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Effective Empowerment in Organizations

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Psychological empowerment is the perception that workers can help determine their own work roles, accomplish meaningful work, and influence important decisions. Empowerment has been studied from different perspectives, including employee perceptions, leadership behaviors, and management programs. Despite positive rhetoric, programs designed to increase empowerment seldom achieve the benefits promised. Inconclusive and seemingly contradictory outcomes stem from the fact that few companies give employees significant control and access to management information. A half century of research suggests that empowerment strategies can offer real benefits. We outline facilitating conditions for effective empowerment, including characteristics of organizations, leaders, employees, and the work itself.

Keywords: Empowerment, Leadership, Teams, Power Sharing

Effective Empowerment in Organizations

Psychological empowerment in organizations is the perception by members that they have the opportunity to help determine work roles, accomplish meaningful work, and influence important decisions. Over the past several decades an interest in empowerment can be seen in many subject areas within psychology and management, including motivation, leadership, group processes, decision making, and organizational design. Many studies have examined aspects of leadership behavior or management programs that can increase empowerment, and a much smaller number of studies have examined the effects of such determinants on the perceptions of employees and on outcomes such as unit performance. Since a program or leadership style designed to increase empowerment may not actually do so, it is useful to measure the psychological empowerment of employees. Empowerment is considered important because of the potential benefits that can result from it, including increased commitment, better decisions, improved quality, more innovation, and increased job satisfaction.

In this article we will briefly review what was learned about empowerment in the past half century. We will examine the use of empowerment programs by organizations and their effects on performance. We will suggest what needs to be studied in the future, and discuss the practical applications of current knowledge for managers and administrators.

Part 1—The Past: Empowerment Theories and Research

Theories of psychological empowerment attempt to determine the essential components, why empowerment efforts will be successful, and the facilitating conditions in which people will actually experience empowerment at work. The theories involve subjects as diverse as job design,

participative leadership, organization structure, organizational culture, employee skills and traits, and leader selection and assessment.

Components of Psychological Empowerment

Psychological empowerment is usually conceptualized as the increased task motivation that results from an individual's positive orientation to the work role. Four defining factors are described as independent and distinct, yet related and mutually reinforcing. The four factors are meaningfulness, competence, choice, and impact (Thomas & Velthouse, 1990). It is interesting to note that each of these four factors has served as a definition of empowerment in earlier research descriptions of empowerment as a unitary concept.

Meaningfulness is "the value of the task goal or purpose, judged in relation to the individual's own ideals or standards; the individual's intrinsic *caring* about a given task" (Thomas & Velthouse, 1990, p. 672). It is analogous to the psychological state of meaningfulness in the job characteristics model of Hackman and Oldham (1980). In psychoanalytic terms, meaningfulness represents a kind of cathexis or investment of psychic energy (Thomas & Velthouse, 1990). Within the empowerment construct, meaningfulness is characterized at the level of specific tasks or projects. Meaningfulness is described as the "engine" of empowerment, in that meaning energizes individuals to work (Spreitzer, Kizilos & Nason, 1997).

Competence is "the degree to which a person can perform task activities skillfully when he or she tries" (Thomas & Velthouse, p. 672). The concept is analogous to Bandura's (1986) notion of self-efficacy or personal mastery. Competence refers to the individual's belief in his or her capability to perform work activities with skill (Gist, 1987). Competence captures the idea that the individual feels capable of successfully performing a particular task or activity (Bandura, 1986). Conger and Kanungo's (1988) discussion of psychological empowerment in organizations explores the nuances of self-efficacy and competence in the individual.

Choice refers to the causal responsibility for a person's actions and whether behavior is perceived as self-determined. The concept is similar to locus of control. People with a strong internal locus of control orientation believe that events in their lives are determined more by their own actions than by chance, while people with a strong external locus of control orientation believe that events are determined mostly by chance or fate (Rotter, 1966). deCharms (1968) uses the term "locus of causality" and argues that perceiving one's own behavior as the origin (rather than pawn) is the fundamental basis for intrinsic motivation. Deci, Connell and Ryan (1989) use the term "self-determination," which is the individual's sense of having a choice of initiating and regulating actions and one's own work. Liden and Tewksbury (1995) describe degree of choice in the work setting as the crux of empowerment. Thomas and Velthouse (1990) characterize choice as different from Rotter's locus of control (which also involves outcome contingencies); however, here we emphasize the similarities and overlap between the two concepts.

Impact is "the degree to which behavior is seen as "making a difference" in terms of accomplishing the purpose of the task, that is, producing intended effects in one's task environment" (Thomas & Velthouse, p. 672). Impact builds on the concept of locus of control and the belief that one has an influence on organization-level decisions or policy (Rotter, 1966) and also on the no-

tion of learned helplessness (Abramson, Seligman, & Teasdale, 1978). Impact is analogous to the psychological state of knowledge of results in Hackman and Oldham (1980). Ashforth (1989) characterizes impact as the degree to which an individual can influence strategic, administrative, or operating outcomes at work.

