Investigating Benefits and Drawbacks of Employee Empowerment in the Sector of Hospitality: A Review

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ABSTRACT

Employees’ empowerment has significantly close relationship with employees’ job-related outcomes such as job satisfaction, job performance and organisational commitment. This study aims to investigate the role of empowerment on employees’ job-related attitudes in hospitality sector. This present study provides a literature review on concept of empowerment by explaining benefits and drawbacks of the concept. This study identifies several advantages e.g. more input of ideas, growth of interpersonal and guidance skills. The drawbacks are negative use of the power received, high risk of failures without supervision, conflicts result in less supervision among others. The study demonstrates a frame of empowerment in hospitality sector along with recommendations and implications.

SARI PATI

Pemberdayaan karyawan memiliki hubungan yang sangat erat dengan hasil yang terkait dengan pekerjaan karyawan, seperti kepuasan kerja, kinerja, dan komitmen organisasi. Penelitian ini bertujuan untuk meneliti peran pemberdayaan pada sikap karyawan terkait pekerjaan di sektor hospitalitas. Penelitian ini memberikan tinjauan literatur tentang konsep pemberdayaan dengan menjelaskan manfaat dan kelemahan konsep tersebut. Penelitian juga mengidentifikasi beberapa keunggulan, misalnya masukan ide lebih banyak, pertumbuhan keterampilan interpersonal dan bimbingan. Kekurangannya adalah penggunaan negatif dari daya yang diterima, risiko kegagalan yang tinggi tanpa pengawasan, konflik-konflik yang mengakibatkan kurangnya pengawasan di antara yang lain. Studi ini menunjukkan kerangka pemberdayaan di sektor hospitalitas dengan rekomendasi dan implikasinya.

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INTRODUCTION

In today’s competitive environment, every organization, no matter related to any sector, is striving to become faster and leaner in order to provide quality services to its customers efficiently, thereby making profit for itself (Wilkinson, 2004). According to Gkorezis and Petridou (2008), an organization could only survive through having empowered and proactive service workers with it working on a collective objective of the organization. Concerning those sectors that require strong employees’ concentration due to increased customer-employee interaction such as hospitality industry, empowerment is considered as a very basic element to increase the job performance and satisfaction of the employees.

The aim of this paper is to present a literature review of the influence of empowerment on the employees in the hospitality sector. This paper sheds light on benefits and as well as drawbacks of empowerment. The present review is conducted through investigating research which examined impact of empowerment on employees. Relevant articles about effects of empowerment either positive or negative were selected. However, research which did not meet the criteria of relevance were excluded. The selected research categorised based on impact of empowerment, then they were analysed and reported below.

According to Wilson (2011), empowerment refers to the sharing of decision-making powers by the management of organization with their employees. Due to which, more control and responsibility is shifted to the employees motivating them to give better output. It is found that by empowering employees in the organization, there can be a shift in the role and responsibilities of the manager because they act as a facilitator and coordinator of work processes rather than a controller. According to Lawler, Mohrman and Benson (2001), allowing employees to come up with new and innovative ideas and encouraging them to take decisions results in the better performance of employees in the company. It was revealed from their study that approximately 70% of the organizations are working with some kind of empowerment initiative for the improvement of performance and job satisfaction among the employees (Lawler et al., 2001).

Considering the service industry like hospitality sector, it could be observed that since the inception of 80’s, the industry has been focusing on the need for employees’ empowerment (Wilkinson, 2004). They empower their frontline employees with a view to devolve the power of decision making and controlling during the service delivery process (Lashley, 2001). Likewise, the hospitality industry has also been using the empowerment techniques in the meaning of motivation to change the attitudes and behaviours of employees towards the organization. In addition, by empowering the employees, responsibility can be distributed among numbers of individuals present in the organization while making them accountable for what they have done.

Furthermore, it has also been observed that the self-leadership attitudes have strong prospective to help the industry, in making effective and efficient responses to the challenges of 21st century. Lee (2001), described empowerment as skill development techniques in the service industry. However, on the other hand, Narayan-Parker (2005) argues on the empowerment of employees by stating that the senses of ownership among employees mostly result in the negative behaviours among them.

