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Linking Theory and Practice

Employee empowerment, action research and organizational change: a case study

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Abstract

This article summarizes the results of a project designed and implemented by a cross-sectional design team of employees of a local government agency. We compare the project design to criteria associated with employee empowerment programs and action research models. Finally, we compare the outcomes of the project with important components of employee empowerment. The purpose of this article is to highlight how one such project was implemented in a field setting, and review what was learned by the participants regarding how management and employees can work more effectively together on issues of strategic importance to the organization. Both the process and the outcomes of this project illustrate important lessons with implications for future research and practice in this area.

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Introduction

Organizational change, change management, and overcoming employee resistance to change are nearly ubiquitous concepts in the organizational literature (Dent and Goldberg, 1999; Eby *et al.*, 2000; Piderit, 2000). It has almost become a truism that the way to maximize employee commitment to change is to include employees in the change process, ideally during the project design phase (Kiesler, 1971). Yet little research seems devoted to true, bottom-up employee-driven models of organizational change. This is especially true of field research. The purpose of this paper is to report on one of a series of employee-designed organizational change projects that the author undertook on behalf of one department in a large municipal city government (see also Wooddell and Edwards, 2006).

There are several common conceptual approaches to the idea of employee-driven change. One of these is employee empowerment (Menon, 2001). Empowerment is a very broad term in the literature, often used to indicate different things. Burke (1986) equated empowerment to delegation, in the sense of the act of empowering others, while Thomas and Velthouse (1990) used the term to indicate the internal psychological state of the individual. Menon (2001) referred to three approaches to empowerment research, including the structural approach or empowerment as the granting of power and decision-making authority, the motivational approach or empowerment as psychological enabling, and



the leadership or empowerment as a process of leaders energizing and inspiring their followers. Yet few articles have carefully distinguished between these concepts in the field. There is evident need for greater conceptual clarity in employee empowerment research, exacerbated by the lack of an operational definition of the term.

Yukl and Becker (2006) reviewed the employee empowerment literature of the last 50 years and laid out a number of conclusions. In particular, they emphasize the 'many faces of empowerment' and the fact that inconsistencies remain in the conceptualization of this idea. They outline seven specific theories relating to different types of employee empowerment including psychological empowerment, job design and intrinsic motivation, participatory leadership, organizational structure, organizational culture, employee skills and traits, and leadership selection and assessment. Yet empowerment is a broad concept for which more precision is needed with regard to both definition and measurement.

The key concepts and ideas contained within employee empowerment have roots that go back to previous approaches, particularly employee participation or employee involvement (Herrenkohl *et al.*, 1999). Although it is possible to identify elements of concern for employees' involvement in organizational change that go back to Elton Mayo and the Hawthorne Studies, the writings of Gordon Allport, Kurt Lewin or Trist, and Bamforth's Socio-Technical Approach Locke and Schweiger (1979) reported only mixed support for the view that participation enhances either employee satisfaction or performance. Argyris (1998) argued for the potential of empowerment to contribute to employee commitment to change but was able to cite little evidence of success in achieving this potential. More recent reviews have concluded that virtually all the empirical research to date has taken empowerment as an individual level psychological experience, while little to no research has been conducted recently on empowerment as a macro construct reflecting managerial structures and practices (Seibert *et al.*, 2004).

Empowerment and action research

Although empirical investigations of employee empowerment, which reflect the dynamics of successful organizational change may be rare, and the operational definitions of empowerment in the literature reflect an individual level psychological bias, it is possible to generate a working model of

empowerment as it relates to organizational level involvement and change that can guide exploratory research in the field. Herrenkohl *et al.* (1999) offered a working model that included four dimensions: (1) *Shared Vision* (including goal clarity, goal achievement, and customers' orientation); (2) *Organizational Support* [including responsibility (decision authority), team effectiveness, risk-taking, and employees' orientation to customers]; (3) *Knowledge and Learning* (including encouraging change, skill and will to change, trust, and communication with customers); and (4) *Institutional Recognition* (including the employees' knowledge of the reward system).

