

Employee Empowerment as a Mechanism of Improved Quality of Work life: An Empirical Study

Abstract

In recent years, organizations have realized the importance of human resource and are focusing on adequate HR strategies such as empowerment, joint decision making, suggestion scheme, multi skilling, etc. for improving the quality of work life of the employees. Empowerment is an environment in which people have the ability, the confidence, and the commitment to take the responsibility and ownership to improve the process and initiate the necessary steps to satisfy customer requirements within well-defined boundaries in order to achieve organizational values and goals. The present study focused on employee empowerment measures adopted by Talcher Thermal Power Station (TTPS) after restructuring to improve the quality of work life of the employees.

Key Words: *Quality of Work Life, Employee Empowerment, Organisational Effectiveness*

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Introduction

Managers in the new millennium have been facing stern challenges in this cutting edge of technological advancement and the process of globalization. Free market competition, open-market economy, trade liberalization, cross-border mega-mergers and acquisitions, deregulation, satellite telecommunication, technological advancements, and growing global economic interdependence have brought countries closer than ever. Further, e-commerce, internet revolution, regional power integration, common currencies and cross-cultural diversity in the workforce have continuously been changing the traditional business practices and leadership roles around the world. Global competition and a changing business environment have provoked an organizational change in response to the increased pressures to improve efficiency and performance (Lawler, Mohram & Ledford, 1992). This setting has stimulated a need for employees who can take initiatives, embrace risk, stimulate innovation and cope with high uncertainty (Spreitzer, 1995). An empowered and proactive employee is thought to be essential to make the organisation more efficient in this competitive environment (Meihem, 2004). A similar view is proposed by Schermerhorn (1999) who stressed that worker involvement and empowerment are critical building blocks of organizational success. Empowerment is a philosophy which believes in enriching people's jobs and giving power to exercise



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control over and take responsibility for outcomes of efforts (Venkat Ratnam, 2006). An empowering organization emphasizes on autonomy, proper information and individual participation for organizational excellence. In order to achieve empowerment, the executives must ensure that the employees are having the right mix of information, knowledge, power and rewards to work more enthusiastically (Singh, 2004). The notion of empowerment involves the workforce being provided with a greater degree of flexibility and more freedom to make decisions relating to work. This contrasts markedly with traditional management techniques that have emphasized control, hierarchy and rigidity.

In order to enhance organisational productivity and competitiveness, it has become necessary for employees to provide outstanding performance in the face of constantly changing heterogeneous services and the changing needs of customers (Meihem, 2004). The management should develop and implement adequate HR strategies such as empowerment, joint decision making, multi skilling, etc. for optimum utilization of existing human resources in the competitive environment (Saini, 2000). As the composition of workforce continues to change, companies focusing on quality of work life (QWL) of employees are expected to gain leverage in hiring and retaining valuable people. QWL is a comprehensive programme designated to improve employees' satisfaction. It is a way of thinking about people, work and organization and creates a sense of fulfillment in the minds of the employees and contributes toward greater job satisfaction, improving productivity, adoptability and overall effectiveness of an organization. To improve the quality of work life of the employees, organisations are now emphasising on the importance of empowering people and adopting human resource strategies that place high value on employees as organisational stakeholders.

Employee Empowerment: Theoretical Perspective

Empowerment means to give people the power or authority. It means to give people more control over their own lives or the situation they are in. Employee empowerment is a management technique designed to democratize the work place. It is the way of enabling subordinates to have the authority and capacity to make decisions and to act for the organization in order to improve both individual motivation and organizational productivity (Elmuti, 1997, p. 233). Pearson and Chatterjee (1996) defined empowerment is to give more authority to employees of the organization in management of work. It is to bring employees to the position of owners of work (Koçel, 2003). It is spreading the administrative responsibility to all the places in the organization (Cuningham & Hyman, 1999). Employee empowerment refers to the delegation of power and responsibility from higher levels in the organizational hierarchy to lower level employees, especially the power to make decisions (Langbein, 2000; Dainty, Bryman & Price 2002; Arneson & Ekberg, 2006). The most of the literature refers to two main conceptions of empowerment: structural and psychological (Mathieu, Gilson & Ruddy, 2006). The majority of empirical studies on employee empowerment have incorporated the psychological perspective (Spreitzer, 1995, 1996; Menon, 2001; Avolio, Zhu, Koh & Bhatia, 2004; Bartram & Casimir, 2007; Bordin, Bartram & Casimir, 2007; Chen, Kirkman, Kanfer, Allen & Rosen, 2007), which focuses on individual employees' feelings and experiences of being empowered. Alternatively, few studies have focused on the structural perspective (Arnold, Arad, Rhoades & Drasgow, 2000; Wall, Cordery & Clegg, 2002; Mills & Ungson, 2003), which refers to the initiation of empowerment by top management, focusing on the delegation of authority and responsibility down the hierarchy (Leach, Wall & Jackson, 2003; Mathieu, Gilson & Ruddy, 2006).

