

PERCEPTIONS OF EMPOWERMENT BY THE CONSTRUCTION SENIOR MANAGEMENT

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The research reviews the potential of team and individual empowerment as performance improvement strategies for construction. The important role of empowerment has been emphasized through a discussion of recent trends in the construction industry, for example the *Rethinking Construction* report on respect for people, which highlighted the central role of empowerment in improving people management practices within the sector. The recent focus on the effective integration and management of supply chains within the Construction Sector has emphasized the need to ensure that all key stakeholders contribute fully to the achievement of project objectives. However the process of empowering organizations and individuals within this framework has been largely ignored. This is surprising given the industry's reliance upon virtual teams, fragmented work groups, sub-contracted labour and multi-organizational project delivery structures. The aim of the first phase of the study is to examine the nature, content and effectiveness of current levels of organizational and individual empowerment, teamwork and leadership strategies within the UK construction sector. The methods used to achieve this exploratory aim were two workshops in which a large range of project stakeholders provided an insight into industry perceptions and the current utilization of empowerment strategies. This exploratory research forms part of a much wider study which aims to identify appropriate empowerment strategies for achieving given project criteria and performance objectives. An outcome of the research will be a typology for facilitating the management of organizational and operational employee empowerment for improved project delivery.

Keywords: empowerment, leadership, project performance, teamwork.

INTRODUCTION

Employee participation has been a focus of attention for many years in various guises, such as participative decision-making and participative management, but more recently has been extended through the concept of empowerment, which has become a significant topic within the organizational behaviour literature. Empowerment requires the workforce to be provided with freedom, democracy and flexibility, at the expense of control, hierarchy and rigidity (Cook, 1994). Empowerment represents a shift towards a greater emphasis upon trust and commitment at the workplace.

The need for empowerment in the Construction Industry is evident when examining the sectors reliance upon virtual teams, fragmented work groups, sub-contracted labour and multi-organizational project delivery structures. The level of autonomy that this structure promotes arguably demands the systematic implementation of

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effective empowerment and team working techniques (Dainty *et al.*, 2002). Furthermore empowerment also has the potential for the creation of workplace culture that is responsive to employee needs. This is fundamental to retaining and developing a workforce that will generate sustained performance improvement in an increasingly turbulent and demanding business environment (DTI, 1997). Hence there is a need to understand the place of empowerment within construction projects.

BACKGROUND

The Meaning of Empowerment

The meaning of empowerment has been the subject of great debate and still remains, at present, a poorly defined concept (Cunningham *et al.*, 1996, Dainty *et al.*, 2002 and Psoinos and Smithson, 2002). Mondros and Wilson (1994) and Russ and Millam (1995) similarly argue that the term is rarely defined clearly and is frequently used rhetorically. The original meaning of empowerment has been referred to as “authorize, give power to” (Tulloch, 1993). The use of the term ‘power’ appears to be common throughout the definitions of empowerment. Legge (1995) argues that empowerment should be seen in terms of a redistributive model whereby power equalization is promoted for trust and collaboration. Similarly, Conger and Kanungo (1988) focus on power as the central point of empowerment, “either to strengthen this belief or to weakens belief in personal powerlessness”. Often power is redistributed by transferring control so that employees do, to some extent at least, have the authority to make and implement their own decisions. Other authors define empowerment in terms of its dynamic interaction, “it is part of a process or an evolution – an evolution that goes on whenever you have two or more people in a relationship, personally or professionally” (Pastor, 1996).

Conditions for empowerment

The culture of an organization is crucial to the success of empowerment (Honold, 1997) and management needs to devise a culture of participation that encourages employees to become actively involved. Of particular importance in this empowerment culture is that employees feel that they are free to take risks within a ‘no-blame’ culture (Cunningham *et al.*, 1996). Adapting the structure to suit this empowering culture is also necessary. Nykodym *et al.* (1994) state that the structure needs to be clear, with ground rules and boundaries so that employees may be empowered in a supported environment. The structure should also emphasize and enables flexibility and autonomy (Honold, 1997). Thus, the process of implementing empowerment may represent a shift in the organizations’ underlying philosophy and so time must be allowed for this shift to take place (Psoinos and Smithson, 2002).

