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    STATEMENT OF THE PROBLEM

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    HYPOTHESES

    RESEARCH METHODOLOGY

    RESULTS & DISCUSSION

    FINDINGS

    RECOMMENDATIONS/SUGGESTIONS

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CONTRIBUTIONS TO BOOKS
*   Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

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*   Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

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PROS AND CONS OF IMPLEMENTING EMPLOYEE EMPOWERMENT IN SERVICE SECTOR- A META ANALYSIS OF RESEARCH LITERATURE

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ABSTRACT

In this competitive and turbulent milieu, an organization's only true sustainable competitive advantage is its employees. The success of any organization especially organizations in tertiary sector largely depends on its empowered workforce. Empowerment is the ability to take decision regarding one's own job and have authority over the resources of the organization. Though the idea of empowerment has been there since 1950s following the work of social scientists like Likert and Herzberg, the term got currency in business organizations only from 1970s. Today majority of the organizations have adopted some kind of employee empowerment initiatives to enhance employees' commitment, to increase the organizational effectiveness and to increase the quality of their products and services. In service sector, employees who have contact with customers play a crucial role in attaining the goals of the organization. They are the link between the customers and the organization. Hence the chances of enhancing their effectiveness through empowerment need to be thoroughly explored. While a lot of researches have been done on the subject of empowerment of employees in the manufacturing industries, no much research has been done in the area of services. This paper is an attempt to explore the implications of implementing employee empowerment in service sector by analyzing the available research literature. Authors give an overview of the empowerment concept in the context of service sector organisations, highlighting the hurdles, an implementation process, and achievable benefits with the support of research literature. It also covers various empowerment initiatives in various service sector organisations.

KEYWORDS
Employee Empowerment, Employees, Implementation, Service Sector.

INTRODUCTION

The increasingly competitive global economy and changing technology requires organizations to learn and adapt to changes quickly in order to increase the organizational effectiveness. And here the major role is played by the 'employees' who are the organization's only true sustainable competitive advantage. This is particularly true in service organizations were the employees have direct contact with customers. Empowerment has been accepted as an important organisational factor in satisfying the psychological needs of the employees in work place and improving organisational and personal effectiveness and thereby achieving organisational goals. Kotter (1995) avowed that a major step in transforming an organization is to empower its employees to act on the organizational vision. Empowered employees can deal successfully with market turbulence and unforeseen demands of the future (Lorsch, 1995).

Employee empowerment is a management technique which can be applied universally across all organizations as a means of dealing with the needs of modern global business in all industrial sectors (Barry, 1993: Johnson, 1993; Foy, 1994). In recent years, empowerment has been recognized as an important feature of successful management (e.g., Batten, 1995). According to Byham (1992), empowerment is a feeling of job ownership and commitment brought about through the ability to make decisions, be responsible, be measured by results, and be recognized as a thoughtful, contributing human being rather than a pair of hands doing what others say. In the service industry, empowerment is particularly important as only the empowered employees can respond quickly to customer service requirements. An empowered and proactive workforce is essential for an organization to be faster in innovation and change, to be more efficient and profitable and to provide better service (Bowen & Lawler, 1992; Fulford & Enz, 1995). Pfeffer (1994) notes that achieving competitive success through people means working with them, not limiting the scope of their activities.

DIMENSIONS OF EMPOWERMENT

The concept of empowerment is derived from theories of participative management and employee involvement (Spreitzer et al, 1997). The literature on employee empowerment reveals two different perspectives. One is macro in orientation and the other is micro in orientation. The former is called the relational approach or social structural approach to empowerment and the latter the motivational or psychological approach to empowerment (Conger& Kanungo, 1988). The relational approach emphasize the idea of sharing power between managers and subordinates with the aim of pouring relevant decision-making power to lower levels of the organizational hierarchy (Liden & Arad, 1996) where as psychological approach focuses on how the individual perceives about their role in the organization. Some researchers have viewed empowerment from a multidimensional perspective also.

