

## EFFECT OF EMPLOYEE EMPOWERMENT ON ORGANIZATIONAL EFFICIENCY WITH SPECIAL REFERENCE TO MANUFACTURING SECTOR

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### ABSTRACT

*Although it is important to acquire talented workforce for the long-term sustenance and growth of any business, equally important is to empower the existing employees for higher productivity and profitability of the organization along with their personal and professional growth. Furthermore, their long term commitment and loyalty would come along as an additional bonus!!*

*According to the Harvard Business Review, empowered employees can make all the difference.*

*"When employees feel empowered at work, it's associated with their improved job performance, job satisfaction and commitment to the organization"*

*Employee empowerment may prove to be a panacea for various organizational evils, if implemented with care. Employee empowerment is, giving employees the required authority, the ability, the responsibility and some degree of autonomy to use the organizational resources and take their work related decisions on their own. Today, we have smart workers with exorbitant exposure, awareness, adaptability and mobility. They are well aware of their rights and responsibilities as employees. So, they bank upon empowerment for their better performance and carrier development. Moreover the employers also need the empowered employees for higher productivity, profitability and growth of their organizations. The employers who are committed to the growth and development of their employees look forward to empowerment as one of the most strategic ways to attract, motivate and retain the key human resources critical for the success of their organizations. By encouraging newness and variety in employee empowerment practices, any organization can allure a wider range of potential audiences, those perhaps wouldn't have previously considered that kind of a career option. Investing in employee empowerment put forth a win-win situation for both the employees as well as the organizations. Employees feel valued, equipped and motivated resulting into their higher efficiency, commitment, creativity and much more. Additionally they get more involved in developing new ideas, identifying better opportunities, improving job performance, increasing productivity, acquiring market share and so on and so forth. Nonetheless, incorporating employee empowerment practices makes you the preferred employer in the market and help to retain top talent besides gaining a competitive edge over rest of the players in the industry. This study aims to examine various dimensions of employee empowerment like challenging Goals, role clarity, job enrichment, futuristic training, performance appraisal, better communication and decision making autonomy. For better analysis and understanding of the concept, the manufacturing industry has been chosen. Hence the study is directed towards the effects of empowerment on manufacturing industry and targeted to trigger thoughts in the minds of many to resolve upcoming challenges. The most important aspect of the study is that how the empowerment motivates the employees much more than anything else including the financial rewards. This may be used as a roadmap by the manufacturing industry for better achievement of their desired goals in the times to come.*

**Keywords:** *Autonomy, Adaptability, Performance Appraisal, Manufacturing, Strategies, Empowerment.*

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### Introduction

In this era of ever increasing awareness and competition, talented and empowered human capital has become a prerequisite for organizational success. One of the most important features of the efficient teams, especially in knowledge-based enterprises, is that they have entrusted a major degree of decision-making authority or empowerment to their employees. The only way for managers to cater

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to direct reports is to empower them as much as possible, but many managers seem unable to take it alone. It is, in fact, possible with a wholesome approach and philosophy of the top management of the organization. Once employees in the organisation are empowered by management, focused goals, role clarity, shared values, enthusiastic efforts would result into better efficiency and effectiveness of the organization. The turmoil in the workplace lead to unnecessary blame game and ineffectiveness making these organisations less competitive. This study allows individuals to use their full potential in helping the organisation to attain its objectives. Empowerment would mean that 'the employees can take timely action to reinforce his or her work, either in personal or organisational terms'. Rather than the traditional bureaucracy, with rigid control, clear cut orders, and strict obedience. Employee empowerment can thrive only in the liberated environment of flexibility, innovation, commitment, zero defect quality production and continuous improvement. The study would greatly assist the industry to optimally make use of their most vital resource viz human resource. This resource because of its strategic nature is the key for the future sustainability of any organisation. The research intends to throw more light on the human resources of the organization and also suggest measures to empower them in the organizational, national and global context.

### **What is Empowerment**

The verb empower means to provide the means, ability, authority and freedom to use that authority. Considering from this angle, employee empowerment in any business organisation means giving employees the required means, provide training to develop ability and delegating authority to enable them to take their work related decisions on their own. Except for the very fact that employee empowerment is effective in motivating employees, creating more satisfying and meaningful jobs the added benefit is that it results in quicker decisions. moreover managing talented and knowledgeable employees may be a complex job. Employee empowerment may also be used to express the ways by which non-managerial staff can take autonomous decisions without consulting their managers. More often employee empowerment results in dropping a number of the rights traditionally held by the management but the prerequisite is that the managers must also be ready to take up the new roles and responsibilities. It doesn't mean that management relinquishes all the authority, delegates all the decision-making power and allows the operations to run without accountability. Rather it requires higher investment of time and energy to develop mutual trust, assess and augment individuals' capabilities and develop clear agreements about roles, responsibilities and risk taking etc. Empowerment will be successful in a very culture that's high in collection where in people tend to consider themselves as group members. Empowerment occurs when the power of higher cognitive processes, authorities to use the resources of the organization and take essential decisions is entrusted to the employees, who then experience a sense of ownership and control over the jobs. Empowered employees know that their jobs belong to them, given a say on how things are done they feel valued and a sense of responsibility along with added commitment develops. They get more involved with the jobs and show more initiative which gets reflected in their higher efficiency and productivity resulting into higher profitability of the organization. As it allows individuals to spot and use their potential in helping the organisation achieve its goals.

