

## Significance of Employee Empowerment and its Impact on Indian Companies



## Management

KEYWORDS :

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### ABSTRACT

*Employee empowerment is a philosophy associated with real benefits for an organization. Its underlying principle of giving employees the freedom, flexibility, and power to make decisions and solve problems leaves an employee feeling energized, capable, and determined to make the organization successful. Empowered employees feel a sense of increased responsibility, accountability, and ownership for their work, resulting in increased productivity. Empowering employees reduces organizational costs such as employee turnover costs, operational costs, and employee retention costs. All of these benefits enable organizations to achieve an extra edge in order to outperform their competitors and to gain market share.*

#### Introduction:

“An empowered organization is one in which individuals have the knowledge, skill, desire, and opportunity to personally succeed in a way that leads to collective organizational success.” --Stephen Covey. Employee empowerment is a strategy and philosophy that enables employees to make decisions about their jobs. Employee empowerment helps employees own their work and take responsibility for their results. Employee empowerment helps employees serve customers at the level of the organization where the customer interface exists. Empowerment is a desirable management and organizational style that enables employees to practice autonomy, control their own jobs, and use their skills and abilities to benefit both their organization and themselves

#### Employee empowerment Definition:

A management practice of sharing information, rewards, and power with employees so that they can take initiative and make decisions to solve problems and improve service and performance. Empowerment is based on the idea that giving employees skills, resources, authority, opportunity, motivation, as well holding them responsible and accountable for outcomes of their actions, will contribute to their competence and satisfaction..

#### Benefits of Employee Empowerment:

Employee empowerment has been defined in many ways but generally means the process of allowing employees to have input and control over their work, and the ability to openly share suggestions and ideas about their work and the organization as a whole. Empowered employees are committed, loyal and conscientious. They are eager to share ideas and can serve as strong ambassadors for their organizations

Empowered employees have an increased sense of ownership in their organization. Happier than employees in other companies, empowered personnel tend to be more proactive and willing to embrace change. A team full of workers feeling in control of their destinies is far more enthusiastic about their roles and passionate about achievement, which is all good for the company.

#### Improved Communication

Employees dislike feeling as though they're the last to know about important changes within their organizations. To combat this, managers must be willing and able to communicate within the bounds of appropriateness with staff, keeping them honestly informed about their jobs and environment. Management must also be receptive to employee input, giving them a sense of control over important financial and strategic decisions. Once this culture of communication successfully takes root, employees will feel more comfortable sharing their ideas with management, improving not only workplace morale, but work processes as well. In turn, employees become more receptive to positive coaching from managers.

#### Reduced Turnover

It's a fairly well understood maxim in the business world that people tend to leave their bosses, not their companies. Key reasons for this are micromanagers who focus on process over results. This trait possibly more than any other stifles empowerment. Employees should not feel handcuffed in their decisions or be afraid to make bold moves. The more employees feel their actions positively impact their organizations directly, the more connected these employees feel to their companies. This starts with management, serving as the face and voice of those organizations. The more freely a smart manager delegates important tasks and decisions to her staff, she can focus less on operations and more on strategy and business planning. In turn, employees feel they're steering the ship.

#### Happier Clients

The better employees do their jobs -- and certainly if those jobs are done with increased enthusiasm and attention to detail -- clients can only benefit. This is a key area where direct financial improvements are realized from empowering employees. Clients love communicating with friendly and attentive staff, regardless of the enterprise. Empowered personnel tend to take a more personal approach with clients, focusing on creative ways to solve problems that appear less tied to company policy. In turn, clients feel an increased level of personal concern, improving customer retention and loyalty.

#### Resilience

Every organization goes through large and small changes. The way employees respond to those changes is key to maintaining morale. By allowing employees to make important decisions that affect the company even in small ways, changes are less likely to be seen as uncaring edicts from above. Once the culture of loyalty and employee concern is established, even large changes are accepted and often embraced. Staff must feel management at all levels makes decisions with their concerns in mind.

#### Improved Productivity - Reduce Costs

John Zink of the PHCC Educational Foundation says that employees have great ideas about how to improve productivity and reduce costs, but companies need to know how to ask for these ideas and listen. “Sometimes it takes an employee stepping outside of their authority to show the benefits of employee empowerment an owner,” he says. Employees who feel confident that their input will be valued, listened to and acted upon will be more likely to share those ideas, benefiting employee and employer. Employees who perform their tasks on a daily basis have an intimate understanding of how their jobs are done. According to Chapter 18 of “The Reinventor’s Fieldbook” titled “Employee Empowerment,” by empowering employees to determine their own work methods, companies can benefit from the years of experience each employee has. By allowing employees to suggest and make procedural changes that make their jobs more efficient, companies benefit by saving money.

### Morale

Employees who are empowered in their jobs feel a stronger sense of responsibility concerning productivity. Putting employees in charge of their own results has a positive effect on morale. Empowered employees know that their ideas matter to the success of the company, so they tend to take a greater interest in creating a more efficient and profitable company. Higher morale means that employees take less scheduled time off and productivity increases. This all has a positive effect on the company bottom line.

