Research Paper | **Management**

Employee Empowerment and Competitive Advantage

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ABSTRACT As we move ahead in today's fast paced business environment, it is imperative for an organization to have a highly skilled, competent, satisfied work force. In order to obtain such employees, an organization must offer education programs, let employees be involved with decision-making and have adequate reward systems. This new type of management style is called Employee Empowerment. To achieve this new management technique, the organization, as a whole, must undergo an extensive transformation process. Empowering employees is a top-down change that must begin with management. If today's companies are to be competitive they must be more agile and inventive in their quest to lower costs and increase value to the customer. A key method companies are using to tackle these daunting tasks is unleashing their most powerful weapon, their employees. By empowering teams of employees, companies are using their greatest asset to its highest potential and, in return, are becoming more competitive in the emerging global economy. The purpose of this paper is to examine how managers can approach and implement a sound employee empowerment program, benefits of the programme and competitive advantage.

KEYWORDS:

Introduction

Employee empowerment is a relatively new topic in management, the emphasis on teams is by no means unique. Historical roots for this movement can be traced to the school of human relations in the early 1930s. As mentioned in the article "Beyond Teams and Empowerment: A Counterpoint to Two Common Precepts in TQM" by Karukonda, Watson, & Rajkamur, the authors made a key argument advanced by Mary Parker Follet that man can overcome his physical, biological and environmental limitations through a system of cooperation, rather than competition. Empowered teams involve a particular configuration of work structures, practices and processes. Companies organize workflow around key business processes and often create teams to carry out those processes. The emphasis of this system is on a horizontal organization with strong customer orientation. Therefore, its basic premise is to create "an internal environment that supports customer needs and expectations. Motivated, empowered employees are more productive. They are able to use their own innovation to streamline inefficient processes and policies, saving both you and your customers' money.

Employee Empowerment and Involvement

People talk about employee empowerment in many different ways, but the basic theme remains: give your employees the means for making important decisions, and making those decisions the right ones. The results, when this process is done right, are heightened productivity and a better quality of work life. Employee empowerment means different things in different organizations, based on culture and work design. However, empowerment is based on the concepts of job enlargement and job enrichment.

Job enlargement: Changing the scope of the job to include a greater portion of the horizontal process. **Example:** A bank teller not only handles deposits and disbursement, but also distributes traveler's checks and sells certificates of deposit.

Job enrichment: Increasing the depth of the job to include responsibilities that have traditionally been carried out at higher levels of the organization. **Example:** The teller also has the authority to help a client fill out a loan application, and to determine whether or not to approve the loan.

As these examples show, employee empowerment requires:

➢ 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 does not mean that management relinquishes all authority, totally delegates decision-making and allows operations to run without accountability. It requires a significant investment of time and effort to develop mutual trust, assess and add to individuals' capabilities and develop clear agreements about roles, responsibilities, risk taking and boundaries.

Training needs for empowerment

One of the fundamental requirements before embarking on forming self managing teams is training of all the employees in the team so that they are prepared for the empowerment. They should have wiliness to change. They should be able to manage a change. The team members should learn good qualities and they establish sound relationship with the other team members. This is more important for any teams. For the interest of the organization, all teams members should work single minded to discharge their duties. The training of teams should be done in such way that all the members should understand their responsibilities, adjust them with the other members, motivate the others and they should have a motivational attitude.

Empowerment in a crisis

When a product design is changed for improvement, this may be good for some customers but it may not satisfy all. When there was a complaint and need to be addressed by the service personal immediately in the interest of the organization and for future business. The person deputed to attend the complaint should be given empowerment to take spot decision wisely and rectify the same instead of referring it back to organization. In this case, an employee was given empowerment to make it quickly on the spot and rectify the same instead of referring it back to organization .The decision may take back the product for servicing at service centre or changing the parts for free of charge at the place of functioning or free replacement for the entire products. These types of decision should be at the interest to satisfy a customer or future business. The taken action should be for the interest of the organization, not for the individual. The decision taken by an individual was a decision taken by the organization. This empowerment will bring happiness to the advantages for implementing employee empowerment customers.

Advantages for implementing employee empowerment Gain Competitive Advantage

In a research journal published by Indiana University South Bend, Heloisa, Fragosa discusses employee empowerment dos and don'ts, but also documents how many of the world's well-known companies have incorporated employee empowerment programs. A short list of such corporations include: Sears, Roebuck and Co., Eastman Kodak, General Electric, Intel, Ford, Saturn, Harley-Davidson and Goodyear.

Having an employee empowerment program enables companies to

keep up with a competitor or gain a competitive advantage. A census of manufacturers conducted in 2000 by the magazine Industry Week along with the PricewaterhouseCoopers consulting firm, found that international manufacturers were twice as likely to have at least 50 percent of its workforce

Respond Quickly to Business Problems
A study by international management consultant, trainer and author Dr. Connie Sitterly found that employees who are empowered make decisions that save companies money, time and, in some cases, prevent potential disputes. Decentralizing the decision-making process can improve the performance of support and service departments by giving customers more confidence in the process of being helped, especially since the empowered employee does not have to check with her supervisor to make minor decisions.

Better Job Satisfaction, Retention and Motivation
CiteHr.com, a resource for human resource professionals, describes employee empowerment as one of the factors behind increased employee education and training; lower absenteeism, and less conflict with administration and managers related to change because employees are able to participate in decision making. The Society of Human Resource Management found in a 2007 study of employee empowerment trends that there is a link between engagement and organizational performance, saying that "employees with the highest levels of commitment perform 20 percent better and are 87 percent less likely to leave the organization."

Increased Productivity, Efficiency and Effectiveness
When managers are freed up to be coaches, mentors and advisers instead of management firemen who have to put out mini-situational fires, the company or organization benefits. "Teams Work," a case study about the success of workplace teams in Sparks, Nevada, showed how the use of teams increased annual productivity by 55 percent and reduced costs by 5 percent each year during the 1990s. "Introducing teaming was vital in the conversion of the plant from a pet-food processing facility to a cereal-making plant," the report said.

Reduce Costs
Sisterly also noted that empowered employees are able to improve service delivery within their sphere of operations, thus enabling cost savings. Empowering employees can also decrease the need for middle management positions, which conserves labor costs. Employees who take ownership of their work can also yield major savings in the form of workplace safety. A report by the Society of Human Resource Management cited a beverage company that found that engaged employees were "five times less likely than non-engaged employees to have a safety incident and seven times less likely to have a lost-time safety incident."

With the average cost of a safety incident for an engaged employee at $63, versus an average of $392 for a non-engaged employee, strengthening employee engagement saved the company $1.7 million in safety costs..

Conclusions
In this research paper, an employee empowerment was discussed in brief. Empowerment means engaging employees in the thinking processes of an organization. Involvement means having input. Empowerment means having input that is heard and seriously considered. Empowerment requires a change in an organization culture, but does not mean that top management abdicate their responsibility or authority. An employee empowerment is necessary for the effective functioning of the skill of employee. Each employee in a team should be given a chance to act mentally to achieve their goal or targets. In a TQM organization, a team work and an employee empowerment is essential for the effective utilization of resources, man power. This improves problem solving skill and makes an employee a good decision maker. The decision maker should bear in mind that decision arrived was of their own organization. Some researchers have examined the impact of team empowerment on creativity and innovation, while the other research discusses sometimes - hampering role of performance measures in team empowerments Empowerment practice is not a guessing game, but a science that managers must master and be able to integrate its requirements into their daily operations effectively. To unlock the limitless potentials of your employees or yourself, and to see how representing employees of your industry feel about empowerment,

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