

Role of Empowerment in Uplifting an Organization's Excellence in Less Developed Countries (LDC)

Shazia Nauman
shaznaum@yahoo.com

Maliha Elahi
malihaelahi@yahoo.com

Suhail Iqbal, PE, PMP, MCT
suhail@syscompk.com

Abstract- This paper offers insight into the role of empowerment in LDC's in managing organizations and in helping them to achieve success and growth in the current challenging business environment. The paper analyzes the relationship between Empowerment, Leadership and Continuous Quality Improvement (CQI) for enhancing business performance especially in the telecom industry of Pakistan. In this research paper, we propose two models for empowerment. First model focuses on the empowerment process and the second model illustrates a method for empowering employees leading towards CQI.

1. INTRODUCTION

Empowerment is the process of releasing the full potential of employees to take on greater responsibility and authority in the decision making process and providing the resources for this process to occur [1]. Empowerment is not a new idea; the term has gained its place from 1970s onwards.

The literature reviewed suggests that empowerment and leadership are essential for achievement of maximum organizational potential. Participative management has become a key word for empowerment. Research has shown that there is a positive link between participation and satisfaction, motivation and performance [2]. Empowerment works the best when employees need their organization as much as the organization needs them, "and the need is much more than a paycheck and the benefit package" [3].

Empowerment is a key issue stressed by leading social psychologist Abraham Maslow who used the term "I am part of a group" as the basis of his hierarchy of needs that contributes towards one's growth by driving one to become what one is capable of becoming. This self-actualization need is the essence of empowerment. In 1978, McKinsey showed "SHARED VALUES" at the heart of his grid in his 7S model and the Theory Y of Douglas McGregor, leaving least interference or role for management to involve workers, rests the responsibility of participation and performance totally on the worker.

11. HYPOTHESIS

The research is based on the hypothesis that Empowerment that is staggered over stages and layers of management under a well thought out plan contributes positively towards the success of an organization.

111. RESEARCH METHODOLOGY

We propose two models for empowerment. The Empowerment Process Model suggests the appropriate leadership model for empowerment in an organization. The Empowering Employees Model proposes a method for empowering employees leading towards CQI.

Based upon the Empowering Employees Model, an empowerment Audit was developed to take into account various aspects of belief systems, i.e. cultural values and boundary systems that define clearly an organization's limits. Empowerment Audit is used to serve as a tool to determine the present level of empowerment. The Audit comprised of a questionnaire focused on key success factors associated with empowerment. These factors include management style, decision making, brainstorming to improve customer service, processes that impede organizational ability to generate more revenue and profit contribution, and innovation for organization's excellence.

We also developed a leadership assessment questionnaire founded on the Empowerment Process Model to see the role of leadership in the empowerment process. Through the Leadership Assessment questionnaire, the appropriate leadership model that could serve as an ideal for supporting empowerment practices in Pakistan's telecom sector was developed. It assessed leadership in the context of empowering employees in organizations. The questionnaire investigated how leaders use motivation, communication, teamwork, mission and vision, and change management as a tool for empowerment, which is instrumental for personal and professional development of employees.

SWOT analysis and Managerial Grid were used to evaluate

the management methods and strengths and weaknesses of the organization.

An analysis of the organization practices (in Pakistan with relation to empowerment) and how this soft skill may be used to uplift an organization's excellence draws us towards the final conclusion.

IV. TELECOM SECTOR OF PAKISTAN

In Pakistan, the foundation of the cellular industry was laid in 1989-90 and services started in 1995-1996 [4].

The government has declared Telecommunication sector as a priority area for employment generation and poverty alleviation. The process of issuing new licenses and magnetizing foreign investment has resulted in large direct and indirect employment opportunities and cross-cultural interactions. The sector is set to generate over 370,000 new job opportunities during the next three years. The Pakistan Telecommunication Authority (PTA), telecom experts and mobile companies are predicting expansion in mobile phones to 35-40 million in the next three to four years. This magnitude of investment and work in a challenging global environment leaves little time for restructuring of organization and management revamping [5].