### Improves Management-Employee Relationship

Employee empowerment can help strengthen the relationships between managers and employees, according to the article titled "Employee Empowerment: Management Giving Power to the People" published on the Thinking Managers website. Managers are seen as coaches and professionals with a direct interest in the success of their employees as opposed to those that dictate policy and give commands. Managers learn to rely on empowered employees, and employees learn to use their managers as resources for getting jobs done.

### Direct Accountability

Empowering employees to make their own decisions means that employees have direct accountability for their jobs. This is advantageous for companies, because instead of harnessing managers with the responsibility for all decisions, employees pick up some of the decision-making slack. Thus, it is easier to pinpoint the exact sources of issues. Companies can offer specific employees training and any other information needed to correct errors as opposed to spending time and money training entire departments.

### Better Customer Service

Simon Sinek, a blogger who writes "The Empowered Employee", says that empowered employees provide exceptional service and he's experienced this first-hand. "Empowered employees have the power to make decisions without a supervisor. They are entitled to go off script, bend the rules, do what they see fit if they believe it is the right thing to do for the customer. More than any other kind of employee, the empowered employee is able to create a feeling of true customer service that ultimately yields much greater customer loyalty," he says. Companies that give employees the freedom to make decisions on the spur of the moment, that may even sometimes fly in the face of established rules and protocol, often find that service to internal and external customers is improved. In addition, empowered employees take pride and ownership in their jobs when they know that they can exercise independent judgment when necessary.

### Embracing Change

Empowered employees feel free to challenge the status quo, which is critical for companies in today's fast-changing, technology-driven environment, says Lin Gensing-Pophal, author of "Human Resource Essentials". Employees and the companies they work for can become too complacent, doing things the way they've always done them. Unless employees feel comfortable questioning the status quo, those companies are likely to stagnate as competitors move swiftly past them. Establishing an environment when employees feel free to question, challenge and offer new ideas can help to avoid this problem and benefit employees and employers in the process, says Gensing-Pophal.

### Employee Empowerment in Indian companies:

Anand Selvakesari, head of consumer banking, Asean & India at Citi, who believes in taking calculated risks on his people by stretching them to deliver more through extended roles and responsibilities. For instance, he creates ample opportunity to expose high performers to cross-functional and or cross-geographical markets, either as a participant or as a project leader. He

also uses his network frequently to ensure that high potentials have the opportunity to meet senior global managers to further enrich these cross-market experiences. "Through these exposures, individuals invest in building their own global networks that are driven by common interests, which provide for free exchange of ideas across specialisations and allow them to further their career," says Selvakesari.

CV Raman, executive director, engineering at Maruti Suzuki: "We expose them to working on new products, and at times teaming up with Suzuki engineers in Japan. Each project could last up to three years. We throw extreme challenges, such as improve the performance, reduce cost or reduce the weight of parts... Opportunities are provided to present design innovations at international forums, visit global auto shows and technology centres to expand their horizons. Some of them also work on advanced engineering projects."

"We foster a culture, which empowers the employee and impacts the 'value zone'. The HCL culture allows employees to become independent while delivering the outcome. Hence, we see that high performers who demonstrate a mindset and behaviour to excel are more committed and engaged," says Sandeep Kishore, corporate VP, global head of sales & practice, engineering and R&D services, HCL Technologies. HCL follows an inverted pyramid approach i.e. most initiatives are grounds up, rather than top down mandates.

Pavan Bagai, president and chief operating officer, EXL, adds: "We give them challenging situations to work on. The more autonomy they get, more they are likely to deliver above and beyond their work responsibilities.

George Angelo, executive director, sales, Dabur India, says: "We try to give them high visibility projects with exposure to the highest levels of management in the organisation. In fact, when it comes to some, the biggest initiatives that have been rolled out in sales at Dabur, we have had significant contributions from some of these individuals."

### Conclusion:

Many businesses that are looking to improve employee productivity and their overall performance believe that empowering employees will help them achieve this organizational goal. Employee empowerment has a positive impact on an organization's quality of work, employee satisfaction, collaboration, productivity, and costs. Organizations that provide employees with the freedom and flexibility to make a difference often see higher quality work from employees. Employees in an organization that focuses on empowerment rate their satisfaction levels as high compared to employees in organizations with a culture that prohibits employee empowerment. As employees are empowered and treated as vital components of the organization, they gain self-confidence and collaborate with others in order to achieve more than one person could by working independently. Empowered employees feel a sense of increased responsibility, accountability, and ownership for their work, resulting in increased productivity. Empowering employees reduces organizational costs such as employee turnover costs, operational costs, and employee retention costs. All of these benefits enable organizations to achieve an extra edge in order to outperform their competitors and to gain market share.

Thus we can conclude that Employee empowerment is a philosophy associated with real benefits for an organization. Its underlying principle of giving employees the freedom, flexibility, and power to make decisions and solve problems leaves an employee feeling energized, capable, and determined to make the organization successful. As a result of these management practices, quality of work increases, employee satisfaction increases,

collaboration increases, employee productivity rises, and organizational costs decrease. All of these benefits enable an organization to achieve a competitive advantage and to bolster its bottom line

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