Referring to the hospitality sector, it has been observed that the sector is highly service-oriented and mostly lower level workers are found in direct contact with the customers. These are number of young and energetic workers accompanied with high ambition, aims and objectives. In addition, these employees are becoming an indispensable part of an organization. Therefore, it is essential for the employees to be empowered for the provision of better services to the customers (Sarkar, 2009).
The hospitality sector has been adopting different types of empowerment tools in order to compete in the business industry (Burke et al., 2015). These tools have been used by the hotel industry in order to gain prominent position in the world as a revenue earning industry. The empowerment strategies helped in boosting the self-efficacy of their employees (Conger and Kanungo, 1988).

Job satisfaction and job performance amongst employees are mainly conditioned with numbers of factors in the hospitality industry. Along with other factors, employees' empowerment is found crucially important in improving the job satisfaction and job performance specifically in the hospitality industry. With the increased globalization, hospitality industry experiences great competition and it has become significant for organizations to provide competitive advantage and customer satisfaction that is only possible through employees. It is found that employees possess important position in growth and development of the organizations while job satisfaction and job performance are conditioned with the empowerment of the employees (Wooddell, 2009).

The role of empowerment in the job satisfaction and job performance of employees is considered as a very influencing factor among the employees within the service organization such as hospitality sector. Therefore, this paper tries to fill a meaningful gap by providing the benefits and drawbacks of empowerment to the literature. In short, the paper would be discussing the concept of empowerment, benefits and drawbacks of empowerment strategies in the hospitality sector.

REVIEWING THE CONCEPT OF EMPOWERMENT

A number of studies have been found about the concept of empowerment as the same has become of increasing interest to the researchers. Various researches have been done on gaining the understanding of the term ‘empowerment’ in the context of personal life of an individual, society, and workplace related issues. According to Deci, Connell and Ryan (1989), in order to understand the concept of empowerment, there is a need at first instance to understand the term power and powerfulness. The term could be defined as the capability of an individual or an organization for producing the intended, predicted, and unanticipated effects on others (Deci, Connell and Ryan, 1989).

It is found that empowerment is most renowned and promising concept for enhancing the outcomes of work along with the efficiency and effectiveness of an organization (Sparrowe, 1994). Moreover, Sarkar (2009) argued that the empowerment helps develop a culture within organization where the increasing effectiveness and efficiency is indicated by developing and deploying the competent impact within the workforce. It can be said that the empowerment is evolving within the recent environment of organization. However, according to Sinha (2005), the term empowerment is used to denote the enhanced involvement of employees within the procedures and decision – making of organization. Certain proponents of empowerment considered it as manifestation of democratic ideals, which supports the concept as the promotion of employees’ well-being and most significantly in harnessing the knowledge as well as abilities for enhancing the performance.

It has been observed that the organizations with capable, committed, and professional workforce can adapt the changes to enhance performance and the competitive position. Thus, the empowerment of workforce as a theoretical concept influences the effectiveness of organization and the innovation of organization. According to Naderi, Jamshidiyan, and Salimi (2006), the job and consumer satisfaction due to empowerment implies that the workforce of organization is aware of empowerment, as authority encompassed in the organizational role should be observed in the organizational role of employee. Moreover, it can be said that the people own the authority due to their knowledge and motivation (Blanchard et al., 1999). Wyer and Mason (1999) depicted that the concept of empowerment has
defined a significant procedure to use the work force in most effective and efficient manner. However, according to Thomas and Velthouse (1990), the psychological empowerment is internal motivating factor, which reflects the active role of workers within organization. However, it has been observed by Logan and Ganster (2007), and Meyerson and Kline (2008) that the psychological empowerment differs from the role empowerment, which is related to the efforts on the part of organizational executives for transferring certain choices and decision-making power from managers to employees at operational level. Thus, it can be said that the focus of empowerment research has recently incorporated the psychological empowerment referring to the assessments of employees regarding their autonomy in task performance (Bordin, Bartram and Casimir, 2007). It is desirable in organizations because it is evident from various researches that practices of empowering leadership results in enhanced performance of employees (Vecchio, Justin and Pearce, 2010).