Another way to examine employee-driven organizational change is action research. Action research is a methodology characterized by a lack of separation between the role of researcher and participant, that is, the researcher is a participant in the study and the participants also have a role in designing the research. Action research is also characterized by an emphasis on practice in the field: typically it involves one or more practitioners in some field exploring ways in which they can change and improve their practice, and measuring the outcomes of their efforts. Most frequently, action research projects rely on qualitative methodologies (Baskerville and Wood-Harper, 1996). Finally, action research tends to emphasize self-reflection as a method of gaining insight into the dynamics of some mode of professional practice including both the participants and their context (Reason and Bradbury, 2001). Action research has three key characteristics that make it especially suitable as a vehicle for exploring the dynamics of employee-driven change: the active involvement of the participants (employees) in the research, the intent (informing the design) to bring about change and improvement, and an emphasis on a learning cycle including action, feedback, and reflection (Shah *et al.*, 2007).

Action research shares many of the same roots as employee empowerment, involvement, and participation. Many of the same seminal researchers have contributed to both fields, particularly Kurt Lewin and Eric Trist, both of whom were greatly concerned with finding ways of using social science research methodology as a technique to engineer social change (Lewin, 1946, in Lewin, 1997). Thus, action research was originally conceived as a means of building theory by collecting data, and testing the theory by implementing and evaluating the outcome of a change process (Argyris *et al.*, 1985).



This work was a direct influence on Chris Argyris' contributions to action research as a form of organizational learning, in the sense of using research methodology to engender self-reflection and discussion on the part of organizational members, with a focus on resolving attributional errors in interpersonal communication (Argyris and Schon, 1996). This is the foundation for Argyris and Schon's concept of 'double-loop learning', in which researcher/participants question the assumptions that guide their choice of action strategies (the methods they use to improve practice and organizational performance). Learning organizations ('Type 2' organizations in Argyris and Schon's parlance) are organizations that support, rather than inhibit, this kind of strategic questioning and enquiry on the part of their members. More recently these concepts have been greatly popularized by Peter Senge, Argyris' student at MIT, who combined elements of action research with systems thinking into what he called a 'Fifth Discipline' (Senge, 1990). This type of process is still being used in many different fields and disciplines, notably in education (Abell, 2007) and information systems (Bell and Wood-Harper, 2003).

One useful guide to the use of action research in the field has been proposed by Susman and Evered (1978) (see also Susman 1983; Baskerville and Wood-Harper, 1996). This model describes an ideal approach that includes five stages in an action research/organizational learning cycle: (1) *Analyzing the Problem* (including identification of the primary problem and its underlying causes); (2) *Solution and Action Planning* (specifying the organizational actions that will address the primary problems); (3) *Execution and Analysis* (implementation of the planned actions); (4) *Evaluation* (determining whether the intended outcomes were achieved, and if the primary problem was resolved); and (5) *Learning and Reflection* (sharing of the information gained with practitioners and the scientific community). All five stages are built upon a 'client-system infrastructure' that specifies the research environment including the mandate under which the researchers/practitioners may take action, and which underpins the collaborative nature of the undertaking.

The project case in this study seeks to examine emerging case data within the Baskerville and Wood-Harper (1996) action research model and to build upon the theoretical/practical foundation reviewed above. Although the project described here admittedly does not strictly fulfill all of the

criteria of an ideal action research project as described by Susman and Evered (1978), it does share many of the features of both action research and employee empowerment. Briefly, an employee design team was given the opportunity to investigate a problem, design, and finally implement a solution in a department of an organization. As consistent with action research, the project design included input from nearly all employees in the department, and discussions between front-line employees and supervisors. The project also included design and implementation of a leadership skills training workshop. Both the process and the outcomes of this project illustrated important lessons on employee empowerment and action research.

