieve its objectives. New knowledge-based enterprises are characterized by flat hierarchical structures and multi-skilled workforce. Managers assume more leadership and coaching tasks and work hard to provide employees with resources and working conditions they need to accomplish the goals they've agreed to. In brief, managers work for their staff, and not the reverse. Empowerment is the oil that lubricates the exercise of learning. Talented and empowered human capital is becoming the prime ingredient of organizational success. A critical feature of successful teams, especially in knowledge-based enterprises, is that they are invested with a significant degree of empowerment, or decision-making authority. Equally important, employee empowerment changes the managers' mind-set and leaves them with more time to engage in broad-based thinking, visioning, and nurturing. This intelligent and productive division of duties between visionary leaders, focusing on emerging opportunities, and empowered employees, running the business unit day to day (with oversight on the leader's part) provides for a well-managed enterprise with strong growth potential.

Background

Employee empowerment went from being a buzzword among managers during the 1990s to a sought-after part of quality management among service industries by the early 21st century. Such professional organizations as the Society for Human Resource Management (SHRM) cite employee empowerment as one of the "critical drivers of business success in the global marketplace." Commonly defined as giving employees the power and authority to take control of workplace situations that would normally be handled by line managers, research published in

such trade journals as IndustryWeek as well as from professional organizations like SHRM show there are several advantages for implementing employee empowerment as a practice in human resources management.

Stages of Employee Empowerment

1. Encouragement

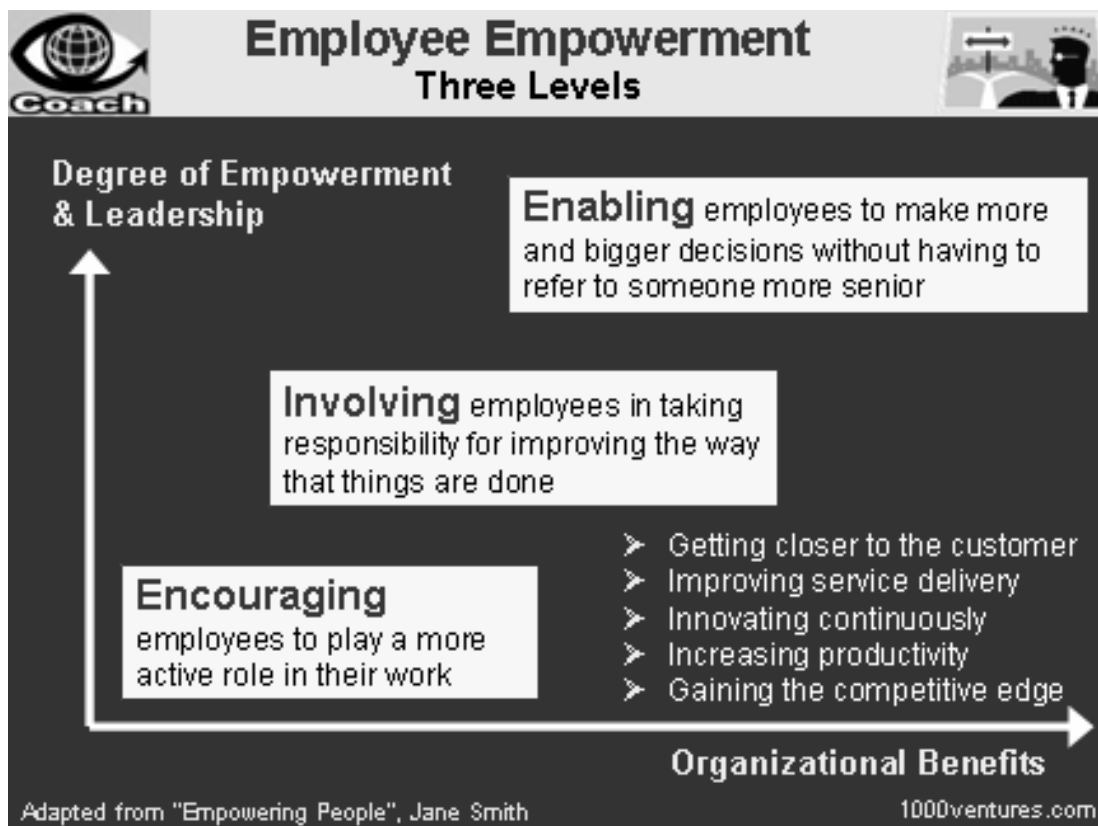
In the first stage, management should make every effort to help the workers provide suggestions, no matter how primitive, for the betterment of the worker's job and the workshop. This will help the workers look at the way they are doing their jobs.

2. Education

In the second stage, management should stress employee education so that employees can provide better suggestions. In order for the workers to provide better suggestions, they should be equipped to analyze problems and the environment. This requires education.

