Empowering Human Resources of Organizations Based On Social Investment Strategies

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Abstract

Employee empowerment is an essential tool of management that can be used to direct human resources to increase productivity. This article, with a practical approach toward the concept of employee’s empowerment, is focused on investigation of the effective factors on empowerment. Employee’s empowerment is one of the effective tools in increasing employee productivity and optimum use of their individual and collective capabilities and capacities in line with organizational goals. Nowadays, organizations affected by factors such as increase in global competition, sudden transformations, the need for quality and after-sales service, limited resources, and ... are under a lot of pressure. After years of experience, the whole world has come to the conclusion that if an organization wants to be at the cutting edge in its professional and financial affairs and does not left behind in competitive arena, should benefit creative and highly motivated manpower. Human resources makes up the basis of real wealth of an organization. The concept of social capital is considered as a resource that individuals, groups and communities may use to achieve optimum results. Thus, social capital is the social relationships’ heritage and facilitates collective action. In what follows, we will mention to the importance and necessity of employees empowerment in organizations and the achievements aroused out of empowerment in organizations and the barriers to implementing empowerment. Finally the concepts and factors of social capital, their role and effect on empowering human resources in line with organizational activities are analyzed.

Keywords: human resource, social investment strategies, empowerment

Introduction

Employees’ empowerment is one of the effective techniques in increasing employees’ productivity and optimal use of their individual and collective capacities and capabilities in line with organizational goals. Empowerment is a process which helps the continuous improvement of performance by developing influence and ability of individuals and teams. In other words, empowerment is an organizational development and prosperity strategy.

Empowerment

Empowerment is a process through which individuals became aware of their needs and demands, gain some kind of self-confidence and self-reliance to meet those needs and based on them gain the ability to achieve their goals. In another definition, empowerment means that people must achieve a level of personal development that will enable them to choose according to their own desires (ShadiTalab, 1381: 54).

Empowerment is a continuous process according to which members of a society have some kind of self-assurance and are able to properly evaluate and truly identify themselves and become aware of their capacities and capabilities to achieve their objectives and to be able to achieve desired goals by enhancing their capabilities.

Three elements that create Empowerment in the workplace include: attitudes, relationships and organizational structure each of them
should be changed to create capable employees; otherwise, all efforts would be useless.

Empowered workplace is an environment wherein employees are the main propulsion. Empowerment provides potential capacities for benefiting from human capability resources which are not fully used.

Empowerment is not fulfilled by manager’s pressure and agendas, but is a process that necessitates accepting empowerment culture and employee’s involvement) ERSTAD,1997:135(. Thus, empowerment is recognizing individual values and their role in fulfilling the job. In other words, human forces empowerment is producing a set of necessary capacities in employees to enable them to produce value added in organizations and the responsibility they have in organizations together with efficiency and effectiveness.

**The importance and necessity of employee empowerment in organizations**

Nowadays, organizations are under a lot of pressure which is the effect of factors such as raising global competition, sudden changes, a need for quality and after-sale services and so on. After many years of experience, world has come to the conclusion that if an organization wants to be in the cutting edge in its financial and professional affairs and no to be left back in competitive zone should benefit from highly motivated and creative skillful human resources. Human resources form the basis of the real wealth of an organization. There is a direct relation between human capital and productivity. The major concern of successful financial institutions of the world is to collect wise and educated human resources who are able to make changes in the organization they belong to. A successful organization is a collection of cultured organizational people, with common thought and objectives who bestow their experience and knowledge to the managers with a passion for increasing progress of the organization. Therefore, any individual feels a sense of ownership with regard to the organization and his duty. Using potential abilities for any organization is considered a great advantage. In individual productivity, organization applies a collection of potential talents and capabilities of the individual so that it make progress and turning the potential resources into actuality and amazing talents for the development leads to the individual progress and their alignment with organization. Therefore, achieving organization’s objective necessitates effective management of these resources. In this respect, development, progress, prosperity and improvement of employee’s capabilities has attracted the attention of scholars and experts of human resources management in recent years.

