

Empowering Organizations

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Abstract

The evolutionary and revolutionary changes in the world scenario, in terms of liberalization, privatization and globalization have caused enormous turmoil and have shaken economic and political power structures. Shrinking boundaries have not only increased competition but also have raised customer expectations. The need is being felt world over, to raise standards and improve performance to achieve competitive advantage and organizational effectiveness. Human resource has been identified as a scarce and valuable economic resource to meet the organizational ends. Changing demographic profile of human resource has changed its need, expectations and aspirations from the workplace. People all over the world are asserting their demands to be recognized, valued and consulted. This insistence has shaken the organizations from their slumber, and now they are striving to shift from Hamstrung to empower organizations, by changing the meaning of control, using Situational Leadership II and Partnered performance by using the model of PRICE and evaluating team-performance on the basis of the acronym of PERFORM.

Key Words: Empower, Improved Performance, Demographic Shift, Hamstrung Organization.

I. Introduction

The changes in the world scenario have caused unprecedented turmoil and have shaken every power structure be it economic or political. The forces of change brought on by global competition, new technologies and customer mind-shift indicate that whatever was

outstanding last year may be ordinary this year. A variety of external changes have paved the way for forces of change to bombard people and the organizations from all sides. There is a pressing need to pro-act change.

Winds of change have swept the Indian economy too. The country has moved towards a free-market economy. Liberalization, Privatization and Globalization are the buzzwords of today's business environment (Tripathy, 1999). The new economic order accords high priority to the discerning customer, with the power to pay.

The human resource has been identified as a scarce and valuable economic resource. It is the only asset which appreciates, unlike other resources which depreciate with time, provided it receives due attention by ways of positive human resource intervention as a hidden treasure of the organization. Therefore the employees are to be treated with utmost care.

Demographic –profile of employees, their needs, expectations and aspirations on one side and expectations of management from workplace on the other side are taking U-turn. People are asserting their demand to be recognized, valued and consulted.

Organizations that are not capable of producing at lower cost and with better quality at a faster pace than their competitors, may not accomplish the goals of survival and profits. Economic downturns along with technological and strategic reasons are associated with downsizing in organizations. The onus lies on leaders to produce more with fewer people and with a wider span of control.

The old deal between the organizations and employees emphasized the traditional model of management. The efficiency and effectiveness of organizations was dependent upon autocratic leadership taking control of the personnel of the organization to attain the organizational objective. The roots of it probably lay in the colonial past. Long chains of command, wide span of control, high degree of formalization and centralized decision-making characterized the organizations. As a result, the system lost creative juices.

The traditional model of management, also known as Hamstrung organizational structure, has thwarted the efficiency and effectiveness of organizations in the present scenario. Further, the present era focuses not only upon efficiency and effectiveness but also upon achieving excellence (Sivaraman, 1997).

The new deal requires people who are problem-solvers, take initiative and act like, they own the business. Risk-taking and honesty are the dynamics that get the juices back into system. In these days, creative passions matter, Ambience matters, Individuals matter. The realities of social and global competition demand that there should be a new style of leadership to manage the most important resource.

The era is termed as the 'Power Shift Era' where there is a deep level transformation that power can bring (A. Toffler; 1991). With empowerment, there is redistribution of power, authority and privilege. The three Es (Efficiency, Effectiveness and Excellence) can be achieved by only empowering organizations. Need of the hour is to make organizations wholesome/ healthy. According to Foy (1993) this can be achieved by bringing in changes in organizations by moving from Hamstrung organizations to Empowering organizations.

The Hamstrung organizations are based on traditional Triangle Model which is also known s Them Model or Mushroom Model. They focus upon top-down management. In this model the planners and strategists are at the top divided by an impregnable wall from the doers who labour on down below (or 'win' by awarding tea-breaks). The model keeps the employees in dark and every now and then opens the door to shovel in manure. So it is 'them' at the top who set the procedures and rules and make decisions about what is to be done and how. They want the hand and back of workers, not brain. Workers are expected to do their little well-specified bit and keep doing it dependably. Though sometimes workers become bloody-minded because of improper treatment by the top-management and that they cannot bring in any change. As a consequence, they do not bother to work hard. Power is vested in upper crust of organizations and helplessness in lower crust.