3. Efficiency

Only in the third stage, after the workers are both interested and educated, should management be concerned with the economic impact of the suggestions. The three levels of employee empowerment is shown below :



Advantages and Disadvantages of Employee Empowerment

The principle of employee empowerment pertains to management allowing employees to make decisions that affect their jobs rather than having to clear everything with managers, according to the article "Employee Empowerment: Eliminate 'Us Versus Them'" published on the ThomasNet News Industry Market Trends website. Two of the key elements of employee empowerment are an efficient hiring system and constant training. There are several advantages to employee empowerment, ranging from monetary savings to better work relationships.

A 1998 study by international management consultant, trainer and author Dr. Connie Sitterly found that employees who are empowered make decisions that save companies money, time and, in some cases, prevent potential disputes. Decentralizing the decision-making process can improve the performance of support and service departments by giving customers more confidence in the process of being helped, especially since the empowered employee does not have to check with her supervisor to make minor decisions. Employees who perform their tasks on a daily basis have an intimate understanding of how their jobs are done. Empowering employees can also decrease the need for middle management positions, which conserves labor costs. Employees who take ownership of their work can also yield major savings in the form of workplace safety. A report by the Society of Human Resource Management cited a beverage company that found that engaged employees were "five times less likely than non-engaged employees to have a safety incident and seven times less likely to have a lost-time safety incident." By allowing employees to suggest and make procedural changes that make their jobs more efficient, companies benefit by saving money.

CiteHr.com, a resource for human resource professionals, describes employee empowerment as one of the factors behind increased employee education and training; lower absenteeism, and less conflict with administration and managers related to change because employees are able to participate in decision making. The Society of Human Resource Management found in a 2007 study of employee empowerment trends that there is a link between engagement and organizational performance, saying that "employees with the highest levels of commitment perform 20 percent better and are 87 percent less likely to leave the organization."

Employees who are empowered in their jobs feel a stronger sense of responsibility concerning productivity. Putting employees in charge of their own results has a positive effect on morale. Higher morale means that employees take less scheduled time off and productivity increases.

4. Employee empowerment can help strengthen the relationships between managers and employees, according to the article titled "Employee Empowerment: Management Giving Power to the People" published on the Thinking Managers website. Managers are seen as coaches and professionals with a direct interest in the success of their employees as opposed to those that dictate policy and give commands. Managers learn to rely on empowered employees, and employees learn to use their managers as resources for getting jobs done.

Empowering employees to make their own decisions means that employees have direct accountability for their jobs. This is advantageous for companies, because instead of harnessing managers with the responsibility for all decisions, employees pick up some of the decision-making slack. Companies can offer specific employees training and any other information needed to correct errors as opposed to spending time and money training entire departments.

When managers are freed up to be coaches, mentors and advisers instead of management firemen who have to put out mini-situational fires, the company or organization benefits. "Teams Work," a case study about the success of workplace teams in Sparks, Nevada, showed how the use of teams increased annual productivity by 55 percent and reduced costs by 5 percent each year during the 1990s. "Introducing teaming was vital in the conversion of the plant from a pet-food processing facility to a cereal-making plant," the report said.

Some of the disadvantage of employee empowerment include: employees can abuse the increased power given to them; it is too much responsibility for some employees; employees who focus on their own success rather than group's may leave; managers must be better trained to facilitate through sharing of information, cooperation, and referrals to appropriate resources; all employees must "buy in" to the concept for it to be effective; there is an increased cost to the organization for training and education; there is increased time in groups or committees which takes away from regular jobs; there may be increased conflict or power struggle between employees due to group work; some employees may not be knowledgeable enough to make good business decisions; decisions made on the basis of personality versus logical reasoning.

Principles of Employee Empowerment

There are some important principles for managing people in a way that reinforces employee empowerment, accomplishment, and contribution.

1. Regard for people should shine through in all actions and words of the seniors. Their facial expression, body language, and words express what they are thinking about the people who report to them. Their goal should be to demonstrate their appreciation for each person's unique value. No matter how an employee is performing on his or her current task, their value for the employee as a human being should never falter and always be visible.
2. People should be made to feel that they are part of something bigger than themselves and their individual job.
3. The most important goals and direction should be shared with the juniors. Empowered employees can then chart their course without close supervision.
4. The intentions of people to do the right thing, make the right decision, and make choices that, maybe not exactly what the seniors decides should be trusted. When employees receive clear expectations from their manager, they relax and focus their energy on accomplishing, not on wondering, worrying, and second-guessing.
5. People should have access to, all of the information they need to make thoughtful decisions. - "Go with your gut." "Follow your intuition." "Trust your feelings." The sayings are commonplace, but do our instincts make good decisions? For some, responsibility is simply bestowed: a princess is handed the kingdom upon the passing of the monarch; a favorite son inherits the family business. For most, however, the authority to make decisions must be actively sought. In embracing new responsibilities, past decisions can serve as a natural curriculum for avoiding future mistakes. In fact, blind instinct cannot be trusted, but it can be educated. The main purpose of flight simulators, for example, is to allow

pilots to experience unlikely surprises so many times that, should one actually occur, their response will be reflexive. "Train like you fly and fly like you train" is how they put it at NASA's astronaut training program at the Johnson Space Center in Houston.

