

11 Reasons why employee empowerment matters and how to do it

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The hierarchical style where the boss held all decision-making powers is proving to be ineffective. It may have worked for many businesses in the past, however thinking has moved on. Empowering your employees has been shown to be beneficial to businesses in many ways.

What is employee empowerment?

Employee empowerment is a management philosophy that emphasizes the importance of allowing employees to make independent decisions and act on them. Employee empowerment is the direct opposite of micromanagement. It is defined as to give official authority to: delegate legal power to: commission or authorize (Grove, 1971)

According to Bowen and Lawler (1992), employee empowerment is sharing with front-line employees four organizational ingredients. These are:

- Information about the organization's performance
- Knowledge that enables employees to understand and contribute to organizational performance
- Rewards based on the organization's performance
- Power to make decisions that influence organizational direction and performance.

Why employee empowerment is important?

Organizations with strong empowerment models show that productivity and customer satisfaction improves as a result of an empowered culture. Listed below are a few reasons why employee empowerment matters:

1. Management Support

Top management needs to be committed to supporting an employee empowered culture. This includes developing an organizational definition of empowerment that may include well defined boundaries and management training on how to coach empowered employees. A technique you can use for building employee empowerment can include training first time supervisors on how to support and empower employees to respond to customers.

1. Front-Line decision making

Front-line workers deal with the day-to-day issues and know what customers want. Eliminate the “let me

ask my boss” barrier by handing over a level of the decision making power to front-line employees. A technique you can use for building employee empowerment can include something as simple as allowing an employee to make service recovery decisions.

1. Positive Reinforcement for Employees

We all make mistakes when we first begin making decisions so it is important to provide good coaching and positive reinforcement. We have all been there and can relate to an employee who hesitates to make a decision for the first time. As employees develop their decision making skills, coach with positive reinforcement as they manoeuvre the varying real life scenarios.

1. Focus On The Customer

A focus on this important group is what makes great organizations, as it is the customer that pays the bills. Employee empowerment should be centred on the needs of the customer. When employees are empowered to make decisions that help the customer, they are contributing to the strategy and business objectives of the organization.

1. Ongoing Training

A culture of empowerment requires ongoing training. Employees need to be trained to take on these new customer focused responsibilities. Empowered employees may be trained in the

areas of customer service, problem-solving, negotiation, and conflict resolution skills. The more tools you give employees the more confident they will be with making those off the cuff decisions that impact customers.

1. Employees Have Mentors

Employees should be assigned a mentor to ask questions or give direction. Mentors should be someone who has successfully done something that the employee is learning to do. A technique you can use for building employee empowerment can include assigning to an employee learning to perform service recovery, a mentor that has learnt critical thinking skills to assess different situations and come to reasonable conclusions.

1. Give Employees The Tools They Need

It is important to give employees the tools and equipment they need to do their job. Fix broken equipment as soon as possible and look for ways to improve what the employee has to work with. A commitment to assessing changing technology and equipment should be part of an organization’s strategy to support empowered employees.

1. Managers Trust Employees

Delegating decision making can be difficult, particularly for new managers. However, managers need to have trust and confidence that their employees will make the right decision. A manager that second-guesses an employee's decisions can impact an employee's confidence in their decision making ability. Even if they do miss the mark, take the opportunity to coach and mentor them on a more appropriate response.

1. Align Compensation With Customer Needs

It is important for employees to understand how what they do is tied to their compensation. Align performance expectations around customer requirements and use the performance appraisal process to tie it to employee compensation. This reinforces an employee's motivation to make the right decisions.

1. Boundaries Are Clearly Defined

Employees need to understand expectation and boundaries for decision making. They should understand what that means in terms of their authority in any given situation. For example, an employee may be given the authority and be empowered to correct a customer issue for a certain price range

1. Consider Personality type

There are employees who are good with people, and there are employees who are better behind the scenes. Use social style testing and make sure you have the right personalities doing the right jobs. Assess social styles to match natural employee strengths with job responsibilities. Then, put employees in roles that complement their strengths.

Reasons for employee empowerment

Employee empowerment varies based on an organization's culture and work design. However, empowerment is based on the concepts of job enlargement and job enrichment. Job enlargement differs from job enrichment in that job enlargement is horizontal expansion and job enrichment is considered vertical.

The techniques you can use for building employee empowerment include:

- Training in the skills necessary to carry out the additional responsibilities
- Access to information on which decisions can be made
- Initiative and confidence on the part of the employee to take on greater responsibility

Employee empowerment also means giving up some of the power traditionally held by management, which means managers also must take on new roles, knowledge, and responsibilities. It requires a significant investment of time and effort, especially from management, to develop mutual trust, assess and add to individuals' capabilities, and develop clear agreements about roles, responsibilities, risk taking, and boundaries.

Employee empowerment often also calls for restructuring the organization to reduce levels of the hierarchy or to provide a more customer- and process-focused organization. Employee empowerment is often viewed as an inverted triangle of organizational power. In the traditional view, management is at the top while customers are on the bottom; in an empowered environment, customers are at the top while management is in a support role at the bottom.

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