V. THEORETICAL FRAMEWORK

Empowerment

Empowerment, the most important concept in TQM, is many things, since employees must be empowered to make the necessary organizational changes [6]. The concept of empowerment is based upon the belief that the employees need the organization as much as the organization needs them and that leaders understand that employees are the most valuable assets in the firm.

Employee Empowerment: Employee Empowerment is the process of sharing information, training and allowing employees to manage their jobs in order to obtain optimum results. Empowered employees show "responsibility, a sense of ownership, satisfaction in accomplishments, power over what and how things are done, recognition for their ideas, and the knowledge that they are important to the organization" [7].

Empowering or enabling staff, whichever term is chosen, is a fundamental aspect of CQI. It represents a basic change in management approaches and has far-reaching implications for transforming organizations. Vision, values, culture and a flattened organizational structure add up to an organization that emphasizes the development of its key resource-its employees-in the pursuit of higher quality.

Empowered Teams: Empowered teams are much more effective at motivating employees because the driving forces are generated by the group instead of the management.

Empowered Organization: In an empowered organization,

the primary role of management is "to support and stimulate their people, co-operate to overcome cross-functional barriers, and work to eliminate fear within their own team" [8].

Leadership

The organizational climate is influenced by the style (or consistent pattern of behavior) a leader deploys in relating to others within the team.

The idea of involving all employees in the process of management was mostly unheard of until the early 1980s. Then, through the work of management writers such as Ouchi and Deming, amongst others, it became widely known that a key element of the Japanese industrial success was due to the practice of participation; encouraging everyone to contribute to the process of innovation and decision-making [9,10]. Manfred Davidmann identified that Leadership styles vary between two extremes; one extreme is authoritarian and the other extreme is participative style of management [11].

The concept of "servant-leadership," a step ahead of participative management, is now discussed as a highly effective means for ensuring that the needs of employees and customers are being met. This style of leadership, now practiced by many successful businesses, focuses on continually increasing the empowerment of employees. A servant-leader serves his or her employees by providing support needed for each person in the organization to grow both professionally and personally.

Behavioralists have studied the implications of empowerment and generally agree that there are key success factors associated with empowerment that must be addressed before authority can successfully be delegated to staff. This includes staff having the knowledge, skills and authority to decide and act, and taking responsibility for the consequences of their actions.

Leadership Model: Leadership Model = Four Framework Approach Model or Managerial Grid or any other out of many lying between Authoritarian Management Model and Participative Management Model.

Thus we can say that:

□ Participative style management = Leadership model
As

□ Leadership model
= (Principles + factors + attributes + environment)

This implies that:

□ Participative style management = (principles + factors + attributes + environment)

Participative management is admittedly a synthesis of several management theories. The basic principle in this leadership model is to involve all employees and managers actively in a common goal. This overall goal must be clearly defined and understood by everyone. It is best accomplished by direct face-to-face communication among all employees and all managers. We conclude that participatory management itself is a leadership style that is becoming more prevalent in successful and innovative organizations.

Relationship Between Empowerment, Leadership And Continuous Quality Improvement

Empowerment and leadership are considered as cornerstones of Continuous Quality Improvement since organizations that will survive and thrive in the next decade will be the ones that maintain the momentum of continual improvement and will be able to become global market leaders. Organizations need to empower managers and workers not only to create quality but also to sustain competitiveness making it the basis of total quality management.

VI. RESEARCH ANALYSIS

Empowerment In Pakistan

In Pakistan managers of organizations follow a strictly hierarchical structure, which is centralized and involves a lot of micro-management. Traditionally this style of management originates from colonial times and is practiced mainly in government institutions or by managers having served with the government. This pyramid style of management hampers the ability of personnel to be innovative and follow a participatory approach nor does it give credit to the employee. This is a great restraint for employees restricting their professional growth and resulting in them to adopt the same management style; call it Catch 22 or a vicious cycle.

