

POTENTIAL OF -EMPLOYEE EMPOWERMENT IN CORPORATE WORLD

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ABSTRACT

The whole object of human resource management is to secure from the employees maximum performance in terms of the predetermined objective. Human being has got unlimited tremendous potential to achieve anything in the world. For this the employee should be committed, motivated and should have high morale.

How does one, therefore, get this commitment from an individual employee towards organizational goals. We know that human beings have certain needs craving satisfaction on the job. In this regard it has been found that in today's fast changing technological advancement, execution of strategies to achieve organizational goals cannot be fulfilled only through motivation. What is required in this cutting age competition to stay formally in the market is to follow the concept of "employee empowerment". It is basically giving more power to the employee to take his decision himself. This is the need of the corporate world today. By adopting to this concept the top managers can insure not only progress and stability in the enterprise but also can devote their valuable time in an energy to in enhance further growth and give new vision for the all round development. The employee empowerment is a new concept and the corporate world is slowly accepting its importance and the concept is getting its root deeper in the competitive corporate business world.

Keywords: *Employee Empowerment, Corporate World, Human Resource Management, Human Resource Empowerment*

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INTRODUCTION

“One machine can do the work of fifty ordinary men. No machine can do the work of one extraordinary man”-Elber Hubbard.

Men, Machine, Money and Materials are the main resources required by any business enterprise. Out of this, people (Men & Women) are considered to be the most difficult and precious resource to manage. Difficult, because it is very difficult to predict and understand human's mind and precious, because people can produce wonders if given a right environment.

Has any one thought over, why a soldier fights for his nation even from a difficult, hazardous unfavorable and inhuman like living condition for example, at Siachin Glacier? This is a million dollar question and the answer is not simple. Also, why some times, ward of a Rickshaw puller, living in jhugi jhopri qualifies in **IIT entrance test** where as the wards of a crorepati living in an air-conditioned house fails to do so? Similarly, have any one thought, why the wards of a most ordinary persons like a peon/farmer/postman from places like Bihar very often qualify in IAS competitive examination, where as others living in complete comforts & luxuries can not dream of doing so? Also at times, a very simple entrepreneur in course of time, becomes a big business magnet? If we ponder and study the above live case studies little deeply, then we find out that the most common factors leading the human behavior into unprecedented success is their level of MOTIVATION. A highly motivated human being can achieve any thing in his life. A motivation is like a fire in the heart, which forces a human being to achieve the predecided goals/objectives or fulfill his dreams.

We know that people are our most important asset of any organization. Competitors can copy technologies, products and structures. No one, however, can match our highly charged, motivated people who care. People are any firm's central to competitive advantage. Well educated, coached, and highly motivated people are critical to the development and execution of strategic specially in today's faster paced, more perplexing world where top management alone can no longer assure any firm's success. That is why in today's corporate world, a new concept “Employee Empowerment” has started taking deeper root in order to achieve around success.

The aim of this article is to explain & highlight the importance of “**Employee Empowerment**”, corporate experience (Survey results- at a glance), level of Employee Empowerment, Impact & benefits of Employee Empowerment and how the Employee

Empowerment has become real need of the hour for corporate world to achieve greater success in today's cutting Edge competition in Dynamic Business World.

Phase four of Kotter's change management protocol is about empowering employees for broad based action (Kotter, 1995). This is the grassroots approach to change management which creates ownership for the proposed change within employees and reduces the barriers to that change (Kotter, 1995). So how can we break down those barriers and create a culture that encourages participation and risk taking? We can create a culture that encourages and rewards knowledge sharing, provide employees with opportunities to impact processes and the meeting of agency goals and promote the successes of those contributions through training and recognition. "In highly successful change efforts, when people begin to understand and act on a change vision, it is important to remove barriers in their paths, to take away the tattered sails and give them better ones" (Kotter & Cohen, 2002, p. 73).

WHAT IS AN EMPLOYEE?

Any individual, who works for an organization, in general on a full time/permanent basis, is said to be the **employee** of the said organization.

WHAT IS AN EMPOWERMENT?

Empowerment is a core concept of the new management model. In the new generation adaptive organization, delegation is replaced by empowerment, and responsibility by ownership. Authority and responsibilities are formal aspects of organizing. They are based upon organizational properties and not individual capabilities. Empowerment and ownership are social aspects of organizing, they are based on efficacy and initiative and not just on roles and requirements. They belong to people.

EMPLOYEE EMPOWERMENT – WHY? - ITS BENEFITS & IMPACT

Why Employee Empowerment?

People are any firm's most underutilized resource. In the new knowledge economy, independent entrepreneurship and initiative is needed throughout the ranks of any 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 structure 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, in the new concept, the manager's 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' mindset 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.

Developing Entrepreneurial Staff

There are two phases in developing an entrepreneurial workplace. Phase I creates the environment necessary to support and encourage it. Phase II is building your staff's entrepreneurial skills.

Empowerment through Coaching

The new breed of leaders recognizes that in today's complex business environment autocracy no longer works; yet the empowerment alone is not enough. Coaching aims to enhance the learning ability and performance of others. "It involves providing feedback, but also uses other techniques such as motivation, effective questioning and consciously matching our management style to the coachee's readiness to undertake a particular task. It is based on helping the coachee to help her/himself through interacting dynamically with her/him-it does not rely on a one-way flow of telling and instructing."