It has been asserted by Carson and King (2005), Manz and Sims (2001) and Manz (1992) that self-leadership behaviours are critical element for effective results in autonomous working environments. Therefore, it can be said that the employees while reflecting self-leadership seek ways to direct their activities through behavioural strategies, cognitive thoughts, and natural rewards drawn from their work (Houghton and Neck, 2002). Campion, Medsker, and Higgs (1993) further define the empowerment as the ability of employees for making business decisions and accepting responsibilities for the results of their decisions. It can be considered that empowerment further identifies the transferring power and responsibility to employees within specific limits for providing the best consumer services (Wynne, 1993).

At the international level, empowerment could be seen through the behaviour of the person in showing that his or her actions would result effectively to influence the outcome of the life events. However, most of the literature makes association of empowerment with the individuals’ personal authority to control their lives through effective decision making. It has been observed that the concept is not too confined now, extending itself towards a process of change. Empirical studies have been referring personal empowerment of an individual as a process of developing that is mainly comprised of the entering, advancing, incorporating and committing toward the objectives of life (Guillory and Galindo, 1995).

On the other hand, considering the employee empowerment in an organization, according to Sinha (2005), the term empowerment refers to the enhancing the involvement of workers in the organisational processes and decision-making strategies at workplace. In other words, the term could be defined as a way to delegate the power for enabling the work decisions to be taken as soon as possible. Various studies have shown that the organisations empower their employees by giving them authority to make decisions regarding product development and services. Much of the literature has been providing evidences about the managerial initiatives in the organization for the transmission of authority or leadership to the employees assuming that such transmission would result in the improvement of the work performances (Stephens, 2007). According to Carlos et al (1999), it is referred to as the process of enhancing the capacity of employees to transfer their individual choices in to the course of action in governing the use of organizational assets.

Lawson (2006) defined employees of an organization as the backbone of the company and one of the major element upon which the success of an organization is based. It was further revealed from her research that the dissatisfaction of the employees badly affects the services offered to the customer of the organization, therefore in order to be on the right path towards an extreme success, the organization should be focused toward the employee's empowerment in order
to get maximum satisfaction and performance forms the employees. Literature has revealed that in order to create a sense of responsibility and that they are valued at their workplace, they should be empowered. Furthermore, it was also highlighted in the study that there are four main pillars that an organization should incorporate in order to achieve success. These includes participation of company’s employees in the decision-making process, involvement of the organization’s employee in the planning process, offering the praise and encouragement frequently to the employees and providing them continuous training and support (Lawson, 2006).

As far as elements of empowerment are considered, the same could also be observed from the study of Page and Connell (2006) that in number of organizations, the strategies adopted from empowering employees are based on the four elements. These elements include accessibility to the information, inclusion and participation in the activities and decisions, accountability of the tasks assigned and local organizational capacities of the workers in themselves. They further argued that although all these elements are separately discussed in the theories rather they are closely related with each other and act in a synergy (Page and Connell, 2006).

According to Light (2004) a research performed for evaluating the relationship and effects of the involvement of employee within an organization and the job satisfaction gained by them, it was revealed that interaction among the employees and management could affect the organization in many ways. It was further noticed that this participation by the employees are often considered as process oriented or a system of motivating the employees with the organization as the employee’s empowerment is considered as more cognitive and attentive (Light, 2004).

Many researchers have presented different theories in context of the employee empowerment at the workplace. These theories were focused on addressing the relationship among the self-leadership and self-development of employees within an organization. According to Rothstein (2010), empowerment of employees could be used to create self-developing attribute among the employees through motivation. On the other hand, Neck (2006), gave suggestions on the contingency approach model to be used leaders in deciding about the specific situations in which delegation of power to the employees of an organization could be made to encourage them towards self-leadership. They further state the development of followers, situation of urgency and task environment as the factors encouraging empowerment. On the other hand, theory presented by Deci, Connell and Ryan (1989) suggested that autonomy should be used to motivate the employees in order to increase their performance and provide job satisfaction to them rather than a self-control behaviour. They further illustrated that empowerment could be used as to incorporate a behaviour change aspect among the employees. According to another study by Hackman et al. (1975), it was revealed that the theory of empowerment is simply consistent with the job design theory which encourages the variety of skills, identification of tasks, significance of task, level of freedom to complete and receiving feedbacks from the tasks itself among the employees in an organization. Further, according to Woodside (2007), in order to gain the effective results of the empowerment, the focus should be made on the meaningfulness of the task, competency, self-determination and impact of a delegated task to the employee. In addition, the study by Lowe (1994), suggested that in the process of empowerment the managers of the organization place themselves in the place of coach, facilitator or mentor.