Job Design and Intrinsic Motivation

Empowerment opportunities are limited when employees perform routine, repetitive production or service jobs. There is more potential for meaningful work and self-determination in jobs that have complex tasks and enriching job characteristics. Jobs that are designed with only the technology in mind are not supportive of empowerment. Socio-technical systems designed with flexible technology encourage employee empowerment. Customer service jobs are more empowering when the business strategy allows customized and personalized attention and employees have longer interactions and continuing relationships with the same customers (Bowen & Lawler, 1995).

The job characteristics model is associated with the concept of job enrichment and the idea that routine and overly specialized jobs are de-motivating. Jobs can be made more intrinsically motivating by redesigning work so that employees have control over tasks typically performed by supervisors. For example, having input into the work schedule would be seen as motivating, as employees would help design their work week. Five characteristics are essential to all jobs in order to have intrinsically motivating work (Hackman & Oldham, 1980). *Task identity* is the degree to which the individual performs a whole piece of work. *Task significance* is the degree to which the job has a substantial impact on the lives of others. *Skill variety* is the degree to which the job requires different skills of workers. *Autonomy* is the degree to which individuals feel personally responsible for their work. *Feedback* is the degree to which the job provides information on level of task accomplishment.

The five characteristics of jobs contribute to three critical psychological states in the individual: *experienced meaningfulness* of the work, *experienced responsibility* for outcomes of work, and *knowledge of the actual results* of work activities. Employees experience intrinsic motivation when the work generates these three psychological states. Outcomes of the job characteristics model include high internal work motivation, high growth satisfaction, high general satisfaction and high work effectiveness (Hackman & Oldham, 1980). Greater autonomy is linked to psychologically experiencing responsibility for work, which is linked to increased job satisfaction (Hackman & Oldham, 1980). Several decades of research investigating job characteristics in organizations have provided a great deal of support for this model; job characteristics are the most consistent situational predictors of job satisfaction in employees (Judge & Church, 2000). More than 90 percent of Fortune 1000 companies have made increases in job autonomy (Lawler, Mohrman & Ledford, 1998).

Participative Leadership

Leaders can encourage and facilitate participation by involving others when making decisions that affect them. Involving employees can potentially improve the quality of decision making in the workplace, and it helps to improve the acceptance of decisions and employee satisfaction

with the decision-making process. Involving employees also helps to develop their decision-making skills. Four basic types of decision procedures can be arranged on a continuum from no influence by others to high level of influence; these processes are autocratic, consultative, joint, and delegation. Autocratic decisions are made by the leader without asking for the opinions of others, so there is no participation. Consultative decisions are ones in which the leader asks others for opinions and ideas but makes the final decision alone, after considering others' views. Joint decisions are made together by the leader and other relevant parties such as subordinates. Delegation means that the leader gives an individual or group the authority and responsibility to make a decision.

Various iterations of participative leadership also exist, such as the difference between leaders who "tell" others of decisions made, and leaders who "sell" others by using influence tactics such as rational persuasion and inspirational appeals. It is important to remember that there is a big difference between involvement in the decision process and true influence and empowerment. For example, we recall working with a manager who used a decision style that involved presenting hypothetical work situations, usually involving some demeaning or onerous task that was about to be imposed on his workgroup. Involving the team in the so-called decision process seemed transparently manipulative to team members, and contributed to employees feeling disempowered and unmotivated. Ultimately, many team members left the organization.

Despite the intuitive appeal of participative leadership, research fails to provide strong, consistent evidence that it improves the performance of a leader's unit. After 40 years of research, we can only conclude that sometimes participative leadership results in higher satisfaction, effort and performance at work, and sometimes it does not (Yukl, 2006). To explain why participative leadership is more effective in some situations than others requires a contingency model. The normative decision theory (Vroom & Yetton, 1973) identifies specific situations where participation can be effective. Five decision procedures are identified for decision making involving leaders and multiple subordinates: two types of autocratic decisions, two types of consultation and one type of joint decision making. The effectiveness of these decision procedures is contingent upon specific factors, such as the amount of information possessed by the leader, the likelihood that subordinates will accept the decision, and the extent to which the problem is unstructured and requires creative problem solving. The normative decision process model is one of the best supported theories of leadership, and it provides important and specific clues to developing empowerment.

Organization Structure, Reward Systems, and Access to Information

Organizations that centralize power in top management provide little power and authority to middle and lower-level managers. Centralization can limit the opportunities for managers to use job enrichment and delegation with direct reports. Organizations with formal structures and standardized rules and procedures for work performance also impede empowerment. Decentralized organizations that compete on the basis of customized products and services provide more opportunities for employees to take initiative in determining how to do the work.

It is not enough to just decentralize authority to the leadership of smaller subunits such as product divisions. Building more democratic organizations means redistributing power to all levels

in the organizational hierarchy. Successful empowerment may require management programs and systems that share information, knowledge, and rewards with employees at all levels (Lawler, 1996; Lawler, Mohrman, & Benson, 2001). Empowerment is increased by employee access to information, funds, materials, and facilities needed to do the work effectively. Employees that have more access to information about the mission and performance of the organization experience more empowerment.