Empowering organizations are based on Me Model. In this model pyramid is inverted and Kwick-fit formula is used. The philosophy of empowering organizations is that empowerment is a means for inviting team-members as business partners in determining success or failure of organizations, which today is defined as being simultaneously customer-driven, cost-effective, fast and flexible and continuously improving.

With every pair of hands, organizations get a brain. The capability and talents of employees are respected. Open communication is considered as the first step to empower employees.

People know what the organization expects of them and how well they are meeting their targets and also develop objectives and feed their experience and expertise into the development of credible strategies. The voice of people is heard. The empowered person feels at the centre.

The leaders contribute and communicate to eliminate problems and help the individual and team to do the work.

Thus empowering organizations go beyond Taylor's scientific management and focus on creativity and self-actualization of employees. The upside down pyramid makes every individual an important knot in the organizational fabric by providing decision-making power to everybody (Arnold & Plas, 1993). A mutual benefit society is built where organizations are good for members and members are good for organizations.

Moving from Hamstrung to Empowering organizations leads to changes in the meaning of control.

II. Changes in the Meaning of Control

- Control may be defined as measuring progress against plans to guarantee the predictable attainment of goals.
- Hierarchical organizations use more of traditional command and control management practices. They rely upon diagnostic control systems to help managers track the progress of individuals, departments, production facilities towards strategically important goals. Human Resource capacity is partially tapped perhaps at 25 to 30% capacity. As a consequence of underutilization of capability, organizations suffer and management may have a short career. This narrow perspective of control is to be substituted by three important control systems (Debnath, 1996):
 - (i) **Belief Systems:** They are concise, value-laden and inspirational. Actively communicating core values and missions of organization and unleashing the potential of human resource can build said belief systems. They are important, as people want to know the purpose of organization and how they can contribute.

- (ii) **Boundary Systems:** They are based on the simple management principle of the power of negative thinking. Unlike belief systems, boundary systems are stated in negative terms or as minimum standards.

Belief and Boundary Systems are Yin and Yang and together create dynamic tension. The warm, positive, inspirational beliefs are a foil to the dark, cold constraints, The combination of the two, commitment and punishment establishes direction, motivation and inspiration and protects against damaging opportunistic behaviour. Maccoby (1992) highlighted that too much empowerment creates a chaotic situation and too little empowerment results in bureaucratic or compliant organization.

- (iii) **Interactive Control Systems:** They are designed to gather information that might challenge the vision of the future. They are hot buttons and levers of control that set in motion powerful forces that reinforce each other. Thus information-sharing becomes vital to-

- walk through the milestones of progress of organization
- to integrate purpose, process and people of organization

A flip-flop between empowerment and control may lead to the problems of empowerment in three forms of empowerment (Ankhoa & Associates, 1996):

- **Over-empowerment:** It exists when employees do not have commensurate skills to effectively carry out the task delegated to them.
- **Under-empowerment:** It results from either employees lacking authority or willingness to take charge and sticking to the rules and delegating upwards whenever they are in doubt or when managers refuse to give up authority.

- **Inconsistent empowerment:** It is found when untrained leaders fail to apply appropriate empowerment practices.

The changed meaning of control will require organizations to change their leadership strategies too.

III. New Dimensions of Situational Leadership in Empowering Organizations

Situational Leadership II theory (Blanchard, Carlos & Randolph; 2000) stresses that in order to get the best performance and to develop people's skills, a right combination of directive and supportive behaviour should be matched with the person's current level of competence and commitment, which in turn results in empowered teams. There are many combinations of competence and commitment that require a variety of combinations of directive and supportive behaviours.

Developmental Level I: Starting and Orienting Journey

Low Competence — High Directive

High Commitment — Low Supportive

On new tasks employees have little experience so they need much of directive behaviour. Supportive behaviour only addresses their concerns for knowing the meaning of empowerment along with teaching the skills of empowerment.

