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# Empowering Employees in the 21<sup>st</sup> Century

Traditional hierarchal mechanistic organizations use the historical military model of "command and control" to centralize their decision-making process. Today, more organizations are using an organic approach that requires trusting employees to make decisions so problems are solved at the lowest level possible in the organization. Thus, the empowerment of employees helps resolve issues more quickly. Several dictionaries define empowerment: Merriam-Webster's Dictionary defines empowerment as "to give official authority or legal power to." (Merriam-Webster, 2005) The Cambridge Dictionary defines empowerment as "to give official authority or the freedom to do something." (Cambridge Dictionary of the English Language, 2005) The Oxford English Dictionary defines empowerment as "(1) to give authority or power to: authorize; (2) give strength and confidence." (Oxford English Dictionary, 2005) Given these definitions the purpose of this literature review is to determine to what extent organizations understand and empower their employees to make important decisions. The authors believe many executives lack a full understanding of the concept of employee empowerment. Thus, we begin by illustrating some qualitative research on executive perspectives secured by interviewing prominent managers from three organizations.

The authors were fortunate to interview three executives from very different organizations. First, the Director of Human Resources for a major league baseball (MLB) team was interviewed. This interview provided feedback from a mature team oriented organization. Next, Mr. James "Mattress Mac" McIngvale, the president and owner of Gallery Furniture in Houston, was interviewed to provide a perspective from an entrepreneurial organization. Finally, Mr. Gibson M. DuTerroil, the President of the Lighthouse of Houston, was interviewed to provide insight into the empowerment of disabled employees. A synopsis of these interviews is now presented.

The interview with the human resource (HR) director of the MLB organization emphasized the following points. First, they perceive their organization to be a family. This is highlighted with an "Open Door" policy to facilitate and promote effective communication. The HR director stated "Involvement is the key to employee empowerment," and "I've seen productivity and morale go up and even spike if people do come together." "We like to think we [also] empower our fans because the fans are the whole reason for any of this and we try to keep that in mind." To accomplish this, the organization has established community development groups, website feedback, MLB fan commercials and general customer service during and after the baseball game. The HR director stated that all departments cross-over into a theoretical seamless organization with the CEO taking the lead in supporting the empowerment of employees. (Stokes, 2005) Next, the interview that provides an entrepreneurial perspective is presented.

Mr. James "Mattress Mac" McIngvale, founder, president and owner of Gallery Furniture, stated, "I am the focal point of the store. I am here all the time so managers and employees know their boundaries and what they are suppose to be doing. I receive a lot of feedback from managers, but I just cannot have a new employee run the store. Their, [the new employee's], job is to listen and do what is asked of them. My number one job is to take care of the customer and live up to my promises. It is all about the customer! My desk is right up front so there is nothing to hide. If a customer has a problem that needs to be taken care of, or if there is a particular question I can answer, I am right there at the entrance, or they can call me at the store and you will never get a voice mail." (McIngvale, 2005) Apparently, Mr. McIngvale leads by example and trusts his employees to be empowered under his guidance. It seems his employees are empowered within certain limits which they understand. This perspective contrasts with the MLB organization which actively facilitates the empowerment of all of their employees through a proactive team effort. Next, the interview with Mr. DuTerroil, the President of the Lighthouse of Houston, is presented.

Mr. DuTerroil stated, "The majority of [our] employees perform their duties independent of direct management control or direction. Employees work under established guidelines and policies, but are expected to carry out their job requirements using their common-sense and professional skills. I do not believe we have attempted to determine in a scientific way the success of this method. [Also] Executives meet with managers and employees on a weekly basis. There is a monthly staff meeting and a quarterly meeting for all employees. We use questionnaires to gain feedback and meet with consumer organizations on a periodic basis. We also meet with customers on a periodic basis to elicit feedback and discuss concerns of mutual interests. Fifty percent of our employees are blind. Our blind employees are part of the total agency workforce and are treated and involved as all other employees." (DuTerroil, 2005) The Lighthouse seems to be using an approach which not only respects their workers, but that indeed also empowers them to solve problems. These interviews provide qualitative depth and different outlooks on the empowerment of employees. Because of these differences, a review of the literature of the major current trends in the empowerment of employees since January 1, 2000, is presented.

The following primary themes were found in the empowerment of employees' literature: (1) the effect of centralization or decentralization of decision-making, (2) the degree of participatory management, (3) the social-technical aspect of the empowerment of employees, (4) empowering members of protective classes (e.g. women, minorities and the

disabled), (5) empowering external stakeholders or customers, and (6) empowering employees to increase organizational productivity. We begin by examining the locus of control of the organization's decision-making process.