Consistent with that dictum, astronauts undergo an exhaustive curriculum that includes some five hundred simulated landings of the shuttle before flying it. No wonder so many of the space travelers are apt to say upon returning to Earth, "When something went wrong, I went into my training mode."

6. Seniors should not just delegate the drudge work they should also delegate some of the fun stuff, too Seniors should. delegate the important meetings, the committee memberships that influence product development and decision making, and the projects that people and customers notice. The employee will grow and develop new skills. Employee involvement is creating an environment in which people have an impact on decisions and actions that affect their jobs. Employee involvement is not the goal nor is it a tool, as practiced in many organizations. Rather, it is a management and leadership philosophy about how people are most enabled to contribute to continuous improvement and the ongoing success of their work organization. How to involve employees in decisionmaking and continuous improvement activities is the strategic aspect of involvement and can include such methods as suggestion systems, manufacturing cells, work teams, continuous improvement meetings, Kaizen (continuous improvement) events, corrective action processes and periodic discussions with the supervisor.

Tannenbaum and Schmidt (1958) and Sadler (1970) provided a continuum for leadership and involvement that includes an increasing role for employees and a decreasing role for supervisors in the decision process. The continuum includes this progression.

Tell : the supervisor makes the decision and announces it to staff. The supervisor provides complete direction. Tell is useful when communicating about safety issues, government regulations and for decisions that neither require nor ask for employee input.

Sell: the supervisor makes the decision and then attempts to gain commitment from staff by "selling" the positive aspects of the decision. Sell is useful when employee commitment is needed, but the decision is not open to employee influence.

Consult: the supervisor invites input into a decision while retaining authority to make the final decision herself. The key to a successful consultation is to inform employees, on the front end of the discussion, that their input is needed, but that the supervisor is retaining the authority to make the final decision. This is the level of involvement that can create employee dissatisfaction most readily when this is not clear to the people providing input.

Join: the supervisor invites employees to make the decision with the supervisor. The supervisor considers his voice equal in the decision process. The key to a successful join is when the supervisor truly builds consensus around a decision and is willing to keep her influence equal to that of the others providing input.

Delegate: the supervisor turns the decision over to another party. The key to successful delegation is to always build a feedback loop and a timeline into the process. The supervisor must also share any "preconceived picture" he has of the anticipated outcome of the process.

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7. Frequent feedback should be provided so that people should know how they are doing. Sometimes, the purpose of feedback is reward and recognition as well as improvement coaching. People deserve your constructive feedback, too, so they can continue to develop their knowledge and skills.
 8. When a problem occurs, employees should be asked what is wrong with the work system that caused the people to fail, not what is wrong with the people.
 9. Employees should be guided 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. When an employee brings a problem to solve, they should be asked, "what they think to do to solve that problem?" Or, "what action steps they recommend?" Employees can demonstrate what they know and grow in the process.
 10. When employees feel under-compensated, under-titled for the responsibilities they take on, under-noticed, under-praised, and under-appreciated, results should not be expected from employee empowerment. For successful employee empowerment, recognition plays a significant role.

Employee Empowerment in Practice

For an organization to practice and foster employee empowerment the management must trust and communicate with employees. Employee communication is one of the strongest signs of employee empowerment. Honest and repeated communication from elements of the strategic plan, key performance indicators, financial performance, down to daily decision making. Often the first efforts and communications are met with employee derision and mockery. Those who are only interested in trying the latest management fad will give up when met with this response. A good rule of thumb for communications to employees is to enumerate what management considers adequate and then multiply by a factor of ten. When considering employee understanding and acceptance of decisions consider how long it takes for the management team to discuss and then make a decision. For management wanting employee empowerment the evidence will not come across the board with wide spread acceptance. A small number will accept the invitation to become more involved, say 3-5 per cent. The rest will be watching every move to see what happens. Every communication, decision and action by management will be viewed as either supporting a move to employee empowerment or not. For an organization to enjoy the returns from employee empowerment the leadership must diligently work to create the work environment where it is obvious to all that employee empowerment is desired, wanted and cultivated. Management's responsibility is to create the environment for employee empowerment.