Power is a further issue that needs to be addressed by managers and leaders. Johnson (1994) considers that it is necessary for managers to give people the power to do their job. However Vogt and Murrell (1990) view the power relationship as a complex interactive process whereby empowerment is an act of developing and increasing power by working with others. Therefore until power is shared (and employee’s perceive that power is shared) empowerment is not possible.

The dynamic relationship of the leader with employees is frequently cited as crucial in the empowerment literature. Honold (1997) and Johnson (1994) argue that the leader is responsible for creating a common goal that they communicate and share. Further the leader should continually monitor that their subordinates feel empowered by adapting to the changing environments. The leader may also play a part in recognizing

the contributions made by employees by emphasizing efforts of an employee as important (Psoinos and Smithson, 2002).

The manager/leader may also be influential in team development by concentrating on strategies that encourage self-management and group decision autonomy (Dainty *et al.*, 2002). It is argued that managers/leaders must focus on team empowerment as well as individual empowerment if the organizational environment relies upon cohesive teams (Dainty *et al.*, 2002). The final area in which managers/leaders play a pivotal role is training. As noted in the previous section it is necessary that employees believe themselves 'capable' and so training is a key mechanism that provides them with this reassurance. Pastor (1996) states that the principal training focus should be on communication development so that they can engage in this new participative/facilitative management/leadership style. Thus a multi-dimensional approach is necessary if a culture of empowerment is to be implemented and maintained. The way in which this is achieved is context-dependant, so that managers/leaders need to adapt to the needs of their own particular organization.

The Need to Empower

Global competition and a changing business environment have instigated organizational change as companies increased pressures to improve efficiency and performance (Lawler *et al.*, 1992). Specifically improvements in cost control, flexibility, quality improvement and effectiveness of the organizational structure and processes (Psoinos and Smithson, (2002) are examples of the kind of improvements that have resulted. It is argued that empowered organizations have demonstrated improvements in various economic performance areas (Applebaum *et al.*, 1999). However measurement of the specific economic benefits of empowerment may be difficult as often it is introduced as part of a broader initiative (Psoinos and Smithson, 2002) such as TQM or BPR. While the primary motive for empowerment has been to improve the economic performance of the organization, benefits to the individual employee have also been identified. Nykodym *et al.* (1994) indicate in their research that employee's who consider themselves empowered have reduced conflict and ambiguity in their role, as they are able to control (to a certain extent) their own environment. They state that this reduces any emotional strain on the employee. On a similar theme it is reported that empowered employee's have a greater sense of job satisfaction, motivation and organizational loyalty (Mullins and Peacock, 1991) as they feel more involved in the achievement of the organizational goals.

Resistance to Empowerment

There are numerous difficulties that are faced when attempting to empower employees that may prevent a business from becoming an empowering organization. Firstly there is often resistance to the change both from managers/leaders and from employees themselves. It is often assumed that employees will buy into empowerment as the benefits are 'obvious' but this has been disputed. Johnson (1994) claims that previously dis-empowered employees may resist empowerment as they fear the increased levels of responsibility and accountability. Furthermore employees may consider empowerment is just empty rhetoric and yet another management attempt to exploit the employees. Adler (1993) illuminates how empowerment is linked to downsizing as frequently these two activities occurred simultaneously, therefore, it is hardly surprising that employees may be reluctant and suspicious of management schemes. Managers/leaders may also be resistant to empowerment as it may be perceived as relinquishing power. They may view the reduction of their power as a

threat (Denham *et al.*, 1997) particularly as they too fear job loss or loss of status as the organizational structures become flatter during the downsizing process. While managers/leaders may not express this reluctance openly, passive resistance to these empowerment changes may occur (Wilkinson, 1998). However according to Psoinos and Smithson (2002) the most important constraint to the introduction of empowerment is organizational culture. It is argued that unless the culture of an organization is appropriate then it is unlikely that employee empowerment efforts will succeed. Thus as previously noted examination of the culture needs to occur prior to empowerment implementation. The literature demonstrates that empowerment is a very complex topic with many inter-relating factors that effect industry perspectives of empowerment. These numerous issues will be employed to guide the future research instruments for investigations into empowerment teamwork and leadership.