Decision-making is the key to any type of business and in most businesses responsibility is divided between "those who think" and "those who do." Realistically there are two basic types of decision making, centralized and decentralized. Currently, the centralized approach to managerial decision-making is still the most common. The theory behind the "employee empowerment" movement, which has slowly gained popularity in the private sector during the past decade, is to give workers greater responsibility and flexibility that will boost morale and lead to more efficient and productive work. (Billikopf, 2003) How does the organization's centralized or decentralized decision-making process affect how employees are empowered? First, we must define a few terms, *centralized*: "adjective 1: drawn toward a center or brought under the control of a central authority; [such as the] centralized control of emergency relief efforts or a "centralized government" [syn: centralized] [ant: decentralized] 2: concentrated on or clustered around a central point or purpose." (Merriam-Webster, 2005) When discussing the centralized decision-making process, one is referring to a top down management structural approach. In this type of structure you would typically see upper management, normally defined as being the Board of Directors, or President, and/or CEO, making all the decisions for the organization. This approach to decision-making has both advantages and disadvantages. The main advantage to centralized decision-making is that management believes all employees are "on the same page." Meaning that executives believe employees should be told what needs to be done and where the company is going. Leadership is important and many CEOs feel they are needed to lead and maintain the organization's sense of direction. The disadvantage of using a centralized decision-making process is the amount of control you give to your employees. Some supervisors think failing to maintain tight control may be seen as a sign of weakness; other managers simply find their use of power and authority to be satisfying. There are also executives who are concerned their employees would not make the correct decisions or good choices. We will discuss the degree of how much control you give your employees in the following sections. Unfortunately, when you leave out employee involvement and do not take a bottom up approach, you lose valuable insight from the employees who sometimes know the processes and business better than the governing body. Proponents of decentralized decision-making say, "Changes in the labor-management relationship could lead to improved services to clients and taxpayers." (Texas Education Review, 2003-2004) One can readily see the strong differences of opinion on empowerment.

The literature on the decentralized decision-making process is growing. Decentralized defined is "to distribute the administrative functions or powers of (a central authority) among several local authorities, or to undergo redistribution or dispersal away from a central location or authority." (Merriam-Webster, 2005) This philosophy believes in the workers' abilities and takes the view there are great benefits from empowering employees. Taking some of the control away from upper management and allowing employees to make some of the decisions at the lowest level possible empowers employees to solve consumers' problems quickly and more efficiently. Often, the problem is not the giving of control over to employees, but the real issue is upper management sharing their power and authority.

Next, we review the degree of participatory management used to empower employees. Participatory is defined as "(1) Marked by, requiring, or involving participation, especially affording the opportunity for individual participation, (2) affording the opportunity for individual participation." (Merriam-Webster, 2005) Thus, participatory management includes employees and empowers them to think, create, plan, organize, and monitor ideas and procedures. The primary question is: How much are employees involved in the managerial decision-making process? Gregorio Billikopf believes shared decision-making can improve the quality and acceptance of decisions, solves problems quicker, bolsters worker motivation and self-esteem, increases the sense of ownership, and improves interpersonal relations with employees. (Billikopf, 2003) However, it is not always easy to delegate or involve employees. Why is this so? The supervisor or manager may need to test the employee's knowledge, skills and understanding before empowering him or her. There are two extremes in the range of participatory management. At one end is the traditional use of authority called the "boss-centered" style and at the other is the "employee-centered" style. Each of these styles has very different settings. Thus, a common list on how to get employees involved and participating is described below.

In "Labor Management in Agriculture: Cultivating Personnel Productivity," Billikopf (2003) suggests five approaches: (1) TELL the employees the decision the supervisor makes and then announce it. The supervisor identifies problems, considers solutions, chooses one and then reports to the employees. In the (2) SELL THEM approach, the supervisor makes the decision and explains the reasoning to employees in an effort to gain acceptance. In the (3) CHECK WITH THEM method, the supervisor presents his or her decision as an idea and invites questions and comments. In (4) INCLUDE THEM, the manager presents a problem, asks employees for ideas and suggestions and then makes the decision themselves. Again, the supervisor decides, but the employees provide input and information. In (5) INVOLVE THEM the supervisor transfers the decision-making responsibility to employees. Regardless of the approach, the supervisor needs to carefully communicate with employees about the employees' role in the decision-making process. A supervisor will have a difficult time if he or she knows exactly what they want to do and tries using a "democratic participatory" approach to get workers to think the supervisors' ideas are the employees' ideas. Employees are not stupid and can spot this trick from a

long way off. Also, employees will lose their desire for involvement in the decision-making process if no action results from the decisions they help make. The key to using the approach, (5) INVOLVE THEM, the article suggests is honesty, sincerity, trust, and openness with employees and respecting their decisions. (Billikopf, 2003)

