
EMPLOYEES EMPOWERMENT TOWARDS INNOVATION

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Abstract:

The Present study made an attempt to know the benefits of employees empowerment and also to try to examine the relationship between employees empowerment and their creativity (innovation). Further the study also examines the relationship between the organisational variables and employees empowerment. 400 samples were selected randomly. Questionnaire method was used to know the employees attitude towards empowerment and their creativity in the work. Result found that there is positive and significant relationship between employees empowerment and their innovation in the work. Further the study also found that there is a significant relationship between the organisational variables and employees empowerment.

Key words: Employees Empowerment , organisational variables , managerial prerogative.

1.1 INTRODUCTION

Empowerment has to be defined that management vests decision-making or approval authority in employees where, traditionally, such authority was a managerial prerogative. However, this is not the definition of what is usually called employee empowerment. The empowerment also says that the easy to define in its absence alienation, powerless, helplessness—but difficult to define positively because it 'takes on a different form in different people and contexts. When most people refer to employee empowerment they mean a great deal more than delegation. It is for this reason that many authors provide their own definitions.

Caudron (1995) articulates empowerment as, "when employees 'own' their jobs; when they are able to measure and influence their individual success as well as the success of their departments and their companies."

Ettorre's (1997) definition of empowerment as, "employees having autonomous decision-making capabilities and acting as partners in the business, all with an eye to the bottom-line". While many employees understand their contribution to the work at hand, how many know their contribution to the bottom line? It is this essential ingredient, information with which to make decisions, from which empowerment is created.

Bowen and Lawler (1992) indicate, " empowerment as sharing with front-line employees four organizational ingredients: [the first being] information about the organization's performance.... [another is] knowledge that enables employees to understand and contribute to organizational performance". The other two ingredients Bowen and Lawler note are, "rewards based on the

organization's performance power to make decisions that influence organizational direction and performance."

Spreitzer (1995) indicates, "psychological empowerment is defined as a motivational construct manifested in four cognitions: meaning, competence, self-determination, and impact. Together these four cognitions reflect an active, rather than a passive, orientation toward a work role." Spreitzer notes, "the four dimensions are argued to combine additively to create an overall construct of psychological empowerment. In other words, the lack of any single dimension will deflate, though not completely eliminate, the overall degree of felt empowerment." This additive construct is distinct from Bowen & Lawler's (1995) construct noted above which is multiplicative, indicating that the absence of any one of their four elements (power, information, knowledge, and rewards) will completely eliminate empowerment.

BENEFITS OF EMPOWERMENT

That employee empowerment benefits the organizations which implement it effectively is widely noted in the literature. The popular press accepts the belief of benefit almost without question. Thomas Petzinger, in his column "The Front Lines" in the Wall Street Journal, is a big advocate for empowerment. He writes, "As a society we know the best way to organize people is freeing them to organize themselves. Why should it be any different in business?" (Petzinger, 1997). Also in the Wall Street Journal, Aeppel asks the rhetorical question, "What better way to tap into workers' brains as well as their brawn than to encourage them to think on the job, to bring to it a greater sense of professionalism and self-motivation and to feel committed to the company's success?" (Aeppel, 1997, p. 1). Freeman (1998) writing in Inc. about applying Marine Corps values in the growing corporate workplace advocates a form of empowerment where training is key and, within clear missions, risk-taking is rewarded.

However, a bunch of business writers jumping on a bandwagon was not sufficient for me to believe that empowerment is beneficial. A number of writers cited Kanter (1979) as the source of information about the efficacy of employee empowerment. Kanter writing about positional power indicates, "Organizational power can grow, in part, by being shared. . . .By empowering others, a leader does not decrease his power; instead he may increase it--especially if the whole organization performs better." (Kanter, 1979, p. 73). Kanter then uses the logic that, "The productive capacity of nations, like organizations, grows if the skill base is upgraded. People with the tools, information and support to make more informed decisions and act more quickly can often accomplish more."

However Bowen and Lawler go beyond this and provide additional evidence, "considerable research on practices such as gain sharing, communication programs, work teams, job enrichment, skill-based pay, and so on has shown the results of these practices are consistent and positive." They go on to cite survey research conducted by, The Center for Effective Organizations at the University of Southern California...to determine the degree to which firms are adopting practices that redistribute power, information, knowledge, and rewards, and the effects. . . . The... data...suggest that empowerment may have a positive impact on a number of performance indicators. Respondents report that empowerment improves worker satisfaction and quality of work life. Quality, service, and productivity are reportedly improved as a result of employee involvement efforts in about two-thirds of the companies. Approximately one-half of the companies also report that profitability and

competitiveness have improved; this is supported by the finding of a relationship between empowerment and the firms' financial performance.

