

## B. EMPOWERMENT

Empowerment can offer an approach to organisations that will enable them to succeed, **and** treat themselves, their staff and their customers well.

Empowerment offers a way of treating people with respect and honesty, which must be the signs of a civilised society. It offers *modus operandi* for organisations that want to be successful in the climate of constant change in which we now live. Empowerment offers a way to deal with the situations where we don't know the questions yet.

### *Definition*

Consider the following two explanations of what empowerment means in practice:

*“The purpose of empowerment is to free someone from rigorous control by instructions and orders and give them freedom to take responsibility for their own ideas and actions, to release hidden resources which would otherwise remain inaccessible.” (Jan Carlson)*

*“When managers are truly empowered, the burden of proof should be on head office to tell them why they can't, rather than on them to prove why they should.” (Valerie Stewart)*

Empowerment is the concept of giving people more responsibility about how they do their own jobs. It is about giving more involvement in decision-making and more encouragement to investigate their ideas fully. Empowerment is a process to increase efficiency and make greater use of each individual's contribution. It implies synergy; the whole can be greater than the sum of the parts.

Empowerment can be broken down into three distinct areas:

- Ownership
- Teams and leaders
- Structure and culture

We shall look at each of these in turn.

### *Ownership*

Empowerment is about **ownership**. It is a way of involving people in the operations of the organisation, so that they feel personal responsibility for their actions. If people feel that they **own** their actions or decisions, then they are likely to be better actions or decisions.

We can consider this in the context of the stakeholder model we have met before. First, though, we should look at the opposite model.

**(a) The Stockholder Model**

The traditional view of organisations is the stockholder model. The organisation is in existence to make profit for the shareholders (or stockholders).



*Figure 5.1: Stockholder Model*

If the objective of the organisation is solely to make a profit, then of course it can engage in ecologically unsound practices or, if the management believes that it will lead to profit, Theory X management practices. With this approach, no other factors need to be taken into account.

**(b) The Stakeholder Model**

The stakeholder model is a different approach, and one that seems much more pertinent to the new millennium. It is an approach that can take into account the external environment and interact with it. The model in its basic form looks like this:



*Figure 5.2: Stakeholder Model*

- **Employees**

The employees achieve reward and recognition, as both staff and management have an input in decision-making.

- **Community**

The organisation has a commitment to the local community in terms of job opportunities and disposable income. It may provide facilities for outside use (such as sports grounds). At the macro community level there is a responsibility to be environmentally aware. This may be in terms of avoiding pollution or in building aesthetically pleasing offices.

- **Customers**

The customers are looking for reliability and value for money. They are also concerned with the wider implications, as shown, for example, by a campaign to boycott the goods of a Swiss-based confectionery manufacturer which was pushing the use of powdered milk for babies in the Third World. The campaign was based on the idea that they were doing this to make a fat profit rather than acting in the interests of the mothers and babies.

- **Pensioners**

Those with an interest in the success of the organisation, such as pensioners and sub-contractors, are involved and kept informed.

- **Shareholders**

The organisation still needs to perpetuate itself and there needs to be a return on investment, but what is also important in the financial market place is confidence and positive image.

### ***Teams and Leaders***

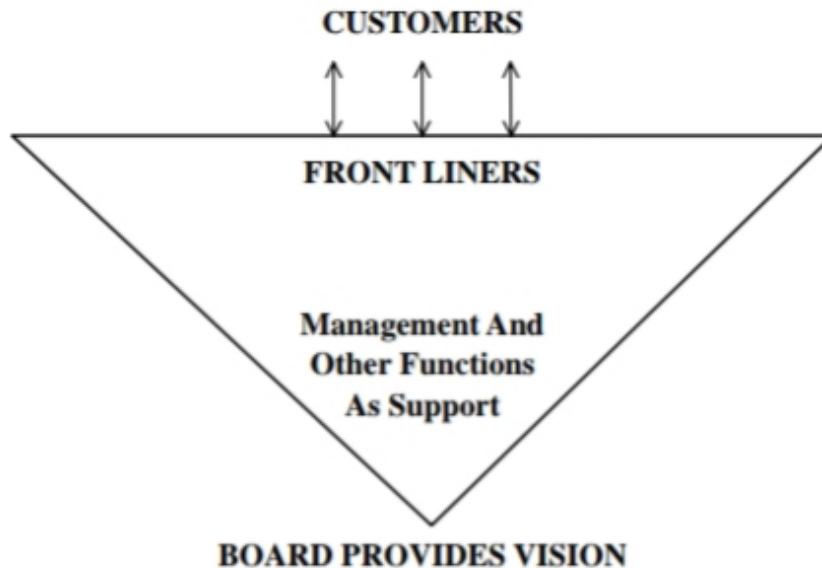
Successfully empowered organisations are based on teams that are working well and co-operatively. A lot of work on organisational change concentrates on teams because they are the building blocks of organisations.