The Industry Performance Agenda

In 1997, the Construction Task Force, was commissioned to: report on the scope for improving the efficiency and quality of delivery of UK construction; reinforce the impetus for change; and make the industry more responsive to customer needs. The report, *Rethinking Construction*, (1998), expressed concern was expressed regarding the under-achievement of the industry as a whole. Many of the Task Force's key findings highlighted issues such as teamwork, partnering and long-term relationships, all of which depend upon appropriate and effective empowerment of individuals and teams. The Egan Report also recommended that the industry should create and adopt integrated project processes and teams. The importance of empowerment was explicitly supported within the report of the Egan implementation task group examining *Respect for People* (M4I 2000). The task group recognized that real improvement was only likely to come about when those working in the industry were empowered to drive the performance agenda. Empowerment must therefore be considered as a key element in achieving the Rethinking Construction agenda.

“Respect for people means that all workers need to be consulted, involved, engaged and ultimately empowered in a spirit of partnership – not just management. The workforce is a rich source of ideas to improve the way work is carried out. And involving the workforce will not only demonstrate that they are respected and valued, but will improve productivity and quality.” - Rethinking Construction report on Respect for People, 2000.

Empowerment should also be seen as being positive in terms of improving business performance and enhancing innovation. Developing and applying appropriate empowerment strategies throughout the project delivery system is thus essential if the industry is to exploit the potential benefits of self-managed teams within construction.

This research, seeks to address the current lack of research into teamwork and the empowerment of individuals and organizations involved with the delivery of construction projects in support of the *Respect for People* (M4I 2000) initiative and the general drive for performance improvement within the sector. The primary aim of the research is to encourage improved construction project and organizational performance through the adoption of effective teamwork and empowerment strategies utilized within the Process Sector. The research will develop enabling mechanisms and tools to allow the construction industry to derive benefits from the respect for people initiatives currently at the forefront of the industry's *Rethinking Construction* movement. Greater understanding of teamwork and empowerment concepts that emerge should help managers to: improve motivation; design effective self-managed

teams; develop individual skills; and better manage team interaction, communication and decision-making. The research aims to explore specifically the definition of empowerment, approaches to teamwork, leadership and barriers to empowerment.

METHOD

The methodology that underlies a number of studies into empowerment has a strong quantitative base that consequently produces statistical, quantifiable results (Nesan and Holt, (2002). It could be argued that the adoption of a more qualitative, in-depth study it is possible to gain further insights into the meaning of empowerment. The work of Psounos and Smithson (2002) gives a brief indication of the insights gained using a qualitative study (into management perspectives) and this approach may be beneficial to understand empowerment. In order to achieve the aims of the exploratory study, two workshops were held to allow a detailed discussion of the issues to take place. The participants in each workshop were given an introduction to the aims of this research project and were asked to share their views on a number of related themes. The group discussion was interactive as participants were able to respond to each other's comments and each workshop was chaired by member(s) of the project team. Both workshops were audio-taped and notes were also made. The first workshop in Amsterdam included a group discussion with twelve senior industrialists from the engineering construction sector. As this was exploratory in nature the aim of the discussion was to be informal and semi structured to allow a depth of information to be obtained. The duration of the discussion was approximately thirty minutes in length. Themes included in the group discussion included: the definition of empowerment, barriers to empowerment including organizational structure, resources, responsibility, and how empowerment occurs in their organizations. The second workshop developed the themes identified in the earlier workshop and involved a focus group with another set of senior industrialists who were again from the engineering construction sector. This explored the following themes: the meaning of empowerment, approaches to teamwork and approaches to leadership. The following discussion summarizes the key findings of both workshops under the headings that were used to frame the discussion at each event.

RESULTS AND DISCUSSION

How do you define successful empowerment?

There was considerable debate about the meaning of empowerment. The general consensus indicated dissatisfaction with the use of this term, however the production of an alternative phrase was problematic. Suggestions that this term could be replaced with the '*respect for people*' heading may be difficult as this broadens the scope of the study.