Empowerment is an environment in which people have ability, confidence, and commitment to take the responsibility and ownership to improve the process and initiate the necessary steps to satisfy customer requirements within well-defined boundaries in order to achieve organizational values and goals (Besterfield, Besterfield-Michna, Besterfield & Besterfield, 2005). It is the process of enhancing feelings of self-efficiency among organizational members through the identification

of conditions that foster powerlessness and through their removal by formal organizational practices and informal techniques of providing effective information (Conger & Kanungo, 1988). It includes trust, authority, information sharing, decision-making, accountability, and responsibility. Also, empowerment could have various other meanings depending on the industry, the company, the division, and the individual. For management, empowerment is the giving up of some control and the sharing of additional knowledge of company goals and achievements for employees, its acceptance of the risk by taking more responsibility (Loretta & Polsky, 1991). It encourages people to make decisions and initiate actions with less control and direction from their managers (Handy, 1993).

Bowen and Lawler (1992) have defined employee empowerment as sharing with front-line employees, information about an organization's performance, prevailing reward system, knowledge that enables employees to understand and contribute to organizational performance, and giving employees the power to make decisions that influence organizational outcomes. Mohammed and Pervaiz (1998) states that empowerment is a state of mind. An employee with an empowered state of mind experiences feelings of: control over the job to be performed; awareness of the context in which the work is performed; accountability for personal work output; shared responsibility for unit and organizational performance; and equity in the rewards based on individual and collective performance. Employee empowerment increases organizational effectiveness and employee well-being. For instance empowering employees has shown to improve efficiency and reduces costs on the assembly line in a transmission plant (Suzik, 1998). Employee empowerment leads to job satisfaction, job involvement, loyalty, higher performance and faster service delivery to customers (Fulford & Enz, 1995). Empowerment thus helps to create autonomy for employees, allows the sharing of responsibility and power at all levels, builds employee self-esteem and energizes for workplace commitment and better individual performance. Management must empower their employees so that they can be motivated, committed, satisfied and assist the organization in achieving its objectives.

Empowerment Initiatives and QWL

The term 'quality of work life' was first introduced in 1972 during an international labor relations conference. QWL received more attention after United Auto Workers and General Motors initiated a QWL programme for work reforms. Robbins (1989) defined QWL as "a process by which an organization responds to employee needs by developing mechanisms to allow them to share fully in making the decisions that design their lives at work". Empowerment is one of the most effective ways of enabling employees at all levels to use their creative abilities to improve the performance of the organization they work for, and the quality of their own working life. Mutual respect is the building block of the entire QWL movement. In an environment of mutual respect and clearly defined goals, both improvements in life at work and greater productivity realized. By mutually solving work-related problems, building cooperation, improving work environments, restructuring tasks, carefully and fairly managing human resource outcomes and pay offs, will benefit both labour and management. It is a commitment of management and union to support localized activities and experiments for increasing employee participation in determining work environment. It requires decentralization, responsive to customers, participative team and ability of workers to solve the problems without waiting for hierarchical approval. Quality circles, problem solving teams and the like are initiated to encourage team work and for performance improvement (Maccoby, 1984). Involvement of employees in corporate decision making that would boost productivity, product quality, employee morale and overall quality of work life of employees. The purpose of empowerment is to increase the authority, knowledge, motivation related to the work of employees; therefore to enhance the contribution of employees to company and customers satisfaction (Jhul, Kristensen Dahlgard & Kanji, 1997), at the same time to increase the self respect, confidence and loyalty towards company (Wilkinson, 1998). In short, the aim is to improve the quality work life of the

internal and external customers (Ugboro & Obeng, 2000). Empowering employees has shown to improve efficiency and reduce costs (Suzik, 1998). Furthermore, empowerment improves employees' job satisfaction, loyalty, performance, service delivery and concern for others, and overall quality of work life (Fulford & Enz, 1995). Thus, it is of vital importance that HR managers today realize and accept that empowerment is really a necessary tool to increase employee satisfaction, which will transfer into greater productivity and organizational effectiveness.