**BENEFITS AND DRAWBACKS OF EMPowerMENT IN ORGANIZATIONS**

On deeply analysing the situation, it could be observed that many benefits and drawbacks are associated with the concept of empowerment in the organization. In context of the empowerment
literature, these benefits and drawbacks are described below in detail.

An organization always tends to seek more profit in order to proceed in its economical background and to be known in its business circle. With this regard, empowerment provided to its employees gives a feel of quick working and fast-growing organization. Empowerment of employees serves not only to the employee, but it provides an immense help to the company. The hospitality industry is relatively characterized by low empowerment, because this type of business is characterized by a low degree of both customization and labour intensity (Ueno, 2008). The benefits earned from implementing the employees’ empowerment can be categorized into two: benefits acquired by the organizations and the benefits acquired by the employees.

Benefits Acquired by the Organization
It is found that in service industry, empowerment increases productivity, customer service and decision-making. Regarding customer service, an employee gives quick response to the customer because she or he does not waste his time every time referring to the manager. When the empowerment is provided to the employees, it builds self-confidence and makes them capable to create and conceive their own ideas, which is highly beneficial for the organization because it develops competitiveness among the employees, and every employee seeks to score more and more admiration from the authorities. Education, learning and development of human resources in the organization and people participation in managing the organization in addition to improving the individual exploit, will be increased to improve the efficiency of the organization (Etebarian, Salehizadeh, Abzari and Abdolmanafi, 2010).

Benefits Gained by an Employee
From an individual’s perspective, empowerment has led in ascending motivation and morale and job satisfaction. Empowerment provides more self-confidence, sense of ownership while plays an important role in improving employee job satisfaction. In organization cultures, job satisfaction comes from the ability of workers to have control over the jobs or feelings of empowerment in their lives at work (Gill, Flaschner, Shah and Bhutani, 2010).

According to Guillory and Galindo (1995), as empowerment is considered as a two-way process that requires collaboration among the employees and employer. Therefore, it undertakes the benefits and drawbacks from the point of view of both the employer and employee. Numbers of researches have highlighted the following benefits of employee empowerment within an organization.

Increase in Employee Contribution
Evidence has been found regarding the increase in contribution of employees in the organizations’ activities, as a result of the authority delegated to him. The same could be observed from the research of Osborne and Plastrik (2000) that by empowering employees i.e. giving authority to the frontline employees would result in the improvement of results through increased employee contribution. It was further viewed in the research that by empowering the frontline employees in decision-making initiatives, the desired results were achieved by the company (Osborne and Plastrik, 2000).

More Input of Ideas
According to Relations (2008), it has been observed that one of the biggest advantages of the employee’s empowerment is that it results in the input of variety of range of ideas. As with the participation of more individuals in the decision-making and planning process within an organization, there would be an increase in the range of ideas so presented by number of employees (Relations, 2008).

Low Cost through Reduction in Managerial Levels
Likewise, employee empowerment also results in the reduction in the managerial level, thereby reducing the cost incurred by the organization for engaging the service of the mangers. The authority
when delegated to the employees would reduce the role of the managers in an organization, hence preventing the company from this high managerial cost (Osborne and Plastrik, 2000).

**Growth of Interpersonal, Logical, and Guidance Skills**
Number of studies has shown that through the empowerment of authority to the employees, organizations are able to encourage the growth of interpersonal, logical and guidance skills among the employees of the organization. This help in bringing the sense of professionalism and commitment towards their work. Kanter and Stein (1979), argued regarding the increase in the power of organization with the dissemination of authorities.

**Improvement of Communication Among Employees and Management**
Deci, Connell and Ryan (1989), described employee empowerment as a breaking down of structure into several barriers of communication among the employees of the organization and the management of an organization. This also support in the reduction of the role of union in an organization.

