Empowerment and organizational change

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Among the many fashionable management terms, empowerment refers to a change strategy with the objective of improving both the individual's and the organization's ability to act. Reviews the various themes of empowerment with particular reference to articles published between 1994-1996 in the journal Empowerment in Organizations. The main themes are: creating an empowerment culture; empowerment as a management strategy; training and development for empowered employees; empowered teams and implementation techniques and empowerment and organizational change in the hospitality industry.

Introduction
Empowerment is a topic that appears frequently in human resource, business, and management literature but more infrequently in the hospitality and tourism literature. This article aims to review the various themes of empowerment primarily in the specialized publication, Empowerment in Organizations, during 1994-1996 in order to expose empowerment theories and practices of potential value to the hospitality and tourism industries. The empowerment literature is divided into key themes which are subsequently summarized separately by subject in Table 1. The themes are then linked in a diagram in order to construct a larger image of empowerment as a change strategy. The article concludes with a discussion of the implications that empowerment research has for the hospitality industry.

Defining empowerment
Empowerment has been described as a means to enable employees to make decisions (Bowen and Lawler, 1992) and as a personal phenomenon where individuals take responsibility for their own actions (Pastor, 1996). The first definition relates to how management facilitates and implements the empowerment culture, while the second emphasizes the importance of the individual in the truly successful application of empowerment. Wing (1996) uses the term personal empowerment in relation to business consultants and views it as a strong self-analytical tool which allows them to understand and address their personal biases, differences of opinions, and experiences with clients in order to be successful in change efforts. Whatever the definition of empowerment used, the end goal is to develop the performance and potential of the individual as well as that of the organization (Long, 1996).

Lashley (1996) defines empowerment in relation to an organization's purpose for using the strategy. Is empowerment deployed to achieve greater employee commitment, to gain information from employees and improve the bottom-line, or to increase responsiveness to customers? While the pursuit of one objective does not automatically exclude the others, organizations may focus on a specific empowerment aim at the expense of potential gains from seeking other empowerment goals.

Creating an empowerment culture
Why the concern for empowerment? Nixon (1994) sees empowerment arising from external and internal challenges for organizations. External challenges have resulted as a result of higher levels of competition, changes in the composition of the workforce, and higher expectations from customers. Internal challenges relate to employee retention, motivation, and development.

According to Beach (1996), empowerment remains with the individual and cannot be imposed from above. How then can an environment conducive to empowerment be created? Organizations wishing to instill a culture of empowerment must find a way of establishing systems and processes that do not restrict employees. By concentrating on what behaviour is considered optimal for the employees and what they do well, management can adapt, develop and change the organizational structure to produce the sought after behaviour: employees dedicated to learning, growing, and developing; employees who are self-managed; leadership not only existing at the top; a high level of trust between management and employees as well as among employees; employee participation in decision making; a high level of vertical and horizontal communication; and employees able to deal with conflict management and resolution effectively and efficiently.

To bring all this about, a shift in management thinking and management strategy are necessary. Collins (1996a) looks at historical debates on democracy to gain insight on how a radical change to organizational culture for empowerment can be developed. He looks at reasons why people fail to participate in a democratic system and attributes this to either a lack of education and knowledge for groups to be able to participate or a failure to see the connection between participation and
political decisions. From this historical analysis, there appear to be two essential ingredients for a successful implementation of empowerment in organizations: education and participation in the decision-making process, particularly for decisions influencing the individual’s sphere of influence.

Parry (cited by Collins, 1996a) delves deeper into participation theory and outlines three ways of viewing it:

1. how participation takes place (direct or indirect);
2. to what degree participation occurs (intensity and frequency); and
3. the quality of participation (and resulting impact or change).

Traditionally, and even today, collective bargaining has been the strongest form of employee participation. Could empowerment change this?