An emerging area in employee empowerment is the use of technology in the workplace and how it can affect employee performance. In an empowerment case study by the Panopticon and Rhetoric of Empowering in Business Process Reengineering (BPR) Group, they state, "It's the people that matter not the technology. Technology doesn't replace people...I think it's important to get out and rub shoulders otherwise it all becomes clinical and you know no work will get done." (Kylie, 2004) The BPR Group evaluates their data based on testing the results of business process reengineering and on how management empowers employees. This approach uses information technology and enables one to share power with employees by sharing information and technology. Panopticon says they recognize the need for organizations to adapt new forms to enable them to exploit the capabilities of information technology and to operate more efficiently in the rapidly changing environment of the decade of the 1990s and beyond. Many believe the rate of change in the business world has accelerated to the point that the only way to equal or exceed the rate of change going on in the world around us is to involve the employees. As an example: BPR promotes a flatter organizational structure, with empowered workers who use information technology (IT) in radically new ways to carry out operations. Technology provides the means for more widespread and lateral dispersal of information throughout the organization. This concept takes away from the traditional role of managers as information controllers and allows organizations flatter structures with fewer levels of managers and greater employee empowerment. Unfortunately, the concept of employee empowerment has often become a fad idea and is rarely enacted. Panopticon says, "We suggest that it is inherent in the philosophy of BPR methodologies to reinforce the position and power of management and that this is in direct conflict with the need to give the power to the employees." This reengineering approach to empowerment allows for authority and responsibility to be shared with lower levels in the organization. It has the potential of getting rid of redundant levels of management, while at the same time giving employees opportunities for job satisfaction through decision-making and genuine involvement in the process. This concept of employee empowerment is often offered in conjunction with the use of IT to maintain control over the empowered workers. One can see that this type of empowerment is part of a broader approach to organization and requires a shift in culture. Empowerment does not mean giving up control, but rather changing the way control is exercised through the use of technology. Panopticon suggests "The strength of an organization lies in the empowerment of individuals. Empowerment is its strength. The assumption that all people are empowered is its weakness. Empowerment is shared and facilitated by managerial leadership through changing workers' values and by the use of technology to maintain and enhance this control." (Kylie, 2004) Worker values are also cited as important to the next category of employees.

Organizations that empower diversified workforces through creative and flexible adjustments into corporate environments are more likely to find it easier to empower the contributions from all employees. In addition to the protection from civil and anti-discrimination laws, (e.g. Americans with Disabilities Act of 1990), organizations are adopting and facilitating new mainstream trends on a routine basis as an integral part of business regulations, guidelines and social responsibilities. Further, managers incorporate protected classes (women, minorities and the disabled) into business activities and view this as an important strategic part of the decision-making and planning processes. Many managers realize the benefits, and value-based differences from protected class employees are a good incentive to help outweigh costs and potentially unforeseen ominous ethical issues. As a result, the growth of employment of members of the protected classes, both in numbers and in percentages, continues to increase on an annual basis; the unemployment percentages also show a steady decline as well. (U.S. Census Bureau Data, 2003)

James O'Toole, cited in "Leadership from A to Z" presents several approaches to identifying true leaders and clarifies the concept that empowerment can be equally distributed throughout all organizational levels. One approach's empirical data supports possible fluctuation irregularities that could be detrimental to female employees. Challenges and frequent changes in social expectations from colleagues can lead to possible skewness in professional conduct and work relationship ethics. "Women have different obstacles to face and it is not expected that they should model themselves after a John Wayne type role model." The essential message by O'Toole is that an equal and consistent approach to facilitating strong leadership is the most empowering of them all and if leadership really cares about their employee base and the organization, then management will involve more female employees in planning and decision-making processes. (Alerton, 2000) Next, the empowerment of disabled employees is examined.