In today's competitive business environment, a large quantum of population is engaged in manufacturing industry as this industry is one of the major job providers and also offers ample scope for the growth and development of the employees. Therefore, a study to focus on the employee empowerment in Manufacturing industries is required, with this fact in mind I have taken up this study to analyze the possibility and impact of employee empowerment in manufacturing industry.

### **Employee Empowerment in Manufacturing Industry**

Like any other industry, the key to survival in manufacturing industry is a committed workforce with fine-tuned skills to deliver their best. But a lot of efforts are, indeed, required for attracting, motivating and retaining a high quality manpower. In today's fast changing business world, the most critical asset of any organisation is its trained personnel. These people, possessing variety of skills, abilities and knowledge, expert in their respective fields, have ample exposure and opportunities as well. So, the best way to motivate and retain them is to empower them by providing required training, the ability, the means and freedom to do their work in their own way. But the biggest challenge faced by this industry empowering its employees is the lack of awareness of organizational goals, role clarity, job satisfaction, performance appraisal, superior subordinate relationship, subordinate perception about supervisor and frequent conflicts. So, the main focus of research concentrates on these variables like:

- **Awareness of Organisation Goals:** Goal clarity pertains to the organisational structure and is sometimes embedded in how clearly employees see their roles and expectations in the organisation. The impact of goal clarity is an important part of any organisational structure and is one of the foremost enduring aspects of management styles and performance. Goal clarity goes hand in hand with individual performance and tends to enhance organisational performance. Furthermore, to nurture business excellence, goal clarity is critical both at the individual and organisational levels.
- **Characteristics of Organisation Goals:** Vision and goals of the organisation must be clearly spelled out by the top management. Employees must clearly understand the vision and goals of the organization. Management should encourage open communication and teamwork. Management must communicate with the employees regularly so that they're informed of what's going on in their organisation. Employees are entitled to all the information to enable them to take better and informed decisions. Communication specifically, is arguably one among the fundamental employee empowerment tools, without proper communication, contemporary organisations would cease to sustain.
- **Role Clarity:** Role clarity of employees at workplace plays a significant role in empowerment which successively enhances the efficiency and effectiveness of industries. The absence of defined roles of employees and ambiguity in the perception of their roles would end up in underutilization of their job potential. As a result, the employees fails to understand and achieve the stated objective, making it difficult for the organization to survive in the ever growing competitive environment. If the role doesn't allow the staff to use their competence, and if they constantly feel frustrated about their role because of proper understanding and clarity, their effectiveness will probably be low. Anadequate role clarity and a proper matching of the employees with their respective roles is a prerequisite for employee empowerment and only then their best contribution to organisation objectives and goals can be expected.
- **Motivation and Morale:** Motivation is the thrust which helps to attain goals. Motivation is defined as an inner urge or zeal to execute goal directed behaviour. Motivation is alleged to be intrinsic or extrinsic. Motivation and morale keeps the employee going ahead in spite of various obstacles and challenges. A motivated and enthusiastic workforce is a sure shot ingredient of success. Employee empowerment is an effective way to motivate employees of Manufacturing industry.
- **Relationship between Superior and Subordinate:** Empowerment is a process through which managers enable and help their subordinates to realize their full potential and exert influence in the organisation. Proper communication and sharing of all the relevant information is one of the necessary preconditions to a successful work systems. Encouraging decentralization of deciding authority, broader participation and employee empowerment in deciding their own processes ensures healthy superior-subordinate relationship in the organization. If management wants employees to become more responsibility for his or her own destiny, it must encourage internal commitment among the employees. With internal commitment, individuals are not only acquainted but fully committed to a specific project, person or program to complete the project efficiently. So it is extremely closely allied with empowerment. The empowering manager supports the subordinates through their guidance, help them correct their mistakes, provides them with emotional support to boost their self-confidence, sense of wellbeing and hence enabling them to function with maximum efficiency.
- **Power to create Decision:** Devolving responsibility and delegation of authority are important aspects of the empowerment process which give the workers, the sense of ownership and motivate them to use most of their capabilities and talents required to perform their duties effectively. Delegation of authority doesn't mean that the managers are released of their liabilities but on the contrary they fully involve the subordinates in the process of decision making. The managers empower the employees to take their own work related decisions, give the overall direction, follow the progress of the work and ensure proper monitoring and evaluation consistent with the designated goals for the given period.
- **Subordinate Perception about Supervisor Employees:** working in an organisation differ from one another in many ways like in their height, complexion, cultural backgrounds, educational qualifications, etc. People also differ in their thought processes and therefore the way they appear at things. Every individual has his or her own perception of various

situations. Again, two individuals might not have the identical perception a couple of similar situation. People also tend to believe what they perceive to be true regardless of the target truth. Perception thus could be a major drive in shaping the behaviour of someone.