Organizational Culture and Empowerment Values

Shared values, beliefs, and norms held by members of an organization are known as organizational culture. A supportive culture that values employees and their contributions facilitates empowerment. Creative problem solving is supported by an organizational culture with strong values for information sharing, fair and constructive judgment of ideas, and reward and recognition for new ideas (Amabile, 1997). In contrast, a culture that only emphasizes traditional approaches and avoidance of mistakes discourages creative problem solving.

Employee Skills and Traits

There is some evidence that employee characteristics are related to empowerment. The responsiveness of employees to opportunities for more responsibility and participation is greater when they have a high level of achievement motivation, high self confidence and self-efficacy, and an internal locus of control orientation (Argyris, 1998; Bandura, 1986; 1997; Rotter, 1966). In general, employees with higher levels of education, tenure and job level report experiencing more feelings of empowerment. However, recent findings are somewhat counterintuitive. Ahearne, Mathieu and Rapp (2005) found that sales employees with *low levels* of knowledge and experience benefited the most from empowering leader behaviors, while high-knowledge and experienced employees reaped no clear benefit. Similarly, Leach, Wall and Jackson (2003) found that an empowerment intervention increased job knowledge substantially in less experienced (rather than more experienced) machine operators. One potential benefit of empowerment is to “facilitate cognitive growth and awareness through the transfer of knowledge among individuals who might not otherwise share information” (Wagner, Leana, Locke & Schweiger, 1997, p. 50). Organizations that invest in building employee skills, achievement orientation, and self confidence can increase the likelihood of successful empowerment (Forrester, 2000).

Leader Selection and Assessment

Empowerment is more likely when leaders are elected for limited time periods, a practice often seen in voluntary organizations, professional associations, and democratic political units, such as city councils, school boards, and state legislatures. Term limits provide another way to prevent leaders from accumulating too much power relative to subordinates. Private organizations seldom use these methods, even though in many cases it would be feasible to appoint leaders for a specified time period or to use a hybrid form of selection, such as a council of representatives (de Jong and van Witteloostuijn, 2004). Regardless of the method of leader selection, influence is greater (and more empowerment occurs) when members participate actively in assessing leader performance, especially when they are able to remove leaders with unsatisfactory performance.

Further research is needed to determine the effects of leader selection and assessment on empowerment in different situations and types of organizations.

Part 2—The Present: Use and Effectiveness of Empowerment Programs

As the preceding section shows, the conditions that facilitate and impede empowerment in organizations are known, although not necessarily easy to implement. In this section we will describe several different types of management programs used by organizations to increase empowerment. The programs can take different forms, and variations can be found in different countries and for different types of organizations.

Employee Stock Ownership Plans

In the United States, formal empowerment programs found in many corporations include employee stock ownership programs, open-book management, and self-managed teams. To establish an employee stock-ownership plan (ESOP), a company creates a trust and contributes money or stock to it. These contributions are tax-deductible, and stock is allocated to individual employees based on seniority and compensation. Over eight million employees in over eleven thousand companies participate in such plans. ESOPs should not be confused with stock option plans that grant employees the right to buy company shares at a specified price once the option has vested. Stock options can be given to as few or as many employees as the company desires, but ESOPs must include all full-time employees.

For ESOPs to promote empowerment, employee shareholders must have a real voice in the way a company is being managed. One company that has achieved synergy between employee ownership and participation in decision making is Reflexite Technology Corporation, which manufactures reflective materials. At Reflexite employees are taught to understand financial terms so they can discern how company performance relates to bonus and dividend payments or why dividend payments fell sharply when management decided it was necessary to invest capital in new plants in Ireland and Germany. Instilling ownership awareness at Reflexite also extends beyond teaching employees to read financial statements. All of the skill training is linked to owner-awareness training.

Sharing Information

Basic to employee empowerment are programs to share information about business performance, plans, goals, and strategies. It is difficult to expect employees to make meaningful contributions to the success of the organization unless they have access to basic operating information. While organizations appear to be increasing efforts in this area, there is still a tremendous opportunity for greater sharing of business information with employees, particularly information about business operating results, competitors' performance, business plans and goals, and new technologies (Lawler, Mohrman & Ledford, 1998). Many public corporations, for example, provide only the financial information that the law requires be distributed to shareholders in annual reports. By not sharing basic information, a significant number of companies still do not treat employees as important stakeholders in and contributors to the firm's performance (Lawler, et al, 1998).

One formal program to empower employees through communication and learning is known as open-book management. As the name suggests, top management “opens the books” to employees to give them a clear understanding of financial information, such as revenues, profits, and costs. For this type of program to be successful, however, it involves more than just sharing financial information with employees; it also requires training that will enable employees to understand the information and use it to improve company performance. A good example is provided by Springfield ReManufacturing Corp. The CEO tries to ensure that all employees receive weekly financial information about the company and are able to understand it. Managers in each department provide informal training on a specific item, such as the labor-performance rate, and explain to employees how it is determined, how they affect it, and how it affects the company (Lee, 1994).