SOCIAL STRUCTURAL PERSPECTIVE OF EMPOWEMRNT

In the structural view, the underlying principle is that employees will behave in an empowered way by making necessary changes at structural level. Here the relationship between the manager and subordinate is examined in terms of the distribution of power. Kanter's (1977) Men and Women Corporation was a classic study in the development of social-structural theory of empowerment. In this perspective empowerment is defined as having power in the organization (Burke, 1986). Power means ability to take decision regarding one's own job and to have authority over the resources of the organization. (Lawler, 1986) It is about sharing of power through delegation of responsibility (Conger and Kanungo, 1988). Thus, relational approach gives the employees more freedom for performing their job.

Bowen and Lawler (1995) have framed a well-known social-structural model of empowerment. They defined empowerment as sharing various organizational factors like information, power, reward and knowledge, with employees in the lower level of the organizational hierarchy. This can be implemented in three levels---first level relates allowing the employees to suggest, second level relates to job involvement by reducing intensive supervision and the third level relates to high involvement which include direct participation of employees.

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The social-structural perspective emphasizes the importance of changing organizational policies, practices and structures (Bowen et al., 1995). This perspective focuses on how organizational and other forces can eradicate the conditions that foster powerlessness in workplace by sharing of power between superiors and subordinates (Liden and Arad, 1996). But this perspective does not view empowerment from the employee's point of view.

PSYCHOLOGICAL PERSPECTIVE OF EMPOWERMENT

The psychological perspective focuses on perceptual or psychological dimensions of empowerment (Liden et al, 2000). It lays emphasis on employee's perception and experience on empowerment. The work of Conger & Kanungo (1988), Thomas and Velthouse (1990) have contributed towards clarification of the psychological approach to empowerment. Psychological empowerment is a reflection of the employee's perceptions and attitudes about their work environment. In this approach, the emphasis is upon perceptions and beliefs of power, competence, control and self-efficacy (Psoinos and Smithson, 2002).

Conger and Kanungo (1988) defined empowerment as 'a process of enhancing the feelings of self-efficacy among organizational members through the identification of conditions that foster powerlessness and through their removal by both formal organizational practices and informal techniques of providing efficacy information'. They identified five stages while explaining the process of empowerment: a) Conditions leading to a psychological state of powerlessness which include organizational factors, reward system, supervision and nature of job, b) The use of managerial strategies and techniques like participative management, job enrichment, feedback system, goal setting, competence based reward, modeling, c) To provide self-efficacy information to subordinates using four sources like enactive attainment, vicarious persuasion, vicarious experience and emotional arousal till they overcome the state of powerlessness, d) Results of empowering experience of subordinates where the sub-ordinates are empowered, e) Leading to behavioural effects which result in accomplishment of task.

Thomas and Velthouse (1990) argued that the concept of empowerment is much more complex and could not be fully explained in a one dimensional construct such as self-efficacy. They defined empowerment as a set of cognitions that helps to create an active-orientation to one's job. The four psychological cognitions of Thomas and Velthouse's (1990) model are impact, competence, meaningfulness and choice. Thomas and Velthouse (1990) considered that six key variables influence these cognitions. They included environmental events, task assessments, global assessments, interpretative styles, behaviours and interventions.

Using the Thomas and Velthouse model as foundation, Spreitzer (1995) operationalised it by developing a scale to measure the four components of empowerment. Spreitzer renamed "meaningfulness" cognition to 'meaning' which meant , a fit between the needs of a person's work role and his or her beliefs, attitudes, and "choice" cognition was renamed as 'self-determination' which meant, autonomy in performing one's job. Spreitzer (1997) distilled the interdisciplinary literature on empowerment, drawing various aspects from psychology, sociology, social work and education. Menon (1999) has also put forward an entirely new set of dimensions. He defined the psychologically empowered state as a cognitive state characterized by a sense of perceived control, perception of competence and internalization of goals.