Some of the activities that will be developed may include **multi-skilling** or, in other words, learning each other's jobs. The advantages will be in giving staff more skills, and providing the organisation with more flexibility. Staff can be moved around in times of crises to do other work. In Japanese companies, where lifetime employment has been guaranteed, staff are expected to do whatever the organisation requires them to do. By giving staff more skills, their ability to do their job and their satisfaction levels can both be raised.

A second important area for teams is encouraging them to contribute ideas on work methods. This process may be achieved through systems such as quality circles or regular, formalised meetings. The team may be encouraged to agree among its members how the work should best be organised and distributed to achieve the team targets and the organisational goals. Bonus or performance pay schemes may be introduced that reward the team rather than the individual.

The whole approach requires managers to **lead** their people and get the most out of them. Organisations need to operate as inverted pyramids (see Figure 5.3). The frontline workforce are the face of the organisation; they are the ones who interact with the customers. The role of management is to manage that process and ensure that it works successfully. In this model, the board is the fulcrum on which the organisation can change direction.

So, the managers are leaders, they constitute a resource and they need to lead in a way that will encourage empowerment. They will need to act in strong participation and involvement mode. The job of empowered managers is becoming harder. In the slimmer team, they will have to manage poor performers and either train them or move them out. There is no room for slack: the other members of the team deserve to be protected. Also, the leader will have to manage the appraisal process better. If staff are to be left to "get on with it", then the "it" needs to be very carefully agreed and worked out. How will the manager measure the performance and how often?



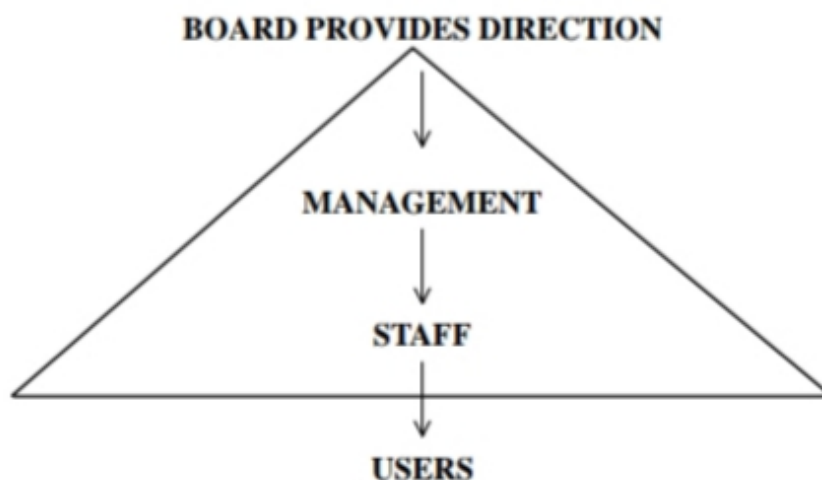
*Figure 5.3: Inverted Pyramid Model*

Some of the outcomes of empowerment for individuals and teams will be that jobs become more interesting as individuals have more responsibility and the ability to influence events. This will lead to increased motivation of the individual and improved morale for the team.

### ***Structure and Culture***

The organisation will need a culture that is open and responsive to change. The Japanese word “*Kaizen*” means continuous improvement. When you learn a new skill you make tremendous improvements in the early days but as you get more proficient the improvement gets smaller and smaller.

For culture change to happen, there has to be clear commitment from senior management and involvement and participation of all staff. Management will need to change from issuing directives and acting in the way of the traditional pyramid (Figure 5.4). The new way will be to provide the overall direction and vision, and then set targets, questions and challenges.



*Figure 5.4: Traditional Pyramid Model*

## ***Empowerment and Training***

A key change process in creating and maintaining an empowerment culture will be training and development. Training needs to be used with top management to help them work through and plan the changes required. Training can facilitate their “visioning”. Another key area is the training of middle management. There will be a lot of uncertainty and fear about whether they will still have jobs. Some managers will have to adopt a whole new way of managing their staff. Finally, the staff will need influencing and assertiveness skills. After years of being told what to do they will need help to change their approach. Assertiveness training is a good way to reach and change attitudes. Some degree of influencing or communication skills will be useful, too, so that the empowered staff can communicate with each other. One of the outcomes of empowerment is that there will be many staff on the same level, who will be required to interact with each other. Influencing and assertiveness skills can help to make these exchanges more successful.

## ***Evaluating Empowerment***

How will you know that the empowerment exercise has been worthwhile? Some of the obvious ways of checking the success of the programme will be by random interviews at different levels to see how jobs have changed. Do the job-holders have more responsibility? Are their departments being more successful? There may be statistical evidence to show increased performance, decreased costs and even decreased sick absence – an indicator of staff motivation.

Another well-used method would be the use of attitude surveys. These can be used before any changes and then subsequently. Information can be gained on general satisfaction or involvement in decision-making.