Sharing Power through Parallel Structures

Empowerment can be increased in organizations by actively engaging in power sharing with employees. This process involves moving decision making downward in the organizational hierarchy. Problem solving activities and special meetings are typically held outside of normal work processes; thus these empowerment activities are also known as parallel structures. Popular forms of parallel structures include quality circles, employee participation groups, use of survey feedback, quality-of-work-life groups and suggestion systems (Lawler, Mohrman & Ledford, 1998).

In sharing power through parallel structures, employees are asked to provide input and recommendations. However, they are not typically given substantial decision making control and they may not have the power or budget to implement their decisions, which is a distinct limitation to their effectiveness. These programs have significantly increased in popularity over the last two decades such that most organizations use some form of parallel structure and many use more than one. However, parallel structures are typically limited to fewer than half of the employees in the organizations that use them (Lawler, Mohrman & Ledford, 1998). The most successful parallel structures are survey feedback and employee participation groups. They are relatively easy to introduce and require no fundamental organizational change; consequently, they can produce positive results in many types of situations. There is some evidence that employee participation groups, survey feedback, and suggestion systems work better when they are part of an overall pattern of practices that involve employee empowerment (Lawler, Mohrman & Ledford, 1998).

Self-managed Teams

Another type of program for increasing empowerment is the use of self-managed teams. Implementation of teams requires more structural change in the organization than the parallel structures discussed above. Seventy-nine percent of Fortune 1000 companies and 81 percent of manufacturing organizations have implemented teams with some degree of self management (Lawler, Mohrman & Ledford 1998; Taninecz, Lee, Feigenbaum, Nagle & Ward, 1997). Unlike traditional work units where a formal manager usually makes all the key decisions, members of self-managed teams meet to determine how to do the work and who will do each task. The team usually selects a leader to conduct meetings and coordinate activities, and this leadership role may

be rotated among qualified members. The parent organization usually determines the mission, scope of operations, and the budget for self-managed teams. The amount of authority the team has for other types of decisions varies greatly from one organization to another. Each team is usually given authority and responsibility for operating decisions such as setting performance goals and quality standards, assigning work, determining work schedules, determining work procedures, making purchases of necessary supplies and materials, dealing with customers and suppliers, evaluating team member performance, and handling performance problems of individual members. The teams are usually allowed to make small expenditures for supplies and equipment without prior approval, but in most organizations any recommendations for large purchases must be approved by management. Sometimes self-managed teams are also given the primary responsibility for personnel decisions such as selecting hiring and firing team members and determining pay rates (within specified limits).

Self-managed work teams offer a number of potential advantages for an organization. Greater autonomy and variety can result in more satisfied employees, with lower turnover and absenteeism. Having team members cross-trained to do different jobs increases the flexibility of the team in dealing with personnel shortages resulting from illness or turnover. Increased knowledge of work processes helps team members solve problems and suggest improvements. Employees who can make decisions and initiate changes are more likely to take responsibility for their work and may be more motivated to produce a high-quality product or service. Finally, the changeover to self-managed groups typically reduces the number of managers and staff specialists in an organization, which lowers costs.

The Miller Beer facility in Trenton, Ohio, is an example of an organization built on team principles. This “brewery of the future” uses cross-functional and self-directed teams of 6 to 19 people to manage every aspect of the brewing, packaging, and distribution process. Team responsibilities include administration, personnel, safety, quality, productivity, and maintenance. Employees have access to information of every aspect of the competitive brewery business. The team approach has yielded a 30 percent increase in productivity in comparison to Miller’s other plants, turnover is less than seven percent and absenteeism is less than two percent. The Trenton facility has received several awards as an innovative union operation. Managers attribute its success to the team design, as the plant’s physical operating features are identical to its other plants (Becker & Mathieu, 2003).

How many of these potential advantages are realized depends on the extent of implementation in an organization. When used in an appropriate way, self-managed teams can increase member commitment and improve quality and productivity (Ilgen, Hollenbeck, Johnson, & Jundt, 2005; Kirkman & Rosen, 1997; Kozlowski and Ilgen, in press). However, self-managed teams are difficult to implement, and they can be a dismal failure when used in inappropriate situations or without competent leadership and adequate top management support.

Self-managed teams are most appropriate for complex, self-contained projects that require a high level of initiative, skill, and motivation. These teams are not appropriate for independent tasks that are performed individually by employees rather than by a team. Other facilitating conditions for the effectiveness of self-managed teams include (Goodman, Devadas, & Hughson, 1988; Hackman, 1986; Hackman & Wageman, 2005; Pearce & Ravin, 1987; Sundstrom, DeMeuse, &

Futrell, 1990): (1) clearly defined objectives, (2) a complex and meaningful task, (3) a small team size and stable membership, (4) substantial team discretion over work processes, (5) access to relevant information, (6) appropriate recognition and rewards, (7) strong support by top management, (8) members who have strong interpersonal skills, and (9) a competent external leader who serves as a liaison with formal management and other teams.