An empowered organizational culture relies on the involvement of everyone, including both management and employees, to bring about its success. Simmons (1995) illustrates the overlapping or disappearance of boundaries between formal and informal leadership to that of an inclusive organization where there are “leaders of leaders”.

Empowerment may take the form of so-called empowered subcultures of low and mid-level managers cut off from the top echelons of an organization (Logan et al., 1996). The commitment and participation of top management, the strategy and policy makers of an organization, are necessary for a truly comprehensive culture of empowerment to exist. Empowering employees does not mean disempowering managers but rather permits time and energy to be used more efficiently and productively by all players.

Why should empowerment be taken seriously as a management strategy or organizational philosophy? Empowerment offers the potential for guaranteeing employee performance through a higher level of self-control (Collins, 1996b). In an organization such as Mazda, where there is an extremely thorough selection process to establish the prospective employee’s fit with the organization, the worker selected has demonstrated a willingness to commit to the organization and subsequently becomes an active member of an empowered system of processes geared to stimulate and encourage his or her participation.

### Empowerment as a management strategy

A five-point empowerment strategy is described by Nixon (1994) in order to develop an organization where people can work as individuals and also in teams towards common goals. The strategy consists of:

1. establishing a vision;
2. prioritizing and acting only where most impact is possible;
3. developing strong relationships with colleagues;
4. expanding networks;
5. using internal and external support groups.

To create a synergy of outcomes, people should be channelled to work together on workshops and projects directly connected with organizational issues affecting them. Once the skills to work together on projects have been learned, the same process can be further embedded in the organization by cascading the workshops throughout the organization.

Cook (1994) summarizes essential stages in the empowerment process in a diagram that includes the vision, values, management role as facilitator, teamwork, training support and process improvement which are all reviewed and monitored at the end of the process.

For Long (1996), achieving an empowerment objective for a company is closely linked to three important concepts: an annual strategic plan, annual personal performance-related appraisals, and training and development. Höpfl (1994) concurs in the need for goal setting with employee participation in determining individual and organizational objectives, courses of action, problem solving, and company policy.

A program at Ashworth Hospital used competence development through the accreditation of work-based learning with a support structure based on action learning sets as the foundation of the empowerment project (Newton and Wilkinson, 1994). Project
MORALE used Mentorship, Ownership, Responsibility, Accountability, and Learning in order to achieve Empowerment. Although empowerment was not the term used initially to describe the changes undertaken at a publishing enterprise (Gore et al., 1994) to deal with internal and external challenges, it is a very appropriate way of describing the resulting package of strategies. Organizational change was brought about by concentrating on: management action learning (10 per cent of payroll is now dedicated to above-the-line training investment); systems development; mentoring and coaching; and structural change including profit-related pay. The end result has been an organization where employees have grown and developed their response to change.

With the background of an empowered organizational culture and management strategy, tools and techniques are needed by both management and employees if unrealized potential and individual entrepreneurship are to be created. The articles under the next topic heading describe some of the programmes and methods used to provide higher levels of participation and empowered employees.

### Training and development for empowered employees and employee participation

Jones et al. (1996) stress the need to shift away from controlling to enabling in order for employees to contribute more. This requires new management skills to maximize employee potential. These skills relate to coordination, facilitation, commitment and trust, communication, knowing more precisely what your people can and cannot do, and promoting learning and employee ownership of what they do. Identification with organizational values, competence building, employee self esteem, delegation, and coaching are fundamental qualities for employee participation (Potter, 1994).

A three-stage training structure for managers which begins at the bottom is advocated by Nicholls (1995). In the first stage, an analysis is made of current capabilities and employees are helped to work to their full potential. Next, managers need to use coaching techniques to get employees to work beyond their present capabilities. Third, the commitment of the employees is obtained through the sharing of visions and values. When the last stage has been completed, then full empowerment has been achieved.