Objectives

The study was conducted to evaluate the effectiveness of employee empowerment mechanism and employee suggestions on individual satisfaction, commitment and QWL. The major objectives are:

- i) To analyze the relevance of employee empowerment measures in improving quality of work life of employees in TTPS.
- ii) To study the impact of employee suggestion system on perceived quality of work life.

Methodology

The study was purely based on primary data and Talcher Thermal Power Station (TTPS), a unit of NTPC, was set as a case for this. At the time of study the total population of TTPS was 956 (235 executives and 721 non-executives). During the study structured schedules have been administered among 210 respondents (50 executives and 160 non-executives) of organization selected through random sampling out of which active responses of 140 respondents (30 executives and 110 non-executives) were collected. This was 64 per cent (60 per cent executives and 69 per cent non-executives) of the total respondents. The structured schedule administered among respondents for collection of primary data is ascertained by a five-point scale such as strongly agree (5), agree (4), undecided (3), disagree (2) and strongly disagree (1). Methods of direct observation and informal discussion with the employees were also followed to know their feelings with respect to the objectives of study. The responses were well recorded and systematically analyzed to draw a clear picture on the study.

About the Organisation

Initially Talcher Thermal Power Station (TTPS) was promoted by Govt. of Orissa in the Year 1964 and power generated from this unit since 1967. Due to continuous loss, Govt. of Orissa decided to sell it and it was taken over by National Thermal Power Corporation (NTPC), a central Government corporate body on 3rd June, 1995. After that the new management has developed a good organization culture, modernized the production system and reduced the manpower by adopting professional approaches. The TTPS/NTPC management invested Rs.200 crores for the purpose of modernization and proper maintenance of coal handling plant, construction of coal stockyard, maintenance of heavy electrical accessories and installation of sophisticated technology. The performance standard of the plant has increased due to proper maintenance of equipments and machineries, installation of modern technology, and proper handling of raw materials with low wastage. After restructuring, the management has adopted various proactive measures to improve the quality of work life of its employees.

Discussion

After restructuring of the organization, management has given extensive focus on employee's involvement in decision making process to promote employee participation at work. Bipartite bodies, quality circles and suggestion schemes are implemented to improve creativity, satisfaction and overall quality of work life of employees. As a result of those proactive strategies, the performance of the organization has improved significantly and employees became more committed towards the organization. The degree of quality of work life of employees prevailing in the unit with respect to empowerment and involvement and employee suggestion system discussed below:

Initiating Employee Empowerment and Involvement

Workers' involvement promotes industrial democracy at work place. It provides opportunity to employees to have a say in the decision making process. Employees feel themselves as the strategic partners of the organization and help in implementation of organizational policies. It not only reduces the discontentment among the employees but also increases their commitment towards the organization. The opinion of the respondents relating to the employee empowerment and involvement is exhibited in table 1.

Workers' involvement in decision-making has been given priority in TTPS since it was taken over by NTPC. Bipartite bodies are well represented by the employees and unions. Also, the opinion of these representatives are very much respected and encouraged by the management. Most of the problems and issues have been resolved amicably through participative approach. Quality circles are also very much active in the organization. It is observed from the responses of non-executives (average mean 3.705) and executives (average mean 4.184) that there is mutual trust and cooperation in the organization which help in promoting participative/democratic culture in it. The correlation coefficient ($r = +0.714$) and the calculated value of F is less than its critical value. These confirm the existence and proper functioning of various formal and informal participative bodies in the organization along with the employees feel empowered which are the key aspects of better QWL.