The key themes which emerged from this discussion indicated that responsibility and authority are essential components of empowerment, as one respondent indicated empowerment is,

'to give responsibility and accountability to people'

However for this to occur it is necessary that employees are willing to accept this responsibility and possess the individual competence. Several of the workshop members highlighted how it is necessary to delegate responsibility and authority to employees if they are to be successfully empowered. In order to achieve this goal

employees need to have the freedom and ability to make their own work related decisions,

'latitude of decision making authority without the need to seek approval'

' [the employee] should have the freedom to choose how the job is done but they should be responsible for the ultimate outcome'

One participant stated the importance of individual decision making however these decisions need to be in line with the overall organizational objectives,

'having set the goals/ objectives allowing individuals to meet these through their own initiatives, means and drive'

Successful empowerment should also be viewed as two-way process between manager and employee comprising of upward and downward delegation. This two-way process requires respect and trust within a working relationship if managers are to empower and employees are to accept and utilize this empowerment.

In addition to the various themes outlined above, it was highlighted that empowerment may be defined differently depending upon the cultural context. Thus, the meaning of empowerment may be interpreted in many different ways,

'one of the other barriers facing construction is national cultures and the difference in national cultures and the problems that that give in terms of the acceptance of empowerment. I see big differences across Europe and a project recently completed in Rotterdam there was something like seven or eight different nationalities at the construction workforce, all with different perceptions of empowerment. So it is quite a challenge to get it across its not just come to the Netherlands and its like this, it is the environment that you are offering.'

One participant indicated that to empower successfully the organization requires a shift in culture to achieve this patience and understanding is necessary at the individual level. The outcome of these discussions indicates that while there are some similarities in the meaning of successful empowerment the focus varies according to the individual perception. Consequently the meaning of empowerment is not clear and definitive. As confirmed by one manager who stated that empowerment needs to be flexible and adapt on a project to project basis.

Barriers to empowerment

The unique nature of the project-based environment that exists in both the construction and process sectors can mean that successful empowerment is difficult to achieve. The following discussion highlights the key barriers to empowerment, these barriers include organizational structure, resources, the project and responsibility.

Organizational structure

The organizational structure may not necessarily be suited to the different demands of working in a project environment, and this may make empowerment difficult as there are competing objectives between the organization and project objectives.

The literature indicates that a flatter hierarchy is appropriate for effective empowerment (Nykodym *et al.*, 1994) but a number of respondents stated that this type of structure could itself pose problems. A move towards a flatter structure can reduce the mechanisms for rectifying conflict and problems both within the

organization and in the project environment, subsequently any further changes will undermine the culture of the business.

Resources

Lack of sufficient resources to facilitate empowerment was also identified as a barrier and as one participant indicated,

‘I may see myself as a great empowerer and go to the team and say “go and do this project”’ but the one thing that stands in the way of the counter of empowerment is often the resources and I see that as another big barrier because I can tell them to go and do the project or ask them to do the project and I can set them their goals and the key performance indicators and so on but if I haven’t given them the resources to do it isn’t that one more barrier?’

Lack of resources can therefore represent a fundamental barrier to empowerment as managers may want to empower but may not have the resources to support their decisions.

The Project

The method of procurement has a fundamental impact upon the roles and responsibilities of the individuals within the project and this can be a barrier to empowerment. Notably the procurement route can vary from project to project and employees who were once empowered find they are no longer in this position. This can ultimately lead to feelings of de-motivation and employees may in future reject any attempts to empower,

‘The changing roles and responsibilities (on different projects) can lead to de-motivation.’

Responsibility

If responsibilities within the project and organization are not clearly defined and communicated this too can be a barrier to empowerment,

‘The empowered have to take the responsibility for themselves’

‘The people above then have to take responsibility for the consequences of empowering them’

The above quotations indicate that if responsibility is not accepted by both the manager/leader and the employee then it may not be possible to effectively empower. On a similar theme, one respondent outlined that it is crucial to define who is responsible and this issue raises a number of questions, as illustrated below,

‘Who takes responsibility for the decisions made by the ‘empowered?’’

‘Will the empowering authority actually allow the decisions to be implemented?’