Democratic Decision Processes

Organizations can greatly increase empowerment by allowing members to elect and remove leaders and/or to have representatives on key decision making bodies. For example, many American universities often have a faculty senate with elected representatives who share authority for some types of decisions. In addition, the academic departments often have a chairperson with a defined term of office who is elected (or nominated) by department faculty. Voluntary organizations and local governments often have elected officers who are required to hold open hearings on major decisions, disclose budgets and financial transactions, and obtain member approval for increased assessments.

In some European countries, the board of directors for a company is required by law to include members representing employees, and some organizations have an employee council with elected representatives from different subunits. In Germany, for example, a legal concept known as codetermination gives unions 50 percent membership on supervisory boards; the regulation has been in effect in the coal, iron, and steel industry since 1951 (Heller, 2003). Labor union members of the board vote on important decisions and have a voice in the selection of the CEO. The European Union has adopted guidelines for increasing empowerment with works councils and other structural arrangements and processes, giving employees the right to consultation and a formal voice in certain aspects of decision making. For example, in some employee-owned companies, the employees select top management and can vote to replace them if their performance is not satisfactory (Heller, 2000). The United States has avoided legislating normative (formally structured) democratic decision making in business organizations altogether.

More extreme examples of industrial democracy can be found but are rare. The Glacier Metal company in London presents a unique case of employee democracy that survived for three decades (Heller, 2003). Glacier conducted monthly consultative meetings with employees from all levels of the company in issues involving individual employee and group problems. The elected employee representatives had complete veto power over any decision (Heller, 2003, p. 155-156).

The Brazilian company Semco represents another innovative case study of democratic ideas of employee empowerment (Semler, 2004). This very successful company has diverse products and services, unique market niches, rising profits, highly motivated employees, and low turnover. There is no fixed CEO and board membership is open to any employee, with seats filled on a first-come-first-served basis. Workers choose their own training and can select jobs or projects that fit their interests. Applicants are interviewed by a cross-section of employees. The company culture values democracy, open communications, constructive dissent, innovation, and the development of employees. The company insists that workers seek personal challenges and satisfaction before trying to meet the company's goals.

Effectiveness of Empowerment Programs

Despite some notable successes, many empowerment efforts fail (Argyris, 1998; Eccles, 1993; Forrester, 2000; Gordon, 2005; Hardy & Leiba-O'Sullivan, 1998; Waterson, Clegg, Bolden, Pepper, Warr & Wall, 1999; Wendt, 2001). Success is elusive, and empowerment programs are often abandoned after an initial period when they did not produce the expected benefits. In some cases, companies terminated programs even after they increased employee satisfaction and performance. The following quote reveals the dilemmas posed by many empowerment programs.

Many companies are attracted by a fantasy version of empowerment and simultaneously repelled by the reality. How lovely to have energetic, dedicated workers who always seize the initiative (but only when "appropriate"), who enjoy taking risks (but never risky ones), who volunteer their ideas (but only brilliant ones), who solve problems on their own (but make no mistakes), who aren't afraid to speak their minds (but never ruffle any feathers), who always give their very best to the company (but ask no unpleasant questions about what the company is giving them back). How nice it would be, in short, to empower workers without giving them any power. (Kizilos, 1990, p. 53)

Few studies have assessed the effectiveness of programs to increase employee empowerment. One study involved a survey of a representative sample of UK manufacturing companies (Waterson et al., 1999). Of the 564 companies surveyed, 406 had empowerment programs in place. Most of the programs (81 percent) had been implemented within the past eight years. With regard to improvement of overall company performance, 22 percent of the companies reported little or no improvement, 32 percent claimed moderate gains, and 46 percent reported substantial performance gains.

Thirty-one organizational redesign and change efforts were reviewed by Kelly (1992). Job performance gains were no greater when employees perceived improvement in job content than when they did not. There was no association between changes in job satisfaction and job performance; but where employees perceive improvement in job content they were also likely to experience an increase in job satisfaction. Links between perceived job content, intrinsic motivation, and job performance were found in only three out of nine cases. Performance change varied across a wide range: from a 17 percent decline to a 50 percent improvement. There was a substantial improvement in performance (defined as 10 percent or more) in only 13 of the 31 cases studied (42 percent).

A meta analysis that examined studies reporting relationships between employee participation and performance or satisfaction found that participation has effects that are small in absolute size ($.15 \leq f \leq .25$) but statistically significant (nonzero) in most instances (Wagner, 1994; p. 323). Wagner disputes the idea that certain forms of employee participation have stronger effects on performance than others (p. 327). His review raises concerns about the practical significance of employee participation to managers; he concludes that it is unrealistic to expect organizations to bear the substantial implementation costs that employee participation programs require (Wagner, 1994; Wagner & Gooding, 1987).