The introduction of new styles and techniques of management owing mainly to the emergence of a strong corporate sector in Pakistan, is leading to a change in this style of management. Managers are tempted to adopt a web-style structure, which is flattened and therefore less hierarchical, but nevertheless need systems in place to promote the culture of empowering employees by providing encouragement and acknowledgement of their efforts and achievements as a team. A team-based approach is therefore one that leads to participation by members of the team leading to their empowerment. This style of management also addresses the issue of varying capacities through group work where employees need to support each other in order to move ahead; thus resulting in across the board empowerment and capacity development. This style of management is therefore more desirable in the local context of Pakistan to judge participation and an effort towards empowering employees.

In Pakistan companies especially IT, to give example, grow to a certain level and then vanish, possibly because the company size required Participative Style Management, which was never employed, or if employed, the change management was not taken into account. The results are clear.

Empowerment Style: To rationalize the progression of empowerment, we mapped our findings to Adrian Wilkinson’s five empowerment styles [12].

TABLE 1
EMPOWERMENT STYLES

Information sharing	Upper management
Upward problem solving	Middle management
Attitudinal shaping style	Lower management
Task autonomy	Not practiced at workers level
Self - management	Not practiced between all levels

Upper management is mostly involved in downward communication and upward communication is confined to listening to complaints. Middle management has the power to refer problems upward for management to deal with. Attitudinal shaping style is employed for lower management. The workers are trained/educated to feel empowered (a state of mind) and play a more confident role in their interaction with the customer, but workers do not take on wider responsibility for work processes. Decisions, rules and executive authority are still set by the few for the many.

SWOT Analysis and Managerial Grid: SWOT analysis and Managerial Grid identified the weak areas and led us to conclude that:

- Although market leaders, the organization’s main focus is on product only and not quality.
- Concern for employees is comparatively less with respect to concern for work.
- To provide quality services to customers is an area that needs to be addressed by top management.
- Role of Empowerment in CQI exists but has been deferred to the vague future.

Empowerment process

We propose that in the process of empowerment (Figure 1), executive leadership provides the right environment and the foundation with a clear vision supporting the organization’s objectives. Shared Leadership and Decision making result in participatory management style.

To see the role of leadership management style in the empowerment process, we developed the Leadership Assessment questionnaire based on the Empowerment Process Model. The findings of the Leadership Assessment questionnaire helped determine the leadership management style prevailing in the leading telecom company.

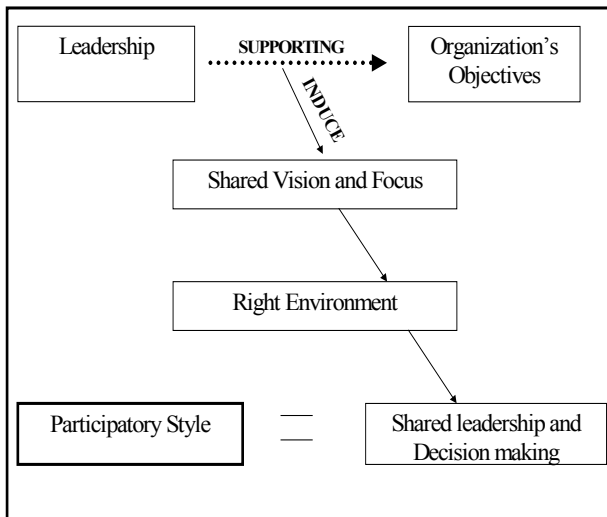


Fig. 1. Empowerment Process

Leadership Assessment Questionnaire Findings

Leaders conveying vision and mission: Vision and mission in most cases is clearly conveyed down the management ladder, with the manager's behavior consistent over time and projects and expectations clearly laid down.