EMPLOYEE EMPOWERMENT IN SERVICE SECTOR

World Bank (2003) data indicated that more than half of the working population in both the high income nations and low income nations has been engaged in the service sector at the beginning of the 21st century. Today's economy is getting more service oriented and we live in a service society. The service sector has experienced not only a great development but also greater competition. The customers have a wider range of services to choose. Employees in a service organisation, who have frequent contacts with the customers, are the representatives of both the organization and their products or services. The organization is evaluated on the quality of the service and the satisfaction the customer may derive. These employees can portray a positive or negative picture to the customers. Due to the role played by employees in service organization, empowerment of employees is particularly important in service organizations.

Bowen and Schneider (1985) argue that in service industry the employer-employee relationship should be altered to reflect the impact of the relationship between service workers and customers. The underlying theme in this suggestion is that an empowered workforce can provide high quality customer service which can be a competitive advantage enabling the organisation to differentiate itself from other organisations (Corsun and Enz, 1999).

According to Thomas and Velthouse (1990), service employees will experience psychological empowerment with respect to meaning, choice, competence and impact. From the perspective of service quality, meaning refers to employee's perception of their job as meaningful and the belief that the job they do is important to their customers. Choice implies that the employees are free to take action independently to improve the quality and converse when they have a different view or thought and that they are involved in decisions affecting the way they deliver service. Competence is a belief that a person is capable of performing something. In the context of service quality, impact is the quality of service provided to customers.

Hierarchical and centralized structure is followed in most of the service sector organizations, which should be changed and some of the decision making power should be capitulated to subordinates (Brymer 1991). The success of service organization depends on the initiative, dedication, social skills and hard work of its employees (Anastassova & Purcell, 1995). Fulford and Enz (1995) state that employees who have more contact with customers will have greater feeling of empowerment than employees in manufacturing organizations. They studied empowerment with respect to service sector organizations and proposed that service employees' perception of empowerment will affect their performance and delivery of service. Lashley (1995) also concentrated on studies of empowerment at organizational level in service sector. He states that empowerment enhances employees' sense of personal power and allows them to delight their customers. Service Organizations today recognize that they can differentiate themselves from their rivals with respect to service quality and improved customer satisfaction (Zeithaml et al, 1996).

The empowerment can result in employee commitment, quality, responsiveness, synergy, products and services, efficiency, management leverage, and increased competitiveness in the global market. Attaining competitive edge by improving service quality is linked with employee empowerment (Lashley, 1999). Chen (1998) opines that service operations are characterized by intensive interactions between customers and service providers; customer satisfaction is thus closely associated with service performance and various service encounters throughout the system. According to Looy et al (2003), empowered employees in service sector can easily handle complaints and other unpredictable situations. There are basically two approaches that a company can choose to adopt, the production line approach with little discretion given to the employees or the empowerment approach with more freedom and autonomy given to employee.

Several scholars also reported that empowered teams have higher levels of customer service and job satisfaction (Spreitzer, Kizilos, & Nason, 1997). Literature also reveals that empowered employees in service sector can provide better customer services and put in innovative ideas as they know customers and are physically close to them.

EMPOWERMENT INITIATIVES BY ORGANISATIONS

Empowerment means different things to different managers. Therefore each initiative is being designed to meet a set of organizational needs as perceived by managers. For example: In Accor group of hotels, empowerment has been used to describe the use of quality circles ; in McDonald's Restaurants, suggestion schemes; "Whatever it Takes" employee training programmes in Scott's Hotels; employee involvement in devising departmental service standards in Hilton International Hotels; autonomous work groups and removal of levels of management in Harvester Restaurants ; and the delegation of greater authority to service managers in British Telecom (as cited by Lashley,1999).

Länsförsäkringar Bank practices employee empowerment through the actions and practices of human resource management and top management. The organizational structure is also such that it empowers the employees in services delivery. There is also free flow of information all around the bank which empowers the employees in providing services to customers.

In Swedish bank, flexible working practices were introduced with increase in communications and employee involvement initiatives like team briefing. Suggestion schemes, team working scheme and job enrichment schemes were also introduced. Line managers were encouraged to involve their teams in problem solving. British bank also implemented team briefing, a large scale TQM programme and a works council, known as the "Staff Council" .The bank also introduced direct communication with staff, profit sharing and suggestion schemes (Holden, 1999).