When the training needs of the organization as a whole have been attended to, it may be necessary to identify any special areas or disadvantaged groups that would benefit from further preparation. Equal opportunity exists by law at the recruitment level, yet once selected, employees from recognized disadvantaged sectors may require special efforts to allow them to participate at the same level as other employees (Echiejile, 1994).

Kappelman and Richards (1996) advocate allowing employees to participate early on in change programmes. Their study was undertaken in bank branches during the implementation of a data system. Some employees were able to decide the dates when they would undergo training, and data from this group were compared to employees who were not able to decide on the dates. The empowered employees from the first group were 88 per cent more motivated, 146 per cent more satisfied with their training, and 99 per cent more satisfied with the change process.

The suggestion method of employee participation was used at Nissan where employees were expected to submit a predetermined number of suggestions each month (Rodrigues, 1994). Employee participation was developed at British Gas through the implementation of an employee suggestion programme designed to allow employees to recognize problems and possible solutions (Lloyd, 1996). Over a three year period, British Gas received more than 11,000 suggestions of which approximately 10 per cent were implemented for an added value to the organization of £10 million. In order to obtain employee input, the organization must provide an atmosphere which encourages and rewards employee participation. Essential in this process is the need for managers to stimulate, communicate, and encourage

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**Figure 2**

The second stage of empowerment – as a coaching enabler

![Diagram](https://via.placeholder.com/150)

**Source:** Nicholls (1995)
The British Gas suggestion process relies on a closely defined structure to ensure successful implementation of the empowerment concept. At the time of submitting a suggestion, all employees are offered a scratch card with a maximum prize value of £5. This incentive was developed as a way to get people to participate. Each suggestion is given careful consideration with the maximum time between suggestion submission and a management decision regarding the added value of the suggestion limited to 72 hours. Those suggestions adding value and in line with business objectives receive an award of 10 per cent of the added value minus any costs accrued during the first year it is implemented. When awards are implemented for the business unit as a whole, the maximum is increased a further 10 per cent or up to a maximum of £2,500. Critical to the success of the evaluation and suggestion stages of the programme is the fact that these have become items on which managers are measured in their performance appraisals. Each year an award presentation attended by top management and line managers is held where the best award receives a trip to the value of £5,000.

Table I
Creating an empowerment culture and management strategy

<table>
<thead>
<tr>
<th>Authors</th>
<th>Focus</th>
<th>Sub-theme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beach (1996)</td>
<td>Relates the experience of one organization in establishing an empowerment culture through non-traditional management</td>
<td>Practical examples of changes through focusing on employee performance and commitment are given</td>
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<tr>
<td>Collins (1996a)</td>
<td>Links the concept of empowerment to participation and democracy to show the complexity of theory and debate in this field</td>
<td>The lack of more frequent debate on empowerment in management literature is also reflected in the absence of discussion on empowerment within businesses</td>
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<tr>
<td>Collins (1996b)</td>
<td>Views empowerment as a part of a greater whole, that is a part of management control systems</td>
<td>Management control and governance are reviewed by using the examples of Nissan and Mazda</td>
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<tr>
<td>Cook (1994)</td>
<td>Reflects on the impact of empowerment on organizational culture when employees are able to influence their work</td>
<td>Training and teamwork support are important components of an empowered culture</td>
</tr>
<tr>
<td>Gore, Toledano and Wills (1994)</td>
<td>Looks at an empowered leadership strategy for MCB publishing to include management action learning; systems development; mentoring and coaching; and structured change</td>
<td>How use of action learning as a management strategy can facilitate change</td>
</tr>
<tr>
<td>Höpfl (1994)</td>
<td>Considers the relationship between management development and self-development for empowered management</td>
<td>Gaps may often spring up between management objectives and everyday practices</td>
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<tr>
<td>Logan et al. (1996)</td>
<td>Reflects on the subject of empowerment as members of the Editorial Advisory Board of Empowerment in Organizations</td>
<td>Empowerment seen not only from a professional role but also from a personal one</td>
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<tr>
<td>Long (1996)</td>
<td>Follows a case study over four years primarily in health-care companies</td>
<td>Empowerment requires top to bottom involvement with employee appraisals; an intricate part of the process</td>
</tr>
<tr>
<td>Newton and Wilkinson (1994)</td>
<td>Examines an empowerment project for 80 first-line and middle managers at a hospital in the UK to enable them to take ownership of their jobs and ultimately improve the hospital’s performance</td>
<td>Organizational change is only possible with the firm commitment and dedication of management</td>
</tr>
<tr>
<td>Nixon (1994)</td>
<td>Sees empowerment as a function of leadership and organizational culture and tries to apply practical strategies for achieving this state</td>
<td>Difficulties associated with empowerment and learning are discussed in order to revise existing programmes and processes</td>
</tr>
<tr>
<td>Simmons (1995)</td>
<td>Calls for a partnership between workers and management as a means of encouraging workers to give their energy and commitment</td>
<td>Employee motivation is not only materialistic but non-material strategies can be effective motivational tools</td>
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Legislative and policy changes forced one local authority to look at how the organization was functioning and take action geared to customer needs. All staff participated in key activities: the formulation of a statement of purpose, a communication charter, and performance appraisal with the outcome being a high level of energized creativity and innovation throughout the organization.