Bowen and Lawler (1992) indicate empowered employees provide, "quicker on-line response to customer needs during service delivery; quicker on-line responses to dissatisfied customers during service recovery; employees feel better about their jobs and themselves;.... employees will interact with customers with more warmth and enthusiasm when employees felt that management was looking after their needs, they took better care of the customer;. . . great word-of-mouth advertising and customer retention". Randolph (1995) indicates, "A more subtle, yet very powerful benefit" of employee empowerment was increased "trust in the organization". When employees trust that the company is not out to suck their blood and is providing a competitive produce or service they will respond positively, "people who have information about current performance levels will set challenging goals--and when they achieve those goals they will reset the goals at a higher level."

A number of authors also indicate that the increasing competitiveness of the global marketplace calls for better service and the benefit of drawing upon the entire pool of employees for creative ideas (Bowen & Lawler, 1992; Gandz, 1990). An example of this would be a consumer products company looking to expand into less developed countries using custodial staff who immigrated from those countries for marketing ideas and possible distribution contacts. One never knows if someone has an uncle or aunt in his or her home country who owns a chain of grocery stores, unless one asks. An empowered organization would think to ask, or would at least encourage the employees to make helpful suggestions.

1.2 METHODOLOGY

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. The method adopted in collecting the data selection of the sample analysis and interpretation.

OBJECTIVES

- To find out the significant relationship between employees empowerment and their innovation in the work.
- To find out the significant relationship between employees empowerment and organisational variables.

Primary data were used. Data pertaining to the areas identified in the study were collected by administering structured questionnaire to the respondents in the sample population. In order to register high response rate and to minimize errors the researcher has based on questionnaire.

The random sampling method has been used for collecting the required data. Sample size taken for the study is 400 employees selected from the Public sector Limited - Tamil Nadu.

1.3 REVIEW OF LITERATURE

In order to implement employee empowerment the employees must be competent. Competency goes beyond developing job-task specific knowledge. Bowen and Lawler (1995) cite the importance of "training in which employees are familiarized with how their jobs fit into upstream and downstream activities. "Employees must be properly trained. It does not make sense to empower employees to do things such as make decisions or approve or initiate action if they are not properly trained." (Gandz, 1990, Byham (1997) indicates that among the "Characteristics of an empowered organization" are, "Empowering leadership/training. Job and technical skills/training , Innovation , Interpersonal and problem-solving skills/training Front-line customer service skills/training.... Empowering support groups/training."

Gandz (1990) indicates, "Technical training, Innovation in the Job ,decision making skills, group process skills, all are required if empowerment is to be accepted and produce results."

Authors indicate the importance of training throughout the literature. Caudron (1995) indicates, "Once employees understand what needs to be done to improve the company, they must have all the skills and resources necessary to be able to accomplish those improvements." Kanter (1979) notes, "spreading power means educating people to this new definition of it." Ginnodo (1997) indicates, "Empowerment training is more than remedial; it prepares people for collaboration and higher level performance, and sends a message to employees: we're spending money on you because this is important to the organization's future." Ettorre (1997) defines empowerment, "as employees having autonomous decision-making capabilities and acting as partners in the business, all with an eye to the bottom-line implications." One must then ask, "Where do employees get those decision-making capabilities and information about bottom line implications?" The answer, of course, is through training.

1.4 EMPLACES EMPOWERMENT

Employee Empowerment is giving employees responsibility and authority to make decisions regarding all aspects of product development or customer service.

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.

Advantages of employee empowerment include:

- increased employee education and training; employees participate in creating their own goals;
- increased employee contribution; increased respect among employees secondary to teamwork;
- increased power equals lower absenteeism and better productivity; employees have more satisfying work;

- an increased depth of competence among employees secondary to cross-training;
- less conflict with administration and managers;
- fewer middle management positions means decreased cost to the company. Employees are more likely to agree with changes if they participate in decision making.

1.5 RESULTS AND DISCUSSION

Table 1.1
Employees opinion about Employees empowerment and Creativity in the work (Innovation)

Variable	Creativity in the work (Innovation)
Empowerment	0.821**

** Significant at 0.01 level

The above table shows correlation employees empowerment between Creativity in the work (Innovation). Result infers that employees empowerment is positively and significantly correlated with innovation (0.821).

Therefore the stated hypothesis that there is a positive and significant relationship with employees empowerment , creativity in the work is accepted

Table 1.2
Employees opinion about organizational climate and motivation

	Motivation
Organizational climate	0.756**

** Significant at 0.01 level

The above table shows correlation between organizational climate and motivation. Result shows that organizational climate is positively and significantly correlated with motivation (0.756).

Therefore the stated hypothesis that there is a positive and significant relationship with organizational climate and motivation is accepted.

Table 1.3
Employees opinion about organizational culture and motivation

	Motivation
Organizational culture	0.694**

** Significant at 0.01 level

1.6 CONCLUSION

The above table infers correlation between organizational culture and motivation. Result reveals that organizational culture is positively and significantly correlated with motivation (0.694). Therefore the stated hypothesis that there is a positive and significant relationship with organizational culture and motivation is accepted.

1. Employees empowerment is positively and significantly correlated with innovation (0.821).
2. Organizational climate is positively and significantly correlated with motivation (0.756).
3. Organizational culture is positively and significantly correlated with motivation (0.694).

1.7 REFERENCES

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