In a cross-sectional survey of 2,800 companies in ten European Union countries, Gill and Krieger (1999) report a significant gap between the *incidence* of reported employee participation in organizations and the *scope*, in terms of the actual rights that are given to employees, and the issues in which they are involved. These authors conclude that there is a considerable difference between rhetoric and reality, despite legislation requiring employee involvement and the comprehensive efforts of European Union countries to introduce participation programs.

Most of the research investigating empowerment is cross-sectional and limited to one or two levels in organizations. Two exceptions are the four-year Decision in Organizations study and the two-phase Industrial Democracy in Europe (IDE) research (Heller, 2000; 2003). These ambitious studies examined direct and indirect decision-making influence available at all levels of the organization, using dozens of European organizations in representative industries. The results are quite pessimistic; even at the middle manager level, the average amount of influence reported on a continuum was less than “I can give my opinion.” Only regarding decisions concerning holidays did middle managers reach an average score on, “My opinion is taken into account.” A replication ten years after the original studies produced very similar results (Heller, 2003).

Reasons for Failure

There are a variety of possible reasons for the lack of greater empowerment in companies and the relatively low level of success.

1. *Empowerment represents change.* Managers do what they know best and that typically involves command and control. True empowerment requires that managers relinquish some of their control to employees. Managers may be afraid to delegate responsibility and power. They may fear that employees will make mistakes and poor decisions. Some managers are threatened by programs that would reduce their power and exalted status as heroic leaders (and their claim to a disproportionate share of the profits). Managers need organizational support and training in empowering leadership behaviors in order to make empowerment efforts succeed.
2. *Empowerment takes time.* Transitioning from a command and control culture to employee empowerment requires a commitment to long-term change. Too often, management fads and quick fixes in the name of empowerment have been implemented rather than relevant changes in management systems, structures, and cultural values. To be successful, empowerment must be seen as a long-term program of employee participation and involvement.
3. *Employees may resist empowerment.* Decision making and influence are part of the political power system in organizations. Employees may have been conditioned over the years to follow orders, not collaborate with management. Being given greater responsibility may induce fear and insecurity in some employees. We recall an assembly-line operator that we talked to during a change initiative in an automotive assembly operation. The employee voiced concern, stating that he only wanted to “come in each day, do my job and go home at the end of the shift.” The idea of taking initiative and contributing to the bigger picture in the operation

was fear-inducing. For empowerment efforts to succeed, employee development and training must include an overall plan with small steps toward empowerment.

A recent effort to implement self-managed teams provides an example of the difficulties (Becker & Mathieu, 2003).

A Fortune 100 company opened a consumer products facility with the vision of incorporating state-of-the-art technology and a culture of empowered work teams. Employees were carefully selected and trained in team skills. But installation of the new equipment created unanticipated and lengthy delays. Employees were focused on individually based tasks, making the team design inappropriate for the start-up phase of the operation. By the time the technology was up and running, it was too late; managers who supported the team culture were gone and corporate support for the team vision had eroded. One manager stated that “we were on our way, but we’ll never know if the team strategy could have been successful.” (286-287)

In summary, employee empowerment is a management topic that has been popular for at least 50 years, and there are many different empowerment programs and procedures. Despite all the rhetoric surrounding empowerment programs, however, they seldom achieve the potential benefits expected for them (Argyris, 1998). Any substantial increase in psychological empowerment requires top management support for major changes in the organization. We suspect that the inconclusive and seemingly contradictory findings from research on empowerment programs stem from the fact that few companies are willing to give employees significantly more control and access to management information.

Part 3—The Future: What Needs to be Studied

In this section, we look to the future and highlight areas that need to be further examined in research on psychological empowerment.

Definition: The Many Faces of Empowerment

Inconsistencies remain in the conceptualization of empowerment. For example, we still lack clarity in the number of factors that comprise empowerment. Psychological empowerment has most typically been described in the literature as the compilation of four factors (meaningfulness, competence, choice, and impact), but issues of construct specification remain. Levels of analysis issues are also apparent. It is not clear whether the dimensions of empowerment are the same for individual employees, for groups, and for organizations. We need greater precision in the description of the construct of psychological empowerment, in order to provide clarity for management implementation and practice.

Much of the lack of clarity is related to the wide diversity of uses for the term. Empowerment runs the gamut from worker perceptions of how they are treated to how teams, organizations, and even governments are run. The distinction between formal, normative structures and informal, face-to-face empowerment is not trivial (Wilpert, 1984). It is unrealistic to think that the same

issues operate the same way at all of these levels of analysis. Empowerment is a broad concept and more precision is needed in its definition and measurement. We must move beyond narrowly focused, cross-sectional research toward more multilevel and systems approaches.

Facilitating Conditions for Empowerment

More clarity is also needed about the conditions that determine whether empowerment will be effective. As we have seen, the literature on job enrichment and job characteristics provides insightful clues, but results from empirical studies are too inconsistent to provide strong conclusions about the likely consequences. While much of the literature on the guidelines and facilitating conditions for effective empowerment (discussed in the next section) is based on common sense and practitioner insights, there is little systematic research to support them. We need more research on the effectiveness of specific empowerment behaviors and practices.