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In Toyota employees are empowered to give different ideas and suggestions to improve the production. The organisation accepts all the suggestions and makes necessary improvements   and incremental innovations to each of the Toyota car models. Empowerment is being introduced in different ways in different service organisations depending on the variations in perception of empowerment by the management.

IMPLICATION OF EMPLOYEE EMPOWERMENT IN SERVICE ORGANISATIONS

Various service management literatures reveal that the benefits of empowerment are not only for the customers but also for employees in the form of employee satisfaction. Empowerment policy provides the frontline staff more autonomy thus reducing stress of the employees and enabling them to be more innovative (Bowen & Lawler, 1992). It also enables frontline employees to provide tailored services to meet special requirement of the customers. Empowerment not only provides customer satisfaction through better quality service but also increase job satisfaction, educes morale and role ambiguity.

Empowered employees will be willing to take responsibility for the service encounter and will respond more quickly to customer needs, complaints and changes in customer tastes and preferences (Barbee and Bott, 1991). Cook (1994) reported that empowerment leads to satisfaction and lower labour turnover. Employees will be more proactive and self-sufficient in assisting an organization to achieve its goals when they are empowered (Herrenkohl et al,1999) According to Lashley, empowerment benefits includes: More responsive service, Complaints dealt with quickly, Greater customer satisfaction, More repeat business, Well-motivated staff, , Increased productivity, High quality and profit, Improved labour stability and Lower labour costs.

Grönroos (2001) states that empowerment leads to following the benefits in service sector: quicker and more direct response to customer needs, increase customer retention, employees become more satisfied and enthusiastic with their jobs and provide new ideas. When the employees are empowered they have more freedom in performing their task and they can serve customers in a better way, leading to customer satisfaction. They will be motivated, more creative, have a positive attitude and willing to take up more responsibility. Empowerment is a means of providing service employees with enough autonomy to allow them handle unforeseen situations such as complaints (Looy et al, 2003).

It may be clear from the studies cited above that the following implications are resulted when empowerment is implemented in service sector organizations.

- Complaints can be dealt with quickly: Employees are able to help the customers even at unusual circumstances without the superior's intervention.
- Greater customer satisfaction: Employees will treat customers more enthusiastically and promptly which will lead to customer satisfaction.
- Empowered employees enable to retain customers: As a result of serving customers in a quick, skillful and service-oriented manner, they tend to stay with the same service provider.
- Employees are more satisfied with their jobs: The employees feel motivated and feeling of job ownership leads to less job absenteeism and reduced employee turnover.
- Empowered employees can generate new ideas: As a result of direct customer contacts they have insights into customer problems which they can share with management to facilitate improvements.
- Empowered employees are committed: Employees' level of organizational commitment increase and they become more committed towards their work.
- Display better work performance: Employees when empowered display better performance than those employees with lower level of empowerment.
- Improved labour stability and morale: Empowerment imparts trust and confidence which leads to reduced labour turnover.

IMPLEMENTATION OF EMPOWERMENT IN SERVICE SECTOR

A comprehensive understanding of the essence of empowerment is crucial to facilitate its effective implementation. There are several factors that facilitate empowerment of employees in organizations. Researchers like Conger and Kanungo (1980) and Lawler(1995) identified different set of conditions that can facilitate empowerment in organizations .They include good reward system, clarity in job design, training to employees, good supervisory style, access to information, proper communication, autonomy, access to resources, opportunity for self- development and so on.

Service organizations, unlike the manufacturing organisations have different approaches and techniques which is more personal in nature. Hence a deeper look into the implementation of empowerment of service sector employees, who should be capable of handling the customers, is essential. Bowen and Lawler (1992) have put forward a contingency framework for empowering employees in service organizations. According to them there are five contingencies of empowerment, namely types of employees, business strategy, tie to the customer, business environment and technology. They state that it is essential to make necessary changes in the policies, practices and structure to implement empowerment in the organization.