Background to the case

The client was the finance department of a large, US midwestern city government. This department provides accounting, budgeting, purchasing, and other standard financial services to the rest of the departments within the municipal organization. There were roughly 500 employees serving a total citywide organization of over 14,000 employees. The finance department is divided between field personnel serving a particular city department on-site (approx. 70–80), and the rest as support staff located in a central downtown office. Before this project began, the department was struggling with modernizing its processes and developing its professional staff in the face of budget shortfalls and consequent low salaries. The city's top management, including the finance director, was looking for a way to promote employee and organization development in a cost-effective manner. The author was aware that an employee-driven process might be able to meet these needs – thus there was an opportunity to create an employee team to work on a project. The author had previously done similar work for other departments in the city (see Wooddell and Edwards, 2006). The director and deputy director of the finance department agreed to support an employee-based project team in part because they wanted two outcomes – a way to promote professional development within the department, and a solution to a department's problem. They also recognized that membership on the project team would allow certain employees the opportunity to develop their leadership skills. Thus, the project was originally conceived not only as a research project *per se*, but also as a practical means toward solving a specific organizational



problem while developing employees at the same time.

Project-based teams such as the one described in this study were not a widespread feature of the department's organizational practice or culture. Instead, the department could be characterized as one that has respect for hierarchy, positional authority, and rules. According to a citywide survey conducted the year before, in the context of a different project but including the employees of this department, the city's organizational culture is strongly hierarchical in nature (Cameron and Quinn, 1999). Forming and utilizing a project team of this nature was a highly unusual approach for the members of this department and one for which no one, including the then director and the team members themselves, had any experience with.

A decision was made very early in the project by the director working with the author to select team members who possessed two qualities: high leadership and teamwork potential. Each has also to be as representative of at least one of the department's major internal stakeholders. Selecting employees with high leadership and teaming skills was felt to maximize project success, and also as a way to reward such employees with the opportunity to contribute to their organization in a creative way. The project also required a representative set of members, a 'microcosm' of the larger organization, as a way to ensure that members would be more likely to have access to insights and information that reflected the needs of the larger organization, and thus ultimately contribute to organizational acceptance of the final team outcome. The 10 team members were as representatively selected as possible from across the hierarchy rank, gender, race, work unit, and professional background. Each member was nominated by the manager of each of the city's 10 internal divisions, thus ensuring representation of each major work unit. There were three managers, three frontline supervisors, and four line staff. Six were male, four were female, and two of the female members represented clerical support staff. All were African-American.

The director of the department who was responsible for the project offered the project team the opportunity to work on any one of three of the department's top three problem areas. These included strengthening the department's contribution to the financial solvency of the city, helping improve internal and external customer service, or improving the department's financial reporting process. After some debate among team members,

the team voted to spend most of their time on improving internal customer service. Therefore the team's focus became process improvement and strengthening internal customer responsiveness.

At this early point in the team's project, the members were not yet very skilled in debate or dialogue. Few of the members had any previous experience with projects of this nature, and much time and effort was spent managing the conversation. The author (who was initially acting as a facilitator/consultant to the team) felt it was important not to suppress interpersonal conflicts and passionate outbursts, even at the risk of distracting the team from the task and extending the time required to get organized, but instead occasionally called a halt to the conversation to encourage the team to reflect on the process they had just experienced, including the interpersonal dynamics that were occurring. In this way the team members developed their communication skills, and also strengthened the level of trust among themselves, which helped encourage a greater degree of openness and tolerance within the team. Often the members discovered that there were fewer real differences of opinion than might have appeared at first. As one member put it 'we often seem to be in violent agreement with each other.'

What follows is an analysis of the project process based on the five stages of action research (Susman and Evered, 1978; Baskerville and Wood-Harper, 1996). We wish to stress that this framework may make the project seem more structured than it actually was. The process followed by the team did not really divide neatly into analysis, planning, and execution stages. Projects spun off of data as they were collected, and execution took place as it was perceived to be required.