We are optimistic about the use of self-managed teams as a source of psychological empowerment. While teams are more difficult to implement and operate successfully, in comparison to other practices, they also offer greater rewards. The emerging science of team effectiveness promises to be a powerful source of information about optimal facilitation of team member competencies, team design, and team experiences (Kozlowski & Ilgen, in press).

Compatibility between Different Types of Empowerment

We need greater understanding of the compatibility and “fit” between different types of empowerment in organizations. This remains an important research issue for all types of empowerment at all levels of the organization. For example, research is needed on the effectiveness of leader empowering behaviors at the individual, team, and organizational level. In addition, research is needed to evaluate how these behaviors contribute to the overall effectiveness of the organization.

We remain hopeful because there are representative organizations in many industries that embrace principles of employee empowerment. Genentech prides itself on its low-key, non-hierarchical culture as a competitive advantage in the biotech industry. Genentech scientists are encouraged to take chances and pursue their research passions, even if they are long-term and high-risk. Ninety-five percent of Genentech employees are stockholders and it was recently ranked the best company to work for (Fortune, 2006). Southwest Airlines, Nucor, W.L. Gore and Associates, Xilinx, Harley-Davidson, UPS, Costco, and Alcoa all lead their industries as high-involvement, high-wage, high-profit companies (O’Toole & Lawler, 2006). The common denominator is that these companies share a business model that involves employees in decision making, rewards employees fairly, and provides training and career opportunities. As a result, these companies demonstrate higher productivity than workers in comparable low-wage companies. When workers have the opportunity to participate in decision making, training, profit sharing, and stock ownership, they are more productive and this productivity offsets costs for higher salaries and benefits (O’Toole & Lawler, 2006).

Part 4—Actions: How Managers can be More Empowering

In this final section, we provide specific examples of empowerment behaviors and guidelines for managers. Despite mixed reviews of empowerment efforts at the organization level, there is real evidence that suggests that organizations can achieve benefits from empowering their employees. Appendix 1 summarizes the facilitating conditions for effective empowerment based on the findings in the research described earlier. These include characteristics of the organization, the leaders, the members, and the work itself. We stress that while many of the facilitating conditions for empowerment are common sense, additional research is needed to verify these guidelines.

Guidelines for Managers

Research on participation and the normative decision process model suggests several tentative guidelines. First, managers must accurately diagnose whether participation of employees in the decision process is feasible. Identifying appropriate situations primarily involves an assessment of the importance of the decision, the relevant participants in the decision, the likelihood of cooperation and acceptance of the decision, and whether it is practical to gather the participants together in a meeting to make the decision. Next, managers must support employees in the decision-making process, which involves encouraging people to speak up to express their concerns and ideas. One strategy is to describe initial proposals as tentative, and to solicit opinions on ideas as they are formulated. Managers must use good listening skills and avoid becoming defensive when participants express legitimate concerns. Managers must learn how to elicit ideas from everyone, even members who are hesitant to speak up. The ability to model leader behaviors, such as building on others' ideas, will help all to participate in the discussion. Finally, managers must learn to express sincere appreciation for the input of others, in order to build an environment of participation. Leader behaviors for diagnosing decision situations and for promoting participation are summarized in Appendix 2. We stress that these behaviors are trainable, and organizations should provide greater access for basic leadership training in this domain.

Although research on delegation continues to lag practice, we offer general advice on what to delegate and how. Again, common sense underlines much of the discussion, but we emphasize here the importance of continuing research verification of these basic principles. In order to determine *what* to delegate, managers should consider the task itself and the actor. Tasks that can be better performed by the subordinate should be delegated. Tasks related to the person's career should be delegated. Tasks not central to the manager's role should be delegated. Both pleasant and unpleasant tasks, as well as tasks of the appropriate difficulty, should be delegated.

Determining *how* to delegate can follow a step-by-step protocol. Suggested guidelines are provided in Appendix 3. Delegated responsibilities must be clear to the subordinate, with adequate authority and limits imposed. Progress toward goals should be monitored, as appropriate, such that the delegated activity becomes a positive learning experience for the subordinate. Others in the organization must be informed and reporting relationships must be specified in advance. Ultimately, managers must learn how to make the inevitable mistakes in a learning experience.

Research in psychological empowerment makes it evident that participative leadership and delegation are not the only types of leadership behavior that can make people feel empowered. Other types of leadership behaviors can directly affect psychological empowerment, and these behav-

iors may also enhance the effects of participative leadership and delegation (Forrester, 2000; Howard, 1998; Konczak, Stelly, & Trusty, 2000).

Managers must involve people in the decisions that will ultimately affect them, as people will have more interest in getting involved in matters of importance to them personally. Managers need to take into consideration the individual differences in the people in their workgroup, as variability in ability and motivation will impact involvement. Providing access to relevant information and resources will contribute to the likelihood of successful empowerment. Removing unnecessary bureaucratic controls and constraints will ease successful completion of tasks. Appendix 4 provides additional guidelines for managers to consider when empowering their workforce.

