

## **Empowerment**

Today, more than 70 percent of organizations have adopted some kind of empowerment initiative for at least part of their workforce. To be successful in today's business environment, companies need the knowledge, ideas, energy, and creativity of every employee, from front line workers to the top level managers in the executive suite. The best companies accomplish this by empowering their employees to take initiative without prodding, to serve the collective interests of the company without being micro-managed, and to act like owners of the business. So what is empowerment and how can it be effectively implemented in work organizations?

Over the last two decades, two complementary perspectives on empowerment at work have emerged. The first focuses on the social structural conditions that enable empowerment in the workplace while the second focuses on the psychological experience of empowerment at work. Each perspective plays an important role in empowering employees and is described in the sections below.

### **Social-structural empowerment**

The roots of the social-structural perspective on empowerment stem from theories of social exchange and social power. The emphasis is on building more democratic organizations through the sharing of power between superiors and subordinates with the goal of cascading power to lower levels of the organizational hierarchy. In this perspective, power means having formal authority or control over organizational resources and the ability to make decisions relevant to a person's job or role. In short, social structural empowerment is about employee participation through increased delegation of responsibility down throughout the organizational chain of command.

The goals of the social-structural perspective focus on understanding how organizational, institutional, social, economic, political, and cultural forces can root out the conditions that foster powerlessness in the workplace. Practically, organizations can change organizational policies, processes, practices, and structures away from top-down control systems toward high involvement practices where power, knowledge, information and rewards are shared with employees in the lower reaches of the organizational hierarchy. For example, management can change their policy to allow employees to decide on their own how they will recover from a service problem and surprise-and-delight customers by exceeding their expectations rather than waiting for approval from a supervisor.

Specific practices that exemplify a high involvement system include the following:

- Shared decision-making. Employees and/or teams may have input into and influence over decisions ranging from high-level strategic decisions to routine day-to-day decisions about how to do their own jobs.
- Performance-based pay where employees share in the gains of the organization as well as are compensated for increases in their own skills and knowledge
- Open flow of information: This includes the downward flow of information (about strategic direction, competitive intelligence, and financial performance) and the upward flow of information (concerning employee attitudes and improvement ideas).
- Leadership development and training to enable them not only to do their own jobs better but also providing training in interpersonal/leadership skills and the economics of the business

However, while this perspective has garnered much attention by practitioners because it helps them see how the kinds of managerial actions that can facilitate empowerment at work, it is

limited because it provides an organizationally-centric perspective on empowerment. It does not address the nature of empowerment as experienced by employees. This is important because in some situations, power, knowledge, information and rewards had been shared with employees yet they still feel disempowered. And in other situations, individuals lacked all the objective features of an empowering work environment yet still felt and acted in empowered ways. This limitation helped to spur the emergence of the psychological perspective on empowerment which is described in the next section.

### **Psychological empowerment**

Psychological empowerment has its roots in early work on employee alienation and quality of work life. Rather than focusing on managerial practices that share power with employees at all levels, the psychological perspective is focused on how employees experience empowerment at work. This perspective refers to empowerment as the personal beliefs that employees have about their role in relation to the organization. When people are feel empowered at work, they experience four dimensions including:

- 1) **Meaning:** Meaning involves a fit between the needs of one's work role and one's beliefs, values and behaviors.
- 2) **Competence:** Competence refers to self-efficacy specific to one's work, or a belief in one's capability to perform work activities with skill.
- 3) **Self-determination:** Self-determination is a sense of choice in initiating and regulating one's actions. It reflects a sense of autonomy over the initiation and continuation of work behavior and processes (e.g., making decisions about work methods, pace, and effort).
- 4) **Impact:** Impact is the degree to which one can influence strategic, administrative, or operating outcomes at work.

Together, these four cognitions reflect an active, rather than passive, orientation to one's work role. In other words, the experience of empowerment is manifest in all four dimensions – if any one dimension is missing, then the experience of empowerment will be limited. For example, if people have discretion to make decisions (i.e., self-determination) but they don't care about the kinds of decisions they can make (i.e., they lack a sense of meaning), they will not feel empowered. Alternatively, if people believe they can make an impact but don't feel like they have the skills and abilities to do their job well (i.e., they lack a sense of competence), they will not feel empowered as well.

While the social-structural perspective is limited because it is organizationally-centric, the psychological perspective is also limited because it is individually-centric. A complete understanding of empowerment at work requires the integration of both perspectives. In the sections below, we describe the key research findings on the two empowerment perspectives.