Leaders Motivating Employees: Specific instructions are not present. Delegation exists to a larger extent contributing in the empowerment process. The positive aspect of the organization is that a need exists for professional development and the management does dedicate staff time to that effect.

Effective Communication: Although it exists, the 65% listening and communication level between leaders and employees indicates management is rowing a rocky boat.

Empowering Employees: Leaders do recognize employee's efforts publicly and inform them about important issues, but responsibility is not assigned to full extent.

Encouraging Teamwork: Team members do enjoy an opportunity to speak up and are treated with dignity. This helps leaders to have cordial relationship with employees thus resolving conflicts to a large extent.

Preparing for Change: Explaining dynamics concepts of change to employees positively conveys change management, but to show managers how to make changes positive for them needs to be improved.

We also observed that due to the lack of a Leadership model in the organization, no situational analysis or leadership behavior patterns were documented. This was observed as one of the obstacles in the organization to realize its objective towards quality. We conclude that empowerment process exists in the company, but needs to be fully implemented to achieve excellence.

Proposed Model for Empowering Employees

We propose a model to empower employees (Figure 2),

which will eventually bring about quality improvements in the telecom sector organizations. This model proposes that a CQI strategy is likely to fail if empowerment of employees and participatory management style are absent. Quality starts with engaging the people responsible for processes- the people who know the processes the best. We suggest that effective policies and procedures need to be there to support them. We also put forward that participative management is successful in fostering responsibility, shared decision-making, face-to-face communication, innovation, teamwork, motivation and belongingness in empowered organizations.

To find out what is the level of empowerment in the organization under study, we developed the Empowerment Audit Questionnaire based on this model.

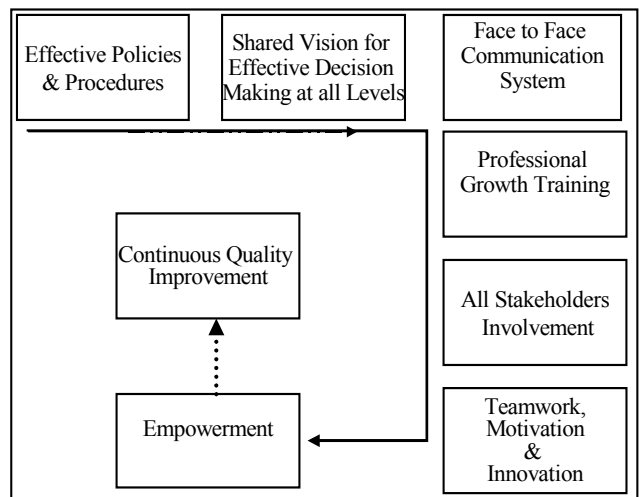


Fig. 2. Empowering Employees Lead to CQI

Empowerment Audit

We found that leaders of the telecom sector, whom was used as a case study, are conscious of the empowerment dimension of quality. Questionnaire analysis supports that empowerment is extensively used as a tool for the organization's excellence but in spite of this, quality remains a core problem. The Empowerment Audit revealed that:

- Brainstorming, team participation, and information sharing exists in the company at about 60 % and networking with staff and change agents is 87.5 %, which shows that there is a participative management environment, which is a key indicator for empowerment.
- Customer focus is about 75% in the company whereas supplier's focus is weak (about 37%), thereby adversely affecting their quality.
- Although the leaders encourage employees to take responsibility for improving the way things are done, they are not enabling the employees to take bigger decisions without referring to someone senior.

- We found most of the elements of empowerment in the ‘Working on it’ phase and not actually being implemented in total as shown in Figure 3.
- Although the organization has the potential to empower its employees, the cycle has not been completed.
- When empowerment is fully implemented, quality issues will be resolved.