Employee Ownership of Quality

Quality is not something that management can mandate or dictate. To gain employee commitment to the quality process, company's management, control, and reward systems must be modified to give employees greater responsibility and opportunity to become quality and customer oriented and motivates them to strive for continuous improvement. Give ownership for quality to your employees, elicit and listen to their ideas about improvement and empower them to make more decisions and perform tasks that are quality related.

Building and Nurturing Customer Relationship

Creating a work environment that encourages rapid response to customers' needs and attentive follow-through is the key to leveraging the power of the service-profit chain. This is only possible when people are empowered to make decisions and are motivated to solve problems. By encouraging employees to go beyond the literal boundaries of their jobs- to

make suggestion for improvement – you gain not just a part, but also the full potential of their contributions to the business.

A CORPORATE EXPERIENCE – SURVEY RESULTS – AT GLANCE

Following were the employee – employer survey conducted in various organizations (like Tata Motors, Maruti, and Hero Honda, TVS (Total-72)

(Q.1) How do you rate the overall empowerment status in your organization on a 10-point scale?

SCALE	RESULT
Less than 5 points	63% (46 respondents)
5 points to 8 points	23% (16 respondents)
8 points and above	14% (10 respondents)

(Q.2) Do you think that delegation of authority is superior to employee empowerment?

YES	NO
34.5% (25 respondents)	63.5% (47 respondents)

(Q.3) Yes there are changes in the behavioral aspects or basic attitude of my peers and colleagues because of employee empowerment?

SCALE	RESULT
Strongly Agree	23% (16 respondents)
Agree	21% (15 respondents)
Neutral	24.3% (18 respondents)
Disagree	17.7% (13 respondents)
Strongly Disagree	14% (10 respondents)

(Q.4) Do you recommend employee empowerment to become a culture of all growing organization?

YES	NO
78% (56 respondents)	22% (16 respondents)

A CLASSICAL EXAMPLE & LIVE CASE –

Case study -I

General Electric Co. USA

Some years ago, in locations throughout GE, local managers were operating in an insulated environment with Chinese walls separating them both horizontally and vertically from other departments and their workforce. Employee questions, initiatives, and feedback were discouraged. In this situation the company was not making good progress and its shareholders started getting worries. There was no hope of immediate solution but the problem was traced down to the human relations oriented. A new CEO of GE Jack Welch was appointed. He soon realized the problem and “viewed this as anathema. He believed in creating an open collaborative workplace where everyone’s opinion was welcome.” He wrote in a letter to shareholders: “If you want to get the benefit of everything employees have, you’ve got to free them – make everybody a participant. Everybody has to know everything, so they can make the right decisions by themselves”

Case study II

We are aware about the contribution made by Shri JRD Tata so far the Indian industries are concern. From small beginning at Jamshedpur few decades back he became a business tycoon. His concern for the employee is well known and he developed a respect for the human resource. Even today people respect him in this regard. A journalist one’s asked him as to what is the one single factor, which contributed to his success. He gave the reply spontaneously “ Managing the Human Resource Properly”. This is the power of human resource, which keeps on increasing, with the advancement of technology.

LEVELS OF EMPLOYEE EMPOWERMENT

Level 1 – Encouraging the employees to play a more active role in their work.

Level 2 – Involving employees in taking responsibility for improving the way that the things are done.

Level 3- Enabling employees to make more and bigger decisions without having to refer to someone senior.



Employee Empowerment – Impact & Benefits

1. **The organization:** harnesses individual talents to the full. Changes the managers' mind-set and leaves them with more time to engage in broad-based thinking, visioning, and nurturing.
2. **The department/team:** becomes more enthusiastic, active, and successful. Facilitates teamwork and harnessing of collective power of employees.
3. **Employees:** entrusted new responsibilities and are stretched beyond what they previously thought they could achieve. Releases the individual wisdom, creativity and energy of employees.

Why Employee Empowerment Fails

1. Managers pay lip service to employee empowerment, but do not really believe in its power.
2. Half-hearted or unbelievable employee empowerment efforts will fail
3. Managers don't really understand what employee empowerment means. Employee empowerment is a philosophy or strategy that enables people to make decisions about their job.
4. Managers fail to establish boundaries for employee empowerment. In your absence, what decisions can be made by staff members?

5. Managers have defined the decision making authority and boundaries with staff, but then micromanage the work of employees. This is usually because managers don't trust staff to make good decisions.
6. Second guess the decisions of employees you have given the authority to make a decision. You can help staff make good decisions by coaching, training, and providing necessary information. You cannot undermine or change the decision you had empowered a staff person to make.
7. Failure to provide a strategic framework, in which decisions have a compass and success measurements, imperils the opportunity for empowered behavior. Employees need direction to know how to practice empowerment.
8. If managers fail to provide the information and access to information, training, and learning opportunities needed for staff to make good decisions, don't complain when employee empowerment efforts fall short. The organization has the responsibility to create a work environment that helps foster the ability and desire of employees to act in empowered ways. Information is the key to successful employee empowerment.
9. Managers abdicate all responsibility and accountability for decision making. When reporting staff are blamed or punished for failures, mistakes, and less than optimum results, your employees will flee from employee empowerment.
10. Allow barriers to impede the ability of staff members to practice empowered behavior. The work organization has the responsibility to remove barriers that limit the ability of staff to act in empowered ways. These barriers can include time, tools, training, access to meetings and teams, financial resources, support from other staff members, and effective coaching.
11. 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.

CONCLUSION

- **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. For an organization 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. If an organization has not been actively cultivating employee empowerment, it may take considerable time and effort before employees start to respond.
- 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.
- Employee empowerment is the one of the best way to sustain, grow and win over the cutting edge competition in this dynamic world.

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