As organizations fight the challenges and give priority to the ongoing improvement; support and commitment of employees and their involvement in job is more required. Empowerment is a new and effective technique to improve organization productivity by using employee’s abilities. Employees own hidden power due to their knowledge, motivation and experience and; in fact, empowerment is to release this power. This technique gives the potential capacities that are not used completely in applying human capability resources and suggests a balanced technique among full control of managers and their freedom of action in a healthy organization. In empowerment debate, such issues are discussed as: how is the management atmosphere and organization environment for employees? Does the organization management allow the employees to reveal their opinion and thoughts? Is qualifications and competencies the basis of choosing and employing people for job or is it just based on having relation and pure knowledge? Is there a fair rewarding system in the organization? How much is the contribution in organization? How the managers have made the environment attractive for doing the job?

Nowadays, the advantage organizations have to surpass each other is not in applying new technologies but in having high self-confidence and the amount of employee commitment to organization’s objective. To pass various levels, organizations should adapt themselves to different situations and learn new methods. In this case, they should identify cases which are effective and powerful in constructing the job environment. In new organizations employees feel responsible not only for the duties they must fulfill but also for improving the performance of the entire organization. They actively work together to continually enhance the productivity performance.
Empowerment process

Fox (1998) believes that “employee empowerment is a process through which an empowerment culture is developed and in which desires, objectives, decision-making borders and the results of their effects and efforts are shared in the entire organization. In such a culture the resources and competition to earn the necessary resources are supported and provided for the effectiveness of their activities. Blanchard summarized the empowerment process in three steps:

1. Sharing Information: that allows the employees to recognize their organization positions and analyze them. Sharing information begins with building trust in organization, and breaking down traditional hierarchical thinking and thereby increases the sense of responsibility in employees.

2. Autonomy and work independence throughout the boundaries of organization: boundaries of organization is specified by target(why you work), values (what does direct your work), assumptions (what, when, where, how and why you do), roles (who you are) and the organizational system and structure (how the work you do is supported).

3. Replacing autonomous teams by hierarchies: whenever a group of employees with specific responsibilities are selected for work and production process, they plan and execute the project from the beginning to the end, manage everything and divide the responsibility equally and firmly. The advantage of autonomous teams is summarized in providing job satisfaction, changing attitudes, job commitment, establishing better relations between employees and managers, more effectiveness of decision-making processes, improvement and progress of operations, reducing costs and productivity of organizations.

Types of empowerment

1. Individual empowerment: in this model, employees are able to act without the need for direct supervision. In this step, the analysis ability has developed in employees and they could find proper answers and solutions to their problems. Also the individual is able to adjust his behavior in the new situation, and to be responsible about his performance and decisions.

2. Organizational empowerment: in this level which is exclusively for managers, they will be able to formulate the overall plans of organization. They decide which works to be done by whom and how they should be done. Managers are aware of their duties, and continually lead the employees. In this step, leadership skills could be thought to employees who passed the personal step successfully.

Empowerment processes

Nowadays, no organization are able to survive without having empowered employees. Empowerment is neither a duty, nor the end of a work; rather it is a process of becoming and should be considered as a organizational culture. The process of empowerment taken into account in three steps:

1. Representing information: it means that the necessary information should be easily available to employees to develop self-confidence and awareness in them about the present condition of organization which leads to strengthening the culture of trust and empathy.

2. Presenting information: should be in a specified framework, to prevent wasting energy.

3. Replacing the structure of organizational hierarchy with autonomous groups: autonomous groups include employees who are totally responsible to perform a work or make a production from beginning to the end and the responsibility is divided between them. These groups are able to pick necessary skills by passing training courses, and during the work are less dependent on managers and supervisors. Autonomous groups do not interfere each other’s work, unless it is a step toward empowerment. The jointly performance of autonomous groups is so impressive that one cannot tell who the group leader is. These groups are able to do works that previously only managers could do.

