

## RELEASING THE POWER WITHIN

**At the end of the year 2000 and through 2001 Gross Domestic Product (GDP) of the major global economies of Europe, USA and Japan went into dramatic decline from which they have yet to fully recover. In Western Europe the impact has been for manufacturing companies to rethink their business strategies.**

To compensate some companies have released skilled employees as they attempt to down-size their businesses. But there are still problems for the companies that remain as they anticipate the long awaited recovery. There can be no doubt that these changes will impact on the structure and culture of every organisation. How then are we to improve productivity and compete in these increasingly competitive Global Markets? Automation and the improved use of management and information systems will play an important part, but how can we release the power within, namely that of our employees? New style organisations will have flatter management structures and increasingly seek to push responsibility down the line. In addition, it means fewer management jobs will be available in the future, and the broadening of job roles will need to be seen as an alternative to traditional forms of advancement within an organisation. We need not only to improve the skills levels, commitment and understanding of our employees, but also find ways of providing the leadership that will be necessary to develop the competitiveness of our organisations. One solution lies in the empowering our employees to achieve more.

## Improving Productivity

Empowerment can be seen as a process for improving productivity and increasing output by harnessing the entrepreneurial talents of the employees through higher levels of autonomy within the organisation. Clearly though, this process does not suit all types of employees or managers, who will have different psychological contracts with their organisation. A programme of empowerment that also provides a supportive framework has been shown to provide companies with innumerable advantages. In an article entitled 'The Empowerment Process: Integrating Theory and Practice', J. A. Conger identified a number of direct and indirect benefits from the process:

### Direct productivity measures

**Increased:** *Profits, Sales, units produced, new clients, productivity, market penetration, quality*  
**Reduced:** *accident rates, absenteeism, shrinkage, warranty costs, customer complaints, time to respond to customers, recall rate*

### Indirect productivity measures

**Increased:** *trust, teamwork, loyalty & commitment, creativity, job satisfaction, engagement*  
**Reduced:** *wasted time, carelessness, stress, conflict, fear & anger, ineffective meetings*

Conger also identified that empowering employees is particularly effective during times of transition and transformation, and a contented work force produces a strong commercial argument for company leaders. One factor that predominates however is the need for the leader to have a passionate belief, a clear mission, and the ability to generate the same enthusiasm in their team to achieve the desired goals.

## Abdication or Delegation?

For many companies, their products are the key element of their competitive strategy over their competitors. Over time however it often becomes more difficult to differentiate products on the basis of their performance alone. With the perception by customers of product equalisation in the market place, it may be service and information that become the main drivers of growth, and increasingly these

depend on people. Creating an empowered environment enables employees to achieve their own goals whilst directing their efforts to the success of the business. So what is empowerment? Empowerment is not simply a way of delegating tasks, but more a process of delegating authority. It involves the sharing by a manager of his workload with his subordinates. The way that power is shared, and the degree of authority given to the subordinate will vary according to the task, and to the ability of the individual. One subordinate may undertake a task and not be required to report back: for another it may be their responsibility only to collate information and report back without taking any action. The options open to the manager will be influenced by the calibre of employees, and the task. It also requires a superior kind of divisional management and lively contented employees, where people do matter and can make a difference.

From the employees side, it needs to be understood that change will increasingly become the norm, with the employee's taking more responsibility for their careers, and the employers in providing extensive training and hence the wherewithal to be self reliant. The argument is that this makes the employee's employability both inside and outside of the organisation much greater, increasing their work contribution and value to the organisation, but increasing also the organisation's awareness of this value.

Empowerment then is not the abdication by management of decision making, but of involving people in the leadership of the organisation, and giving them the requisite skills, support, encouragement and information to use this freedom and thereby to develop and achieve their own strategic aims. Further, it is a way of increasing one's own power by sharing it with others and in turn it involves them making a personal commitment to the team and to the Organisation in order to achieve greater goals. Unlike self-managing teams, it requires that clear management direction and guidance continue to be provided by the leader. In this context the actual leadership style is important. Generally, the employees in any organisation will have varying abilities, and levels of commitment. Some will be willing to make an almost total commitment to their work, others will have high levels of experience, ability and intelligence, and there will be some who are a mixture. The managers need to adopt a pluralist view of their employees, and make the best use of all of the available talent. Managers and employees often have unrealistic and dysfunctional expectations about the minimised role of authority when terms like participative management, or self-managing teams are used. This invariably ends in confusion, with both workers and management unclear of their respective roles in the decision making process. Strong leadership is essential in an empowered organisation, where self-managing teams and consensus management as exclusive styles are not appropriate.

### **Resolving the paradox**

Empowerment is a leadership style rather than a management technique, and as such must be lived by the leaders. The term empowerment may be relatively new, but the style is not. It is recognition of the way in which leaders relate to their employees as individuals, and use this as the basis of development and participation in achieving the goals of the group.

The empowering of employees will help management resolve the paradox of increasing output with fewer people, and it will provide those individuals who are empowered with more fulfilling roles, in which they can use their skills to the benefit of both parties.