Lashley (1999) insisted that the implementation of empowerment practices will be more difficult in service organization because of the intangibility of services. He states that empowerment can be done through participation, involvement, commitment and delayering. The organisation must reward the employees for their contribution (Lawler1986). Organizational culture provides an environment and framework to determine when, where, and how to implement employee empowerment (Foster-Fishman and Keys, 1997). So, the organisation should provide a favourable organizational culture before implementation of employee empowerment.

As explained by Grönroos (2001), for an effective implementation of empowerment, the employees need the support of management, systems, technology, and information. Employees should be informed about customer needs, service concept and the process of delivery. Teaming can also be a vehicle for empowerment. Teams can be looked upon as focusing employees' attention beyond narrow duties to the broader role of meeting external needs such as needs of the customer (Amason, Thompson, Hochwarter& Harrison, 1995). Lin (2002) put forward a comprehensive approach to implement empowerment in organisation. According to him, empowerment should be an ongoing process determined by factors such as organizational culture and management practices that can enhance employees' self-efficacy. Empowerment should be a continuous and combined interaction of leaders, employees, organizational culture and management practices.

From various studies we can understand   that empowerment can be built only on plausible and reliable management. The need of empowerment is to be communicated to the employees, as the need differs from organization to organization. The structure of the organization should be made more flexible for an easier implementation of empowerment. The organizational culture should be more adaptable and the employees should be included in the implementation process which makes them more responsible. Training is an essential tool to equip the employees to handle the sudden requirement of customers. Eventually the rewarding of employees should also be inculcated to the empowerment process. There is no a standardized empowerment program that can be used for a particular type of organization and the requirement for each organization varies from each other. So a detailed analysis of the organization and its requirement is to be done before implementing the managerial tool, empowerment.

ISSUES IN IMPLEMENTATION

Argyris (1998) maintains that empowerment is superficial and that the control of activities is always with the management. Many of the critics argue that empowerment is a trick used by the management to make employees work hard without much hike in their pay.

One of the reasons for the failure of empowerment efforts may be because of lack of, supportive work environment. Many organization have downsized middle managers and have given the responsibilities to the existing front line employees. But these redesigned jobs have failed to produce feeling of being empowered which resulted in creating job stress, burnout and helplessness (Corsun and Enz, 1999).

There can be mistakes in the way empowerment is implemented. As the exact meaning of empowerment is not clear, the managers may not know how to implement empowerment. Empowerment represents a kind of moral hazard for managers (Pfeffer, 1994). Managers fail to establish boundaries for employee empowerment. Empowerment depends on the capability of the manager to adjust with the potential loss of control inherent in sharing power so that the employees can be empowered for higher levels of motivation and productivity (Mills and Ungson, 2003).

From various studies across different disciplines, Bartunek and Spreitzer (2006) found that , empowerment in organizations has focused more attention on issues of fostering productivity and less on enabling human or societal welfare. Some organisations even consider empowerment, just as delegation. Some

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organizations implement empowerment with out providing adequate information and training to the employees. A common reason for the failure of many empowerment initiatives is that they address how people should perform or behave differently, but fail to address the attitudes, values and ideals that support the present behaviour. As a result, changes in performance and behaviours become difficult to persist..

CONCLUSION

A Meta analysis of the literature on empowerment reveals a positive effect of employee empowerment on organizational effectiveness. Empowerment also motivates the employees to greater services and creates a greater sense of accomplishment or satisfaction in their jobs, if implemented properly. It is an effective tool to attain the goals of the organization. Hart and Schlesinger (1991) said that successful empowerment calls for a cultural shift within an organization in terms of a change in values, in the way people work together, and in the way people feel about participation and involvement. Different organizations take different empowerment initiatives. Eventually the success of the empowerment initiative which claims to empower the employees will be evaluated by the extent to which it enables the empowered to feel personally effective and what is the outcome of such initiatives.

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