Conclusion

As we disentangle 50 years of research on empowerment, it is apparent that there is much we have yet to learn. Empowerment remains an elusive concept. Part of the problem is definitional; all too often management initiatives evoke the name of empowerment when the initiatives are not truly empowering. The most common definition of psychological empowerment in the research literature includes the four factors of meaningfulness, competence, choice, and impact. This is a good start, but we need greater precision in construct definition, in order to provide more clarity for management practice.

It has been useful to differentiate between behaviors or programs to enhance empowerment and actual perception of empowerment by employees. Inconsistencies between programs and perception have emphasized the importance of effective implementation and facilitating conditions. Managers need to use multiple sources of information and frequent checkups to be sure that their empowerment initiatives truly result in employees feeling empowered.

The complexity of the construct of empowerment confounds many organizational attempts to increase it. In order to be sustained, empowerment needs to be part of the long-term strategy of the organization. Empowerment initiatives should be guided by the dual objectives of improving organizational effectiveness and improving the quality of work life for employees. Too often empowerment programs have been viewed as a simple way to motivate employees to do more. Ethical issues and long-term effects on employees must become part of the landscape for our empowerment efforts in the future.

Appendix 1: Facilitating Conditions for Empowerment

Condition	Unfavorable	Favorable
Organizational structure	Highly centralized and formal structure; low cost, standard product or service	Decentralized and low formalization; customized, highly differentiated product or service
Organizational culture	Reliable, efficient operations that do not allow mistakes; internal politics, criticism of new ideas; destructive internal competition; avoidance of risk; or an overemphasis on the status quo	Flexibility, learning, and participation; fair, constructive judgment of ideas; reward and recognition; mechanisms for developing new ideas; an active flow of ideas; and shared vision
Job design	Simple, repetitive tasks with technology dictating workflow; brief customer transactions that take place in a short time interval	Complex, nonroutine and challenging tasks; flexible technology; repeated customer interactions in a continuing relationship
Access to resources	Resources are scarce or non-existent	Access to appropriate resources, funds, materials, facilities, and information
Employee rewards and ownership	None or very little	Employees are shareholders or co-owners or otherwise invested in the organization's success
Employee traits and skills	Low achievement motivation; low self confidence; and an external locus of control orientation	Low skill employees may benefit more from empowerment efforts; employees with high need for achievement; high self confidence and self efficacy; and an internal locus of control orientation
Autonomy	Employees lack freedom in deciding how work is done and lack control over their work	Employees have freedom in deciding what work to do and how to do it; employees have a sense of control over work
Mutual trust	Low	High
Leader selection	Appointed by management	Elected by team members
Leaders as role models	Leaders do not model empowering behaviors	Leaders serve as role models, set appropriate goals, support the work group, value individual contributions, and show confidence in employees

Appendix 2:
Guidelines for Participative Leadership
(Based on G. Yukl, *Leadership in organizations*, 2006)

How to diagnose decision situations

- evaluate how important the decision is
- identify people with relevant knowledge or expertise
- evaluate likely cooperation by participants
- evaluate likely acceptance without participation
- evaluate whether it is feasible to hold a meeting

How to encourage participation

- encourage people to express their concerns
- describe a proposal as tentative
- record ideas and suggestions
- look for ways to build on ideas and suggestions
- be tactful in expressing concerns about a suggestion
- listen to dissenting views without getting defensive
- try to utilize suggestions and deal with concerns
- show appreciation for suggestions

Appendix 3:
Guidelines for Delegation
(Based on G. Yukl, *Leadership in organizations*, 2006)

What to delegate

- tasks that can be done better by a subordinate
- tasks that are urgent but not high priority
- tasks that are relevant to a subordinate's career
- tasks of appropriate difficulty
- both pleasant and unpleasant tasks
- tasks that are not central to the manager's role

How to delegate

- specify responsibilities clearly
- provide adequate authority and specify limits of discretion
- specify reporting requirements
- ensure subordinate acceptance of responsibility
- inform others who need to know
- monitor progress in appropriate ways
- arrange for the subordinate to receive necessary information
- provide support and assistance, but avoid reverse delegation
- make mistakes a learning experience

Appendix 4:
General Guidelines for Empowering Managers
(Based on G. Yukl, *Leadership in organizations*, 2006)

- Involve people in decisions that affect them
- Clarify goals and objectives and explain how the work is related
- Delegate responsibility and authority for important work activities
- Take into consideration individual differences in ability and motivation
- Provide access to relevant information
- Provide the resources needed for new work responsibilities
- Realign management systems consistent with empowerment principles
- Remove bureaucratic constraints and unnecessary controls
- Express confidence and trust in people
- Provide coaching and advice on a timely basis
- Encourage and support initiative and problem solving
- Recognize important contributions and achievements
- Ensure that rewards are commensurate with new responsibilities
- Ensure accountability for the ethical use of power

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