## **Research on empowerment**

### *Social structural empowerment findings*

In terms of the social-structural approach on empowerment, much of the work has been conducted under the terms high involvement work practices and high performance work systems and has focused on organizational level outcomes. Programmatic research on high involvement work practices has been conducted by researchers at the Center for Effective Organizations at the University of Southern California. Their research has shown that high involvement practices which involve sharing power, information, knowledge, and rewards with employees at all levels has positive outcomes for organizations, particularly in terms of improvements to employee quality of work life, the quality of products and services, customer service, and productivity. Broader research in the area of high performance work systems (these include employee

involvement but also things like long-term job security, flexible scheduling, and multiskilling) shows similar findings but also document the higher labor costs that are incurred with these practices.

### *Psychological empowerment findings*

Unlike the social-structural perspective where there are many different instruments which have been used to measure empowerment, a single measure of psychological empowerment has predominately used in empirical research. Much of the work on the psychological experience of empowerment has been conducted at the individual level of analysis though more recent research has examined team level empowerment. In terms of the demographics of empowerment, employees with higher levels of education, more tenure, and greater rank report experiencing more feelings of empowerment.

Research suggests that when people experience empowerment at work, positive outcomes are likely to occur. When employees experience more empowerment, they report less job strain and more job satisfaction and organizational commitment. They are also less likely to leave the company. But empowerment does not only affect employee attitudes, it also affects their performance (i.e., managerial effectiveness and employee productivity/performance) and work behaviors (i.e., innovation, upward influence, and being inspirational to others).

Research on empowered teams also indicates positive outcomes. More empowered teams have better process improvement, higher quality products/services, and more customer satisfaction than less empowered teams. Empowered teams are also more proactive, less resistant to change, satisfied with their jobs, and committed to the team and the organization.

Recent research also suggests that empowerment is particularly important in certain kinds of contexts. Empowerment is found to be especially important in virtual settings where people

do not have face to face interactions and must work for independently. And empowerment has been found to be particularly important to preserve the hope and attachment of survivors during times of organizational downsizing.

*Findings linking the social-structural and psychological perspectives on empowerment*

Research has also examined the relationship between different elements of social-structural empowerment and the psychological experience of empowerment. In an array of studies, employees experience more psychological empowerment under the following conditions: wider spans of control between management and workers, more access to information about the mission and performance of the organization, rewards based on individual performance, role clarity, enriching job characteristics, and supportive organizational cultures where employees feel valued and affirmed. Strong work relationships also enable feelings of empowerment. Employees experience more empowerment when they have more sociopolitical support from subordinates, peers, superiors and even customers. Employees also experience more empowerment when their leaders are approachable and trustworthy.

While the above findings indicate that social-structural empowerment enables psychological empowerment, the converse is also true. Employees who experience empowerment at work seek out and shape their work contexts to further enable their empowerment. They act to create and sustain work environments that provide social-structural empowerment.

**Some key challenges in building empowerment at work**

Empowerment practices are implemented with the hopes of building employee commitment, overcoming worker dissatisfaction, and reducing absenteeism, turnover, poor

quality work, and sabotage. But all too often these implementation efforts fail to achieve their hoped for results. Why?

First, some managers confuse empowerment with a quick fix and give up before it has been successfully implemented. The transition from a more traditional command-and-control system to an empowered organization requires a culture change. It is not unusual for a culture change to take upwards of five year to stick. Culture changes take discipline, consistency, and patience. The long-term approach necessary for successful empowerment implementation efforts appear at odds with a business environment that requires quarterly results. This long-term approach is especially difficult as leadership transitions bring frequent changes to the vision for the organization.

Second, sometimes there confusion about what is meant by the term empowerment. For example, it is not uncommon for managers to tell employees that they are empowered but not explain what they mean by empowerment. An employee may make an assumption about what the manager means by empowerment – he or she responds enthusiastically by making a decision independently that they may have had to get approval for in the past. The manager responds negatively because he or she was just looking for employees to share more ideas with them, not actually make decisions on their own. The employee feels dejected and returns to his or her old ways of working. As such, a key issue is for managers to be clear and explicit about what they mean by empowerment.

Third, some mangers lack the courage to genuinely empower their people. These managers are afraid they will lose control if they genuinely empower employees. They worry about loose canons who are not aligned with the goals of the unit. They worry that employees will make mistakes. They assume that they alone are the source of the best ideas. These

concerns are especially strong for managers who have spent significant time in command and control bureaucracies. Starting with small initial steps at sharing power, setting clear limits for empowerment, and building trusting relationships have been found to be effective mechanisms for reducing these concerns.

And fourth, some empowerment efforts fail because employees resist efforts at empowerment. A very small percentage of employees value the simplicity of following directions and being told what to do. Some employees have been trained and conditioned to follow orders for much of their work lives. Taking initiative will feel counter-cultural to them, and it takes time for them to learn to be more proactive. To empower them, managers can set up small initiative steps to build comfort and confidence. Training and development program can also bolster their confidence to act in more empowered ways.

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### **Further Readings and References**

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