Developmental Level II: Change and Discouragement

Low Competence — High Directive

Low Commitment — High Supportive

However employees experience disillusionment due to difficulty level and different nature of task. Competence is still low and commitment also decreases due to

disillusionment. High level of directive behaviour increases competence for the task of being empowered and high level of supportive behaviour decreases disillusionment.

Developmental Level III: Adopting and refining empowerment

High Competence — Low Directive

Low Commitment — High Supportive

Though the people acquire the skill so they do not need much direction but they experience self-doubt and lack of self-confidence about skills therefore high supportive behaviour is still required by employees.

Developmental Level IV: Destination of empowerment

High Competence — Low Directive

High Commitment — Low Supportive

At this stage, team-members can trust their competence and commitment for empowerment so employees need very little directive or supportive behaviour.

Thus, by using appropriate supportive and directive behaviour, employees move to the final destination of empowerment —

Beginners for empowerment task →

Learners of empowerment

Cautious empowered performers →

Self-reliant empowered achievers

Situational Leadership II recognizes the fact that empowerment is a 'Partnership' process between team-members and team-leaders.

In Developmental Level 4, there is emphasis on 'person-centred leadership' which emphasizes upon letting go off some counter-productive ideas, an 'open-door policy' for all co-workers, respect, good listening and helping people to learn to work together.

Arnold & Plas (1993) emphasized that close doors on the leader's office can be one of the most lethal suicide pillars in the organization. The concept of 'shared leadership' is of utmost importance in Developmental Level IV level. In this style of leadership the leader establishes the mood of the organization and the associates create the processes and systems to get the work done.

Creation, Growth and Protection are the three major functions of leaders (Sivaraman; 1997). Leaders are required to act as Trinities-Brahma (the God of Creation), Vishnu (the God of Growth) and Mahesh (the God of Protection).

The team is likely to replace the existing system of individual performance. According to Blanchard & Lorber (1984), "The Team becomes a hierarchy and performance is partnered by using the vehicle of PRICE".

To improve performance leaders and team-members must pay the PRICE (Pinpoint, Record, Involve, Coach and Evaluate)- a five-step process to improve performance by setting in place clear directions and measures and by developing a plan of action to which team-members are committed.

While Pinpointing, Recording and Involving help to establish goals and appropriate leadership styles, Coaching ensures delivery of agreed upon leadership style and Evaluation ascertains giving and receiving timely feedback.

The needed structure for the teams can be provided by using this model which in turn is likely to create a sense of ownership for performance improvement. Combined with Situational Leadership II, the PRICE process can be an excellent vehicle for partnering performance. The performance status of high-performing empowered teams can be determined on the basis of the acronym of PERFORM (Blanchard et.al; 2000)

P = Share a common purpose

E = Are empowered to use the talents of all team-members

R = Use relationships and communications effectively

F = Demonstrate flexibility in making and implementing decisions

O = Hold themselves accountable for optimal performance

R = Provide recommendation and appreciation for each other's contributions

M = Experience high morale by feeling both the pressures of management and the pride of ownership

IV. Conclusion

The environment is fast-changing. As a result organizations are left with no other choice but to change. On the other hand people are changing demographically to accommodate themselves better to the changing environment. Therefore, the entire gamut of work relationships and dynamics is changing fast. To be effective, efficient and excellent organizations, their focus should be on 'people and the changing profile of their needs'.

The paper has highlighted how the focus should shift from 'control-orientation' to 'empowering- orientation' by revisiting the concepts of Situational Leadership II and Partnered performance. The model of PRICE and evaluating team-performance on the basis of the acronym of PERFORM can also help practitioners achieve empowerment in organizations. It would be right to say that HR is the game-changer for business success.

V. Future Direction

The study is a conceptual study which has brought about the dynamics related with 'control-orientation' in organizations and suggested 'empowering' as a solution. The study needs to be validated further and the theoretical premises to be tested empirically

for organizations to have a final stand. In addition to that the theoretical concept also requires broad- analysis. The study thus provides a direction for research on which future researches can be based.

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