**Creating Perception of Quality Awareness Among All Employees**
In a study presented by Hvid, Hasle and Bilfeldt (2003), it was revealed that creating awareness among the employees for the production of better goods or delivery of efficient services could be easily attained through empowering them with some responsibilities. They further said that company’s face difficulty in setting up the standard of quality without the coordination of employees as the employees and workers are the main part of an organization. On the other hand, according to Ashness and Lashley (1995) empowerment of the frontline workers could help in the assurance of the high quality of services at a workplace.

**Increased Quality Product**
Gal-Or and Amit (1998), described empowerment as an important element for the company to make an increase in the quality of a product. In their study, they have illustrated the fact that through empowerment the companies could provide assistance and better training to the competent workers in order to increase the total quality of its product.

**Efficient Use of Organization Resources**
According to Benini (2009), empowerment gives rise to the dilemma among the empowered employees to make use of organizations’ resources efficiently and effectively in the completion of their tasks. Furthermore, researches have been showing an effective and powerful management of resources has been observed during the empowering of authority at all levels.

**Increase Individual Job Satisfaction**
Likewise, many studies have proven that an employee who is enriched with the feeling of empowerment would be more satisfied with his job resulting in the job retention. According to Snipes et al. (2005), there is a direct relationship between the job satisfaction and an employee’s empowerment. In addition to many benefits, in an organization, empowerment of employees is also associated with certain limitations or drawback that restricts the companies in delegating the power and authority to the employees of the company.

**DRAWBACKS**
Despite having many advantages, on the other hand, studies have shown the connection between the various drawbacks faced by the organization in the perspective of empowering their employees. These drawbacks are discussed below.

**Lack of Integration of Power in the Organizational Environment**
According to Scot, Bishop and Xiangming (2003), empowering employees puts the responsibility in the hand of employees, but it may create lack of integration of power in the organizational environment, as there could be large numbers of
employees in the organization and if every individual is empowered to complete his task, it can create disintegration of power at the management level. According to Ping, Murman and Perdue (2010), employees’ empowerment is vested from lower management to other employees such as managers are already empowered and they can reduce their burden by empowering their subordinates. According to Wooddell (2009), this form of empowerment is not expected to be difficult for the manager to manage, as he is the direct individual interacting with them but higher management can have difficulty in understanding the network of this empowerment.

**Difficulty in Managing Empowered Employees**

According to Gill et al. (2010), the employees’ empowerment is effective to increase the productivity of the organization. According to Luthans (1989), besides the conflict among the employees, there can be conflict of employees with the management caused by employees’ empowerment. However, empowerment is delivered to employees through managers and it is expected of the managers to manage the employees, using their power to make decisions regarding their work, yet it can create difficulty for managers to spend a lot of their time in managing those employees (Gill et al. 2010).

**Incompetency and less experience to uphold Authority**

According to Neck (2006), it might be the possibility that some employees in an organization are unable to make effective business decisions due to the lack of skills and competencies. Literature has been found on the fact that organizations most of the time faces failure because of the delegation of authority to the unknowledgeable employees. Due to inefficiency of employees in decision-making, it has become one of the major drawbacks of empowerment (Neck, 2006).

**Negative Use of the Power Received**

The employee empowerment could also negatively affect the operations of an organization. It has been observed that the power or authority delegated to the employees is in turn wrongly used by them for their personal interests. Moreover, this personal interest of an organization’s employee most of time has extreme conflicts with the organizational interest (Relations, 2008).

**Limited Authority to Accomplish Service Needs**

In many organizations, it has been observed that the management of the companies delegates a limited authority to their workers that is not sufficient for the efficient completion of their tasks.

**Conflicts Results in Less Supervision**

Consortium (1998) defines supervision as an effective measure to control the conflicts among the employees within an organization. Empowerment results in authorizing more power to the parties in conflict. However, Ramsbotham, Woodhouse and Miall (2011) argued that empowerment could be best use for the resolution of conflict among the employees through empowering them to make decisions at their own.