Seminars and questionnaires were used to launch the empowerment programme with input from employees on what areas they felt the organization was actually hindering their work. Quick win situations were created with an award system, communications working group, and organizational learning. To ensure managers were responsive to their employees, performance reviews of managers included employee development, 360 degree appraisal, and managers’ achievements through delegation and the use of man-management skills.

Employee participation may happen in the form of employees taking part in decisions and making their own individual contributions, employees working together with management, or employees collaborating with co-workers in project or work groups (Nykodym et al., 1994). The next section reviews the literature on empowerment in the context of empowerment implementation with the purpose of gaining knowledge of ways to put empowerment theory into practice effectively in general and more specifically through the use of teams.

### Empowerment Implementation Techniques and Empowering Teams

The term “catalytic empowerment” is used by Dickmeyer and Williams (1995) to refer to techniques applied to unprofitable companies in order to make them profitable. When the empowerment process is set in motion, a chain reaction occurs drawing employees, suppliers, customers, and stakeholders into the transformation.

One method of putting empowerment into practice is by creating self-managed project or product work groups (Marguilies and Kleiner, 1995). These teams have the ability to make decisions regarding the project and input information impacting on organizational strategy. Built into the empowerment of teams is a reward system recognizing the...
contribution of the team as a unit. Working on a group project develops bounds between team members and employee motivation rises through greater job satisfaction and self actualization. Organizational communication also benefits since group projects stimulate lateral exchanges as opposed to vertical communication. Self-management does require certain conditions to function properly. These are a level of task differentiation, the degree to which the group has control over its project, and the level of empowerment in the decision-making process.

Pence (1995) has designed a self-diagnostic questionnaire to determine an organization’s commitment to teams. The 15 questions cover pertinent issues and the company’s relationship with teams including top management commitment, recruitment, management appraisals, training, standards, rewards and recognition, communication, policies and procedures, and facilities. For Brower (1995), empowerment consists of four A’s which must be aided by suitable information, support from within the organization, and several types and levels of leadership to be successful (Figure 3).

In a survey of 600 companies in diverse sectors covering 12 employee characteristics of quality, empowerment was ranked as very important by 53 per cent of respondents (Jolton cited in Logan, 1995). Responses for the 12 dimensions ranged from 43 per cent for development to 76 per cent for customer orientation. For Cleary (1995), empowerment is also closely linked with quality improvements.
Empowering employees who possess first-hand knowledge of their work can take place by using quality guru Edward Deming’s plan-do-study-act cycle. Cleary demonstrates how response time was reduced for support calls to a software and training organization as a result of a team of employees’ analysis of the process and actions to improve it.