When organizational leadership has started to take actions to encourage employee empowerment it is then up to the employees to decide if they wish to take advantage of the opportunity or not. It is not unusual for only a small minority to accept the challenge initially. Also it is very likely that some fraction will never respond. It is the large middle group that must be convinced to practice employee empowerment. Normally associated with Total Quality Management (TQM) or Quality of Working Life (QWL) innovators, employee empowerment has been an important part of creative manager's tool-kit for about two decades. Organizational entrepreneur Jhon Olsson put the process succinctly on his website. In his view, employee empowerment involves simple but important changes in managerial attitudes.

“Ask and listen”, he says. “Instead of providing your thoughts, ask the employee four business altering words: ‘What would you do?’ When you do ask this question, the employee has the opportunity to openly express ideas, dreams and passions. You may already have an answer, but if the answer comes from the employee you now have :

- Delegated this opportunity to someone passionate about the issue;
- A champion within the business to lead the implementation and change;
- An employee who is making a difference to the business.”

When Six Sigma is deployed in an organization employees have numerous opportunities to demonstrate that they are empowered. Unless there is employee motivation to accept and act on the opportunities little will change. Employee empowerment is evidenced by working with a six sigma project team to understand the changes coming out of the project. Being a participant using improvements found by others is a form of empowerment. Employee can demonstrate empowerment by suggesting areas or processes that might be candidates for a six sigma project. Part of employee empowerment is the recognition by management that often people who most know of pressing needs for improvement are those who have to work in the process. Employee empowerment can take the form of being asked to bring expert knowledge to six sigma projects. Even if not a full time member of the project team the fact that competence and first hand experience are valued and an employee is willing to help demonstrates a level of empowerment.

The employee can volunteer to serve on a project team as a Green Belt. This usually means that the employee has some subject matter expertise in the process scoped for a project. By completing the Green Belt training the employees will learn the Fundamental Improvement tools and will learn how to use the Define Measure Analyze Improve and Control steps as part of problem solving. With this additional skill sets the empowerment of the employee is increased, they are able to work more effectively and efficiently in solving problems and providing potential solutions. Employees can make it know that they would like to become Black Belts. This form of employee empowerment assumes that the employee has the necessary skills and ability to complete the Black Belt training. Usually this means a college level education with comfort in mathematics and if not some statistical understanding a willingness to learn.

Conclusions

If an organization has not be actively cultivating employee empowerment, it may take considerable time and effort before employees start to respond. Probably nothing demonstrates the commitment or lack of commitment to employee empowerment more than promotions and selection for leadership positions. Employees know those that attempt to “shine up while dumping down”. It is our conviction that most organizations have exactly the level of employee empowerment the management wants. This is demonstrated by the amount of communications, level of training provided employees, opportunities for personal growth, the solicitation and implementation of ideas, the recognition and reward system, promotion and advancement criteria, and uncountable little signals from management that demonstrate whether employees are valued or not.

For Olsson, the result is “a win-win situation..... You win by delegating, the business wins by improving process and, most importantly, the employee feels like the primary winner because they have the opportunity to implement their own ideas to an issue and bring about resolution.” Plainly, a Christmas goose and a dusty suggestion Box nailed near the foreman’s door were no longer adequate. The time of change champions and exemplary followers had arrived. Amid all of this enthusiasm, however, it is important to recognize two enduring themes: in this approach: (1) empowerment is not about power; (2) empowerment is about productivity.

First, the sharing of responsibility for decision making within a less hierarchical structure than was traditionally to be found in organized work situations is largely a matter of perception (or “optics”). While it is true that employees are now frequently consulted, that their suggestions may be taken seriously, and that their contributions might be implemented in policy and practice, the choice of whether or not to follow employees’ recommendation remains an exclusive management right. Consultation and participation are not the same as ownership and control. When, therefore, rhetoricians of reform speak of employees “owning” some part of the productive process or even their own jobs, the word is being used metaphorically. It implies responsibility or even stewardship, but it does not imply final authority.

Second, the criteria according to which newly empowered employees will have their recommendations adopted all come down to the ubiquitous “bottom line.” Improvements in working conditions, for example, will be embraced if they can be increase profits for a private sector company or increase efficiency in the public service. This does not mean, of course, that mutually beneficial innovations cannot or donot exist. It only suggests that the overriding purpose of empowering employees is to encourage them to become self-strters, self-managers and self-disciplinarians in the ultimate interest of management. If, in the process, workers become happier and healthier.

One of the strongest signs from employees is when they take the lead to advance their skills and knowledge with education and training either provided by the organization or out side the organization. Management has the obligation to create the environment that fosters employee empowerment, employees have the duty to accept the opportunity and demonstrate they are willing and capable.

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