IBM was the first company to hire a disabled employee in 1914. Since then, managers initiate and live up to their commitment to create a supportive environment for disabled workers to maximize production. Consequently, today employees should not be stigmatized encountering a disabled or a "special case" worker. According to Jim Sinocchi, disabled workers at IBM are a valued asset to the company because they offer alternate perspectives and views to a company that makes and sells technology for people with disabilities. Sinocchi says a key point is "We do not hire people who are disabled just because it's a nice thing to do. We do it because it's the right thing to do from a business standpoint." To support management's efforts, IBM hires many disabled college graduates for entry level positions, builds mentoring

programs to increase competent levels in job performance, and diligently eliminates any possible embarrassing barriers to entry that disabled employees might confront. As a result, IBM was awarded the "2004 Access Award" by the American Foundation for the Blind. This award recognizes IBM's corporate philosophy of promoting accessibility throughout the company, the product and services. (Mullich, 2004)

Organizations are as different and unique as each individual, and based on data from some of the Fortune 500 top companies it is suggested that diversity in the workplace can sometimes be unequally covered. On the other hand, there are companies that require mandated policies in order to better shape a working environment for all minority employees. For example, McDonald's ranks number one in the fast food industry and has the highest support for minority-employee retention on Fortune's top company list. In addition to these efforts, McDonald's has also added a third minority to its sixteen (16) person board of directors and has built a distinct multi-cultural workforce that is 53% minority. The more managers establish and share power with their minority employees, the more McDonald's distinguishes themselves in facilitating the employment of protected classes. (McDonalds, 2003)

A human resource manager from the National Federation for the Blind sees an alternate definition of empowerment. "I believe that in the field of work with blind customers, the meaning of empowerment is much broader. Employees involved in quality programs know what it takes to empower blind customers and how to properly involve them in the decision-making process. Providers see to it that these tools are provided on a continual basis. To reach this objective, school and agency employees must invest a great amount of time to learn what it means and what it takes to provide full empowerment for the average customer." Service providers empower blind customers to the extent that groups are provided with the best possible training tools, advanced technologies, and continual innovative support in order to accomplish the goals of the disabled consumer. (National Federation for the Blind, 2005) Therefore, the definition of employee empowerment should probably not be restricted or limited to strict definitions from academic sources and should be taken into consideration because managers have different insights into what empowerment can mean. When the concept of empowerment also includes customers as in this example, disabled individuals are given opportunities and can take full advantage of various programs and services offered.

Business environments are changing rapidly adding new management challenges. One important challenge for corporate and HR executives is to expand empowerment from motivating employees to insure that job completion and expected performance standards are met to include consumers. For example, Cisco Systems Incorporated, the third largest global telecommunications networking company, devotes a lot of attention to the competition and its customers. Cisco believes its consumers are not out to stifle them, but are a positive resource to be utilized. With a large geographically dispersed customer base, difficulties may occur as management tries to accommodate numerous consumer demands and expectations. Cisco's leadership filters empowerment to its customers by relying on the internet for opinions and suggestions. John Chambers, the CEO, argues his point implying that a web-based architecture is an important key to an automatic summary of customer satisfaction. "I listen to constructive criticism probably more, not probably, definitely a lot more than I do compliments. It's all about the way that you take things into perspective. That is what empowerment is all about." (Thurm, 2000) Thus, empowerment at Cisco is perceived as both internally and externally focused.

In a rapidly changing work environment an important challenge is to motivate and empower all employees to insure that expected job production and completion is enhanced. Identifying employees' strengths, acknowledging employee capabilities, and evaluating and rewarding individuals are efforts that help build a strong foundation that can also attribute to high levels of output which can lead to a sense of self-worth and job satisfaction. Concerning motivation, Reddie, an HR consultant for Sun Microsystems, insists implementing solutions to career growth and employability means creating "learning organizations" in which not just the individual, but the whole organization is committed to an ongoing learning process. "People want to feel as if they are part of something that is going somewhere," Reddie says, "and they want to see that they're going somewhere." This strategy facilitates motivation and allows employees to become more receptive to change. (Breuer, 2000)

In summary, this article listed the major themes in the literature since January 1, 2000, that were published on the topic of empowering employees. Additionally, three interviews of executives from different organizations were cited. To reiterate the cardinal themes were: (1) the effect of centralization or decentralization on decision-making, (2) the degree of participatory management, (3) the social-technical aspect of empowering employees, (4) the empowerment of members in the protective classes (women, minorities and the disabled), (5) the empowerment of external stakeholders and customers, and (6) the empowerment of employees to increase organizational productivity. The interviews provided enhanced depth of understanding into the different needs, interpretations and perspectives of the empowerment of employees.

In conclusion, it seems apparent the empowerment of employees is still considered a relatively new concept that is still in the early developmental stages and needs to continue to grow in the workplace. Additionally, its strength is the improvement of labor-management relations that increase understanding, interaction and communication. As mentioned, the empowerment of employees should probably also include an internal and external focus. However, the biggest obstacle to the success of empowering employees may be a reluctant executive sharing their power with the employees.

Therefore, the authors recommend that executives in organizations interested in empowering employees provide training to facilitate the empowerment of their employees. Power increases when it is shared. This basic approach to empowering employees benefits the organization, its employees and also ultimately the consumers.

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