‘Empowerment is also to do with making people feel responsible, they can not be empowered without feeling responsible.’

Clarity is also required regarding the regarding the kind of empowerment that is required,

‘There is difference with feeling empowered and actually being empowered.’

Approaches to teamwork

All participants agreed that teamwork is a fundamental part of empowerment. They generally believed that effective teams are essential to the success of a project and identified a number of points concerning what makes effective teamwork. A key feature of successful teamwork was a shared understanding of clearly defined aims and objectives,

‘Clear aims and objectives that are recognized by all.’

What is notable in this quotation is that *all* parties need to be clear as to the aims and objectives if teamwork is to be effective. Sharing personal and organizational and aims objectives also ensures that the relationship is honest and develops a level of trust,

‘Trust, there should be no hidden agenda’s.’

Trust and honesty are considered to be key attributes for successful empowerment to take place within teams. Further it helps to foster an equitable approach across teams

‘An equitable approach whereby the project is equally balanced.’

A participant argued that if risk and responsibility are evenly distributed amongst the project team members it creates an appropriate working environment within which empowerment could take place. Although there was broad agreement about the components of successful teamwork, it was noted that this could be difficult to achieve in construction/process industries. These difficulties were linked to fragile nature of teams as there are frequently changes of team members and leaders. The importance of appropriate leaders in teams was also emphasized and the following section explores further the impact of leadership on empowerment.

Approaches to leadership

The close link between teamwork and leadership was recognized, in so far as one could not be successfully achieved without the other. The main components of leadership were identified as respect, communication and trust and they should exist at all levels within the organization. A respondent claimed that this trio of elements provided the underlying foundations for successful leadership and empowerment. This successful approach to leadership could be learnt by anyone in the organization and therefore leaders are possible at all levels. To maintain such a successful approach does however require the leader to continually seek improvements both for themselves and the organization.

The key qualities of leaders who have the ability to empower frequently focus upon how they relate to their followers. A fundamental attribute that is necessary for any leader is the ability to empathize with their followers. This can occur in a number of ways,

‘Leaders should be able to identify strengths and weaknesses within the team.’

By recognising the various individual abilities of the team it is possible to successfully empower in a supportive environment. Furthermore, one participant argued that the leader should provide support to ensure that the team continually develops,

‘Supporting/coaching the team members is a key role for a leader.’

One of the ways that a leader can coach team members is through encouragement that can provide motivation and inspiration. The findings indicate that empowerment is a

complex concept that is comprised of many interrelating factors, numerous definitions and barriers to overcome to ensure successful implementation.

CONCLUSIONS

These qualitative exploratory findings are consistent with the literature that states that empowerment is a poorly defined concept. (Russ and Millam, 1995 Psoinos and Smithson, 2002, and Dainty *et al.* 2002.) This is represented in the wide variety of interpretations of empowerment that exists with this sample of industrial representatives. The participants went on to explain that they are not necessarily comfortable with empowerment as a term, they did recognize the merits of its content. The fundamental features of empowerment were described as the ability of individuals to make decisions, which requires the acceptance of responsibility and accountability. Additionally empowerment should be viewed as a dynamic relationship between the manager and the employee and both have to be willing to embrace the empowerment concept. Teamwork and leadership were recognized as key components of effective empowerment by all participants involved in the research. As found by Honold (1997) and Johnson (1994), the role of the leader is crucial in creating a common goal that which is shared with the team. By communicating effectively and creating a supportive environment the leader can be crucial in facilitating empowerment within their team. The industry collaborators clearly articulated a number of barriers to empowerment teamwork and leadership. A key barrier to empowerment was identified as the organizational structure and culture, which can hinder the implementation of empowerment. Changing such features is a slow process and requires a holistic approach. This supports the work of Honold (1997) who also found culture to be a fundamental barrier to empowerment. Further barriers to empowerment included limited resources and the project based nature of the industry (Dainty *et al.*, 2002). This exploratory research provides an opportunity to understand the perceptions of empowerment and the issues associated with this concept. These exploratory findings have contributed to the direction of the research and the design of the case study instruments. The next stage of this research project (which has already commenced) utilizes these findings in the form of longitudinal case studies.

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