**High Risk of Failures Without Supervision**

Supervision is considered as a powerful tool to prevent the risk of failures in the organization (Pickett, 2004). The tasks that require to be supervised in order to achieve success result in the high rate of failure without a competent supervision.

**Resistance to Take Authority**

It is argued that studies indicated that a number of the employees resist taking power and authorities. Such resistance mostly comes from the supervisory levels, which resist empowering the frontline employees. They feel that by empowering employees, they would not be able to accurately measure and evaluate the performance of their employees (Sofield, 2003).

**Employees need to be Pushed**

According to Potterfield (1999), the empowered employees are required to be pushed to provide
feedback for the responsibilities given to them. In many situations, it has also been observed that feedback from such employees is not available due to self-reliance. This results in the careless attitudes among the empowered employees.

MANAGERIAL IMPLICATIONS
It is recommended that the employees should be granted with authority and responsibility to become more successful. The potential cost for the recommendation of granting authority and responsibility can be measured as the skills of employee and decision-making skills. It is recommended that the managers should set the targets for each employee in their organization and then make the proper communication of the aims and targets to each employee. Furthermore, the management also should make the provision of the power, resources and data that would be required by the employees in the completion of their target. In order to persuade the empowerment strategies within the organization, managers should also focus on the diversity and differences among the employees of the organization. Seminars and periodic lunch should be arranged for the integration of the employees from the different background working in an organization. For organizations, it is recommended that the employees should be provided with necessary educational and training environment for increasing the organizational success. Education, training, and skills of employee are the most likely costs that can be used to assess the educational and training environment in organization to increase success.

CONCLUSION
Hence, it could be concluded form the previous literature that empowerment has a very strong influence on the job satisfaction and job performance of the employees. This could be observed from analysing the perceptions of the employees about empowerment of hospitality sector. The concept of employee environment is considered as a base by the hotel industry to achieve their business objectives. Therefore, it is important to identify the significance of employees’ empowerment, from the perception of this research area through the perspectives of the employees and managers within the organization. It would help in clarifying the conditions of success of organisations.

The progress of hospitality industry is highly correlated with the choice and selection of personnel who are empowered to provide high quality work for the customer satisfaction. It has been observed that there has been an increased competition in the hotel enterprises operating worldwide. Therefore, according to Cripe and Mansfield (2001), organizations can experience considerable increase in the productivity by empowering the employees because, empowerment in different mode and form gives the employees a sense of ownership (Cripe and Mansfield, 2001). Additionally, the interest of managers in the employees’ empowerment in the hospitality industry has been related to obtaining competitive advantages by improving the service. The findings of the study can largely be implemented in the hospitality industry for improving organizational productivity.

It is recommended that the organizations in hospitality sector should concern about the reactions of employees about personnel empowerment because positive perceptions about empowerment among employees result an enhanced job performance. It is also suggested that the employers of hospitality organizations should use the approaches such as providing employees with job enrichment, authority, delegation, participation, counselling, appraisals, motivation, career planning, and rewards. Such recommended use of approaches by employers would enable the employees to believe that they are competent and valued with maximum opportunities to exercise their skills.

The outcomes of the study demonstrate that the organizations should set the empowerment programs, which would establish a platform for the most effective use of innovative behaviour of
employees (Barling, Weber and Kelloway, 1996). It has been observed that the empowerment drivers affect the performance of employees in hospitality sector differently, which can be used by organizations in hospitality sector to surpass the expectations of consumers while minimizing the shareholder value (Barrutia, Charterina and Gilsanz, 2009).

It can be argued from the review of the study that empowerment possess the capability to influence the employee performance and satisfaction. Therefore, the managers of organizations working in hospitality and tourism sector should identify the employee roles that include empowerment.

The one important limitation of this study is that this study is based on merely literature, empirical studies needed to investigate role of empowerment on employees in different sectors and contexts. In order to improve the understanding of the performance and satisfaction of employees, it is essential to use more comprehensive and additional theoretical models along with the evidence to realize the nature and outcomes of the organizations. It is believed that the understanding relevant to the relationships of empowerment with the job satisfaction and job performance can be progressed by conceptualizing and testing the relationships with more potential variables that may play role in the relationships and by using the longitudinal research within different contexts of organization.
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