Miller (1996) sees humour as a powerful empowerment tool to stimulate the communication and creativity processes as well as relieving stress. Empowered organizations should also be fun environments for management and employees.

The inherent difficulties of traditional pay and reward systems to recognize and incorporate empowerment has led Born and Molleman (1996) to conclude that more flexible pay systems would be needed to deal appropriately with rewarding individual and/or team empowered performance. Figure 4 illustrates the elements of empowerment, beginning with the concept of a change strategy and ending with results.

**Empowerment and the hospitality industry**

Lashley (1996) writes of the gap between management’s intention in using empowerment strategies and employees’ experiences with empowerment in the hospitality sector. If employees interpret empowerment as added responsibility and an increased workload without a corresponding reward, whether monetary or nonmonetary, they are unlikely to respond positively to it. Empowerment should be a matter of choice and not obligation. A five-dimensional model of empowerment for hospitality operations was developed by Lashley and McGoldrick (1994, p. 3) to include: “the task dimension, the task allocation dimension, the power dimension, the commitment dimension and the cultural dimension”.

The work of Huang et al. (1996) looked at how different cultures react to poor hotel service. They found that in the case of American customers with complaints, these customers sought out higher-level management to address their problem. Empowerment may therefore need to take into account the customer’s attitude towards empowered employees and some form of educating the customers might be required to inform them as to what the empowered employees are entitled to do and what issues these employees can address. At Radisson Hotels in Sweden, a brochure entitled “No Excuses” is found in each room which sets out 12 attributes of the room that must be in perfect working order or repaired within one hour. If the problem is not resolved, the customer will be moved to a new room. If there is no other room available, the customer will not be charged for the room. The customers and the employees know exactly what the conditions of the guarantee programme are and can act accordingly.

Maxwell’s (1997) case study of empowerment at the Glasgow Marriott, which used an employee questionnaire, discovered that employees had a positive approach to empowerment although advantages and disadvantages were also clearly stated. Advantages for the employees included higher levels of job satisfaction, better customer service, more rapid decision making, and personal development. Some of the deficits employees found in empowerment related to communication difficulties, unclear work practices, higher levels of pressure on staff, and increased competition among employees. Equally important was the need to support the early stages of the empowerment process with training to clarify the extent and implications of its use.

In the service sector, and more specifically the hotel industry, empowerment is often seen as a way to gain competitive advantage with the consumer. However, the true potential of empowerment is broader. Dickmeyer and Williams’ (1995) article on turning around unprofitable companies demonstrates the impact of empowerment and change on six performance measures: employee turnover (a decline with empowerment), increase in sales per employee, a higher profit margin, lower material cost as percentage of sales, lower labour cost as a percentage of sales in two out of four cases, and higher net profit dollars. Empowerment can thus be linked to soft measures of performance exposed by Brander-Brown and McDonnell
Figure 4
Empowerment and organizational change

Empowerment as a change strategy

- Management strategies and empowerment objectives
- Management behaviour
- Training and development
- Implementation techniques
- Employee participation as individuals and in teams
- Employee entrepreneurship
- Rewards and recognition for individual, team and organisational results

(1995) with the use of the balanced score-card concept in the hotel sector.

Conclusions
Empowerment has been explored in the context of articles from a journal specializing in this area. The concept can be approached from many angles, and organizations wanting to embrace this approach to business must be fully aware of its complexity. Empowerment is not something which can be passed over from management to employees as a pen is handed from one person to another. It is a complex process which requires a clear vision, a learning environment both for management and employees, and participation and implementation tools and techniques in order to be successful. While the hospitality industry has been quick to latch on to the potential of empowerment for a sector so reliant on human capital, many lessons can be learned from research and experience in other business sectors in order to achieve a truly entrepreneurial culture throughout all levels of the organization.

References