Table 1: Empowerment & Involvement Mechanism

Items	Executives (N=30)			Non -executives (N=110)			F – value
	Mean	S.D.	C.V (%)	Mean	S.D.	C.V (%)	
Mgt. encourages constitution of bipartite committees	4.4	0.49	11.13	4.01	0.58	14.46	4.257 d. f. (5,5)
Members are getting enough freedom to share their views	4.1	0.539	13.13	3.918	0.752	19.2	
Performance of bipartite committees are satisfactory	4.3	0.458	10.66	3.945	0.615	15.58	
Performance of quality circles are satisfactory	4.267	0.443	10.38	3.427	0.744	21.72	
Leader & members of QC jointly solve the work related issues	3.867	0.718	18.58	3.136	0.768	24.49	
Conducive climate of sharing knowledge & experience	4.167	0.582	13.97	4.091	0.497	12.15	

Coefficient of variation (C.V), Standard Deviation (S.D.), Avg. mean response (Executives) = 4.184, Avg. mean response (Non-executives) = 3.705, correlation coefficient (r) = 0.714, critical value of F (5, 5) = 5.05 at 5 % level of significance.

Employee Suggestion Scheme

The prime objective of employee suggestion scheme is to promote creativity among the employees. It gives opportunity to employees to extend their innovative and value adding suggestions in resolving organizational issues and problems. The opinion of the executives and non-executives regarding this is presented in table 2. TTPS has introduced employee suggestion scheme to bringing out the best suggestion out of their experience. It improves the individual potential as well as motivates them to be more committed. The management always extends its hands of cooperation by accepting and implementing the cost effective and productive suggestions from the employees. The performance of the employee suggestion scheme is satisfactory as the average mean responses of the executives and non-executives are 4.267 and 3.93 respectively and $r = +0.90$. The calculated value of F is less than its critical value. It confirms that the suggestion scheme is effectively contributing towards nurturing of individual creativity, trouble shooting, organizational performance, and building confidence/competence of individual employees as a result the employees are experiencing better quality of work life.

Table 2: Encouraging Employee Suggestions

Items	Executives (N=30)			Non -executives (N=110)			F – value
	Mean	S.D.	C.V (%)	Mean	S.D.	C.V (%)	
Employees feel encouraged to put their suggestions	4.067	0.680	16.71	3.745	0.639	17.06	2.556 d. f. (3,3)
Mgt. encourages to suggest opinions	4.4	0.49	11.13	3.982	0.632	15.86	
Recognition & reward for creative & innovative suggestions	4.333	0.471	10.87	4.1	0.436	10.63	
Suggestion scheme facilitates creativity of individual	4.267	0.443	10.38	3.891	0.679	17.45	

Coefficient of variation (C. V.), Standard Deviation (S. D.), Avg. mean response (Executives) = 4.267, Avg. mean response (Non-executives) = 3.93, correlation coefficient (r) = + 0.9, critical value of F (3, 3) = 9.276 at 5 % level of significance.

Major Findings

On the basis of above discussions and analysis, the following valuable findings are established with respect to employee empowerment and involvement, and employee suggestion system as practiced by the organization.

- ❑ The democratic committees of TTPS are working effectively and the employees are getting enough scope and freedom to give their opinion in those committees and the management has always given due weightage to the constructive suggestions.
- ❑ Most of the problems and issues have been resolved amicably through joint participative approach.
- ❑ Quality circles are functioning effectively and members are jointly solving their work related issues.
- ❑ After restructuring, the organization has introduced employee suggestion scheme so as to exploit the creativity of the employees.
- ❑ The employees are encouraged through due recognition and rewards for their creative and innovative suggestions.

Conclusion

Human resource issues are influencing the success of any organization in terms of profitability, survival, competitiveness, adaptability and flexibility. TTPS has realized this and recognized the importance of human resource for organizational success and survival. For optimum utilization of the existing work force, the management of TTPS has given proper attention towards employee empowerment and involvement measures. Effective functioning of democratic committees and quality circles in the organisation has developed a feeling of ownership among the employees. Employee suggestion scheme is operated to utilize the creative and innovative ideas of employees. As observed from the study, both employee empowerment and suggestion scheme have improved the quality of work life of employees. As a result of which employees become very sincere, committed and hardworking. Though there are some areas which need to be taken care, but the management is committed to continual improvement of employee empowerment by considering their employees as stakeholders. Thus, employees are more satisfied with their jobs and committed towards the organization. Overall, the employees of the organization are enjoying a better quality of work life as reflected in the study.

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