Stage 1: analyzing the problem

One of the first actions undertaken by the team was an employee survey in which over 100 colleagues were asked to suggest changes and improvements that could be undertaken within their work unit and division. Another form of data collecting included a mapping exercise of the department, which revealed the major interdependencies between the divisional sub-units. The mapping exercise was conducted with managers and representatives from each division, and resulted in facilitated process improvement meetings. In order to specifically focus on supervisor and leadership skills, the team brainstormed a list of items to include on a second employee survey – one that



provided all employees with an opportunity to evaluate their supervisor on a range of leadership skills (see Wooddell and Edwards, 2006). Mass testing sessions were scheduled during work unit staff meetings. All of this data collection was instrumental in allowing the team to develop a good sense of where the department's existing situation was, and plan the direction for change.

Stage 2: solution and action planning

Arising from feedback from the data-gathering phase, team members started to work on different areas. These included:

1. Producing a department 'call referral directory' that listed every service offered within the department with contact and other information. This was a result of the feedback from the initial informal employee survey.
2. Requiring mandatory customer service training for all employees. This also developed out of the informal survey.
3. Making recommendations on numerous process improvements at the operational level. This was a result of the mapping exercise.
4. Requiring training workshops for department managers and supervisors. This was a direct result of the second more formalized employee survey.

Stage 3: execution and analysis

1. The call referral directory was developed by a three person sub-committee that accepted the delegated task of designing a form that would contain the information needed for the directory, collecting the forms from designated representatives of each work unit, proposing a publishing budget for director's office approval, and overseeing printing and distribution.
2. The mandatory customer service training was developed out of pre-existing materials that were themselves developed for the use of the department's field personnel, with adaptations necessary for use with all frontline employees (emphasis on clerical personnel). These adaptations were designed during regular team meetings facilitated by the author/consultant.
3. The mapping-based process improvement activity was carried out at another off-site workshop with managers and selected work unit representatives. The agenda and materials for this process were developed out of web-based research

conducted by team members and by using a facilitated consensus-based selection approach (with weighted selection criteria also developed by the team).

4. Supervisor and manager leadership training was conducted through another series of off-site retreats. Participant reactions were generally positive, and facilitated discussions generated some excitement and even passion. Various models of supervisor-subordinate relations were shared among participants. This resulted in greater acceptance of employee participatory/involvement approaches in work interactions.

Stage 4: evaluation

Evidence of project impact is primarily anecdotal at this stage. These included:

1. Open acknowledgment of work unit interdependencies at the middle management level. This is evidenced by casual conversations of departmental interdependence at regular executive level staff meetings, in which before such open admission of dependence on some other unit's performance had been rare. The team has been made responsible for maintaining a database for tracking the outcomes of specific on-going operational improvements.
2. The department overall is more focused on improving internal customer service. Use of the call referral directory is indirectly supported by the number of copies requested by the receptionist and the clerical staff in all major divisions. The number of 'call referrals' (i.e. the number of go-betweens from initial call to final answer of a customer's questions or request) has proven very difficult to track, but informal customer feedback indicates some degree of improvement.
3. Supervisors received leadership training by the end of the first 12-month training cycle. A follow-up employee survey is scheduled to be completed sometime during the next annual cycle. Wide spread effects however are not expected for a number of years – 'this is just the first step in a long road.'
4. Perhaps most impressive outcomes were the relatively new processes that this team has initiated and utilized for the first time. In this sense this project could be seen as a pilot for more extensive use of employee-empowerment teams in the future.



Stage 5: learning and reflection

There were two main lessons to be learned in this action research model. First, top executives should let the employees identify their own priorities, develop their skills, and build a track record of competence within the organization. This was seen in how top management allowed the team to select one from among three problems to work on. Second, the empowerment of team members to select the problem, examine the data, and find solutions generated excitement and commitment, as seen in team meetings. For the first time in the institutional memory of any member, they have taken responsibility for driving change within their organization and delivered a successful outcome.