- **Training:** The term training refers teaching of vocational or practical skills and knowledge to the employees for the acquisition of work related skills, competencies and the relevant data. It forms the core of apprenticeships and provides the backbone of content at institutes of technology (also called technical colleges or polytechnics). additionally to the fundamental training required for a trade, occupation or profession, observers of the labour-market recognize today the necessity to continue training beyond initial qualifications: to keep up, upgrade and update skills throughout their lives
- **Job Satisfaction:** Employee job satisfaction reflects the individual attitude or happiness with the case inside the organisation. As a completion thereto statement, job satisfaction may be a result of employees' perception of how well their job provides those things that are viewed as important. There are three dimensions of job satisfaction that are emotional answer the work situation, the fitness between yield and their expectation, and therefore the individual attitude that reflects a relationship among employees. Job satisfaction is influenced by many factors like salaries, promotional chance, supervision, peers, working condition, communication, safety, and by work itself.
- **Performance Appraisal:** Appraisals must be restructured as performance management processes, focused far from a manager's appraisal of the worker, and toward collaboration and continuous improvement. The performance appraisal process includes: (a) effective performance planning, including both collaborative goal setting and discussion of needed leadership style. At the look stage, managers and employees collaborate in setting goals, and therefore the manager agrees to produce the leadership needed to assist the worker succeed, (b) ongoing training of employee progress, and performance reviews specializing in the partnership by criticizing the employee's accomplishment and also the manager's leadership.
- **Conflicts:** Conflict is any situation during which two or more parties feel themselves con. it's the interpersonal process that arises from disagreement over the goals or methods to accomplish the goals. because the employees aren't conscious of goals and that they don't seem to be empowered that ends up in conflict.
- **Adaptability to Change:** Change may be a necessary way of life in most organisations. in the dynamic society surrounding today's organisations, the question of whether change will occur isn't any longer relevant. Instead, the difficulty is how managers deal with the inevitable barrage of change that confronts them daily in attempting to stay their organisations viable and current. Organisations that don't adapt to alter find it difficult or perhaps impossible to survive.

#### **Employee Empowerment – Need of Era**

In the current era of increased competition, organisation leverage empowerment as a HRM strategy to realize competitive advantage. Strategic management of human resource through empowerment is easier said than done in practice. Where employees suffer from inflated egos and are highly self-centered, empowerment doesn't work. Many employees entertain the emotions that they're prefer to be led and to not lead. Empowerment has no appeal to such employees. And this is the real problem in manufacturing sector. Because most of the employees here look for secured rather than challenging jobs therefore empowerment sounds hollow. Empowerment is one among the effective managerial tool to unlock the potential of employees in any industry including manufacturing industry. When the industry is ready to tap the potential of each employee through empowerment, it can effectively with stand competition. The journey of empowerment from illusion to reality requires clear understanding of nature of human system in coordination with the organization system (organisation climate, management practices and people). Empowering employees requires establishing an appropriate climate for empowerment and motivating people intrinsically in the organisation. Delegation of authority is one of the many activities which change the behaviour of the people. In this current era, empowerment has become essential part not only to improve efficiency of employees, enhance overall productivity of the organization but also to motivate, encourage and retain the workers. It helps to tap the hidden talents of the employees and enables them to realize their individual goals along with organisational goals.

### Conclusion

Employee empowerment do exist in manufacturing industry but at a very primitive stage. It must be nurtured, enhanced and supported by management and employees. The importance and extent of employee empowerment varies from moderate to vital among the staff in this industry. The important aspects of empowerment identified by employees of manufacturing industry are goal and role clarity, training, job satisfaction, performance appraisal, higher cognitive process, conflict, adaptability to change, superior subordinate relationship, subordinate perception about supervisor and it's found that each one of the variables are correlated to empowerment. The workers to be empowered requires all of these factors and therefore the absence of those would cause disempowerment. The study indicates that in the manufacturing industry, employees strongly agree that it specialize in vision and mission. They also agree that they're conscious of their companies goals and roles. The management formulates proper mission and vision and policies for the staff but all other factors are missing to some extent so it is difficult to motivate the workers and therefore the survey must be conducted to understand the missing links and take corrective actions. The management must trust their employee and ensure open communication and they must be consulted before making decisions. There is a need to train the workers to cope up with this situation and conduct regular appraisal are required inline with the performance. If the staff is not empowered it results in undue friction and conflict among the staff and that they cannot adapt themselves to changes. Employees who are empowered will make the industry productive and efficient and help it to survive, grow and face challenges posed by globalization with confidence. The mangers should note that empowerment won't happen naturally in the Organisation, but must be initiated by the top management, once initiated it's an ongoing process.

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