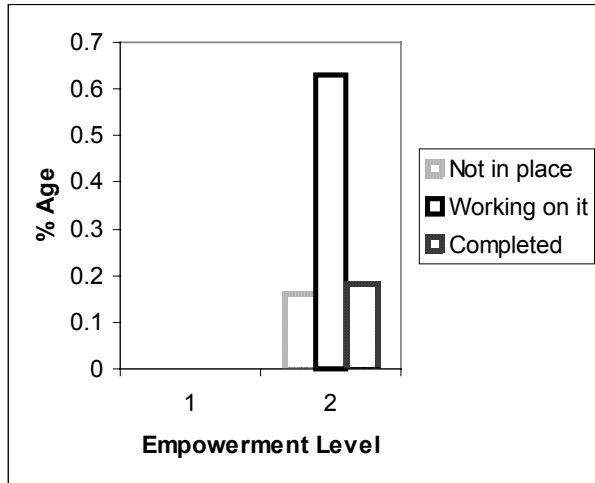


Fig. 3. Empowerment Audit

VII. CONCLUSION

Quality in telecom management is a key challenge that must be considered from a strategic point of view, and includes such dimensions as organizational vision, values, attitude, policy planning, leadership, and the pursuit of excellence through continuous improvement. It is, therefore, of utmost importance that telecom service providers understand and implement this broader dimension of quality.

The advantages of empowerment clearly outweigh the disadvantages for any organization. We conclude that success of an organization is only achievable when the goals are clearly defined and all its employees are motivated to achieve the common objective. We also found that motivation is best when it comes from within the group – which is only achievable when teams are empowered not only individuals.

We see that shared values are right at the heart of McKinsey’s 7S model, as early as 1978, although not in the same terminology. It was recognized that shared values that bring about a sense of ownership is important for an organization to gain competitive advantage. This is a neglected area for the company and needs to be addressed if the organization intends to remain a key market player in the telecom industry in Pakistan.

Reward systems exist in all organizations, but rewarding “educated risk-taking” is unheard of. Risk is essential for

innovation to survive in organizations. Empowered style is best suited when lots of small continuous innovations and flexible responses are required; these are the components to gaining competitive advantage.

Like most emerging mobile markets, Pakistan is also a prepaid-driven market and the industry-wide sales mix normally consists of 85% prepaid. Similar results are seen from purchase intention data from potential mobile subscribers. The organizations need to come up with innovative market strategies and need to keep their customers happy. For this it is suggested that the organizations need to be customer-centric, and empower their frontline managers as demonstrated by Ritz-hotel. The organization structure must be flexible to bring company-wide quality and also to maintain a competitive edge over its competitors. Social and cultural dynamics of Pakistan require that participative management style is adapted to its unique characteristics.

REFERENCES

- [1] Roger Cartwright. (2002). "Empowerment." pp. 6, 2002
- [2] Hollander, Edwin P. Offerman, Lynn R. "Power and Leadership in Organizations." *American Psychologist*, pp. 179-188, February 1990.
- [3] Johnson, Richard S. "TQM: Leadership for the Quality Transformation." pp. 47-49, April 1993.
- [4] Mohammad Saleem Shaikh, "Cellular and wireless telephony: the way forward by," published in *The NEWS*, March 7, 2005
- [5] Ahmad Naeem Khan, "Mobile Fever Grips Pakistan," published in *The NEWS*, April 02, 2005
- [6] Stevens, David P., "Avoiding failure with total quality." December 1993.
- [7] Turney, Peter B.B. "Beyond TQM With Workforce Activity Based Management." September 1993.
- [8] Hand, Max. "Freeing the victims." *Personnel Review*, February 1994.
- [9] Ouchi, W., *Theory Z: How American Business Can Meet the Japanese Challenge*, Addison-Wesley, 1980.
- [10] Deming, W.E., "Quality, Productivity and Competitive Position, M.I.T., 1982.
- [11] Manfred Davidmann, "Style of Management and Leadership" Second edition, 1982.
- [12] Wilkinson, A., *Empowerment Theory and Practice*, *Personnel Review*, Vol. 27, No. 1, pp.40-56, 1998.