

EMPLOYEE EMPOWERMENT: GOOD OR BAD



Employee Empowerment Harvard Case Solution & Analysis

EMPLOYEE EMPOWERMENT

TheCaseSolutions.com

DEFINITION

- Employee empowerment is a strategy used primarily by financial institutions to reduce operational risk.
- Encourages people with authority.
- The magnitude of power will lower based upon how far down the corporate



Challenges of employee empowerment

- Message Disconnect
- Inefficient Thinking
- Reluctant Managers
- Breakdown of Organizational Structure



Pros of employee empowerment

- Leads to greater job satisfaction, motivation, increased productivity and reduced turnover.
- Leads to immediate and continuous learning opportunities for the individuals in the organization.
- There is increased flexibility in response to changes in customer requirements.
- Lower level of administration and supervision.
- The individuals who are empowered become more self-sufficient and responsible for their own actions.
- There is a greater sense of ownership and commitment to the organization.



Ends of an empowering manager

- Overconfidence
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Cons of employee empowerment

- Egoism / arrogance
- Risk
- Inefficient Democracy
- Security

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EMPLOYEE EMPOWERMENT

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DEFINITION

- Employee empowerment is a strategy used primarily by managers to give their subordinates more power.
- Encourages people with authority.
- The magnitude of power will depend on how much power is given to the employee.



Challenges of employee empowerment

- Message Disconnect
- Inconsistent Training
- Reluctant Managers
- Breakdown of Organizational Structure



Pros of employee empowerment

- Leads to greater job satisfaction, motivation, increased productivity and reduced turnover.
- Leads to better decision-making and innovation from employees closer to the market or customer base.
- There is increased flexibility in response to changes in customer requirements.
- Lower level of supervision and control.
- Reduces the time and expense of training and development.
- Reduces the risk of error by having more people involved in the decision-making process.



Ends of an empowering manager

- Overconfidence
- Overcommitment
- Poor Communication
- Poor Timing
- Poor Delegation
- Poor Monitoring
- Poor Evaluation
- Poor Feedback
- Poor Support
- Poor Recognition
- Poor Incentives
- Poor Role Modeling
- Poor Empowerment
- Poor Delegation
- Poor Monitoring
- Poor Evaluation
- Poor Feedback
- Poor Support
- Poor Recognition
- Poor Incentives



Cons of employee empowerment

- Egoism / arrogance
- Risk
- Inconsistent Democracy
- Security



# DEFINITION

- Employee empowerment is a strategy and philosophy that enables employees to make decisions about their jobs.
- To invest people with authority
- Sharing various degree of power with lower- level employees to better serve the customer



## EMPLOYEE EMPOWERMENT THREE LEVELS

3 Levels



Enabling the employees to make bigger decisions without having refer to a senior.

Involving the employees to improve the ways things are done

Encouraging employees to Play a more effective role in their work.



# BENEFITS

- Improved employer satisfaction
- By being shared, organizational power can grow.
- Increases trust in the organization





# Complication

- Giving up control can be threatening to some managers.
- Managers may not want to share power with someone they look down upon.
- Managers fear losing their own place and special privileges in the system.

**EMPOWERMENT**





## Process of Employee Empowerment

Identifying Reasons for Empowerment



Changing Behavior of Senior Management



Determining Impact of Employee Decisions



Establishing Work Teams



Sharing Information



Selecting the Right Employees



Providing Training



Communicating Expectations