Discussion

Employee empowerment

It is perhaps most productive to look at employee empowerment, with respect to this particular project, from a two-tiered perspective: empowerment of the team, and empowerment of the rest of the organization. It is easy to see the ways in which the team and its members were empowered – harder to argue that the rest of the organization experienced empowerment to a great degree. Perhaps that is to be expected of a project of this nature – the mandate from the director was specifically to address an organizational problem, not necessarily to empower anybody beyond the team.

Although the project described here possessed many of the components and features of employee empowerment, it had several weaknesses as well. Yukl and Becker (2006) outlined three key reasons that employee empowerment programs may fail, including (1) empowerment represents change, particularly to managers, who may resist relinquishing some of their control to employees; (2) empowerment takes time, and management may not invest the resources and commitment required to ensure the success of a long-term program; and (3) employee may resist empowerment because they have been conditioned to follow orders, not collaborate or accept greater responsibilities (often without a proportional increase in compensation). Although the project described here did not fail, all three of these potential weaknesses were present in the organization to some degree. As described, the mandate from the director was relatively ‘top-down’, which could limit the ‘ownership’ felt by front line employees. In addition, only one team was empowered to design and implement programs

within the organization, which also limits direct involvement by the majority of employees. Finally, there has not been enough time to assess the long-term impact of this project, although executive management is committed to continuing the project in future years.

Yet, overall, there is strong evidence that the project achieved at least some degree of employee empowerment. Recall that according to Herrenkohl *et al.* (1999), employee empowerment consists of four components:

Shared Vision: The vision originated with the director, in the form of his top strategic priorities (strengthened financial solvency citywide, improved customer service for the department, improved reporting process). The team was then delegated by the authority to identify its own goals within those priorities and design its own process to achieve its goals. This corresponded to sharing the director’s vision with the team, as an opportunity for certain selected employees to develop their leadership skills while helping their department address an organizational problem.

At this point it is hard to estimate how extensively the director’s vision is shared by the rest of the organization. The team itself was careful to explain the larger context of its mandate and purpose, including the director’s three strategic priorities, at every event at which they had contact with other employees. This was made clear at the initial informal employee survey of approximately 100 people, the more formal survey that was facilitated at staff meetings in every major work unit within the department, and the off-site training workshops with all department managers and supervisors.

Organizational Support: The team itself received extensive support including time off from regular duties (approximately 2 h every 2 weeks for over a year), clerical support for such things as maintaining the supervisor evaluation database, and budgetary support for such things as publishing the call referral manual. Perhaps the most important form of support was the willingness of the director to lend his authority to such things as mandatory attendance for supervisors and managers at the training workshops. Certainly it would have been much more difficult to schedule access and time at staff meetings without the perceived support of the director. Thus, the effect of the executive champion was critical to the success of the project.

Knowledge and Learning: The members of the team visibly improved their skills in project management



and team development, skills that should now be available for other projects. These skills included practical techniques such as brainstorming, facilitated discussion, time management, consensus-based decision making, and problem solving. Customer service training for employees and leadership development training for supervisors and managers also delivered information and competencies outside of the team.

Institutional Recognition: The team members received widespread recognition for their skills in implementing a complex task under difficult conditions. Although this did not result in any direct financial or other instrumental benefit to themselves, it is fair to say that the reputation of the members of this team was substantially positively impacted, not only with their director but also with department managers, supervisors, and frontline employees (in the context of the staff-meeting surveys).

While the action research and empowerment approach has shown useful results, it has yet to demonstrate management willingness to extend

such team opportunities to other members of the department. Although the executives and managers of the department have expressed the intention to utilize more teams of this nature, there is probably a limit to how extensive such teams could become, at least until the leadership development training has had time to have an impact.

Conclusion

Overall, the empowerment and action research model illustration described here demonstrates real promise as a template for employee empowerment, action research, and employee-driven change. Our hope is that this article will help inform organization change agents regarding the potential as well as the challenges of such an approach. Although not a perfect model of employee-driven change, this project can serve as a real-world example of what can happen in an actual field setting, in which constraints on resources, time, and participant commitment often make conceptually ideal approaches impractical.

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