Empowerment strategies

The responsibility of organization’s leaders is to provide facilities to implement empowerment strategies. These strategies directly and indirectly lead to the change of attitudes and behavior of employees and provide the ground for training expert and enabled forces. Types of strategy can be implemented with regard to the purpose and philosophy of organizations, the features of organization and employees and their role.
Chadeha et al. (2004) refers to three important strategies in empowering employees.

**Strategy 1- increasing collective awareness through story-telling:**

Whenever employees take responsibility for solving their own problems, they are susceptible to improve their personal and organizational life. The story-telling approach as the necessary factor of empowerment cause the reinforcement of attempts based on contribution. Rapaport (1995) discusses that “when people create or discover their own contribution story or reflect it, in fact they tell their own life story in organization through positive methods.” Admitting employees’ statement of problems and identifying their capabilities is one of the important elements of empowerment approach in action. Through coordination in small groups, employees describe their personal story related to their duties and experience which occurs to them every month and this way they talk and think about their issues and problems.

**Strategy 2- Teaching problem-solving skills:**

Employees are required to enhance problem-solving skills in themselves. Problem-solving skills can lead to empowering employees in personal level, inter-personal level and in group level as a necessary step in changing unpleasant situation.

In this strategy employees should be allowed to recognize and solve their own problems based on the stories that are created in collaborative environment. In this case, group summarizes problem-solving objectives first. These objectives includes: identifying problem, selecting one of the important problems, choosing objective for solving problem or a larger problem, creative thinking to solve problem and accomplishing goals and recognizing resources to help achieving goals.

**Strategy 3-support skills training and equipping resources:**

Through conducted support and equipped resources, employees are sure about creating large social instructions in form of empowered groups. Amidi (1992) summarized types of support in three cases:

- individual support of himself;
- manager support of the individual
- law support of the individual

Organization can spread collective support through writing, speaking and, lecture of a legislator or a political person. If employees know that the sources are prepared for their personal progress in organization and necessary support are provided in this direction, empowerment is done in a high acceleration and speed.

Practical actions in empowering employees

1- Showing leader’s commitment through:
- Strategic thinking in areas wherein innovation leads to the improving activities.
- Reorganizing and consolidating operations and increasing coordination of activities.
- Creating a reliable atmosphere and honest relation.
- Purposeful investments and providing incentives to facilitate changes.
- Participating in activities to test organization’s successes
- Applying a feedback system by a 360 degree rotation.

2- Paying attention to employees’ interests through:
- Building trust in a cooperation-based environment.
- Involving employees in decisions, before taking a final decision.

3- Training employees to increase their knowledge, skill and capabilities through:
- Presenting a combination of formal and in-service training for employees.
- Teaching new methods of activities in teams and team-building
- Paying attention to investment in education at any point of time.

4. Using qualitative teams through:
- Creating a team of workers who do multiple actions at different levels. (Members of teams are required to come from different levels.)
- Assigning responsibility to teams and their members.

5- Employee participation in planning and sharing performance information via:
- Creating a mechanism for employee participation in planning process.
- Providing performance information throughout the organization through various ways such as charts, graphs, newsletters.
- Putting performance information by holding meetings.
- Surveying employees about the change routes in organization.

6. To Delegate through:
- Removing supervisory categories.
- Providing more time for managers to concentrate on organizational problems and issues and policies.
- Creating a new situation to practice right power and authority for employees. Thus, the main in empowering objective is human resources and in order for the personnel to corporate in this process, it is necessary to become familiar with its concepts and then help the productivity of organization by participating in implementation of strategies. Knowing the empowerment objectives is the best way for conceptualizing it among employees which leads to motivating them to perform it.

**Conceptual definitions of the term “empowerment”**

Various definitions of the term empowerment are provided by researchers and experts in the field. The following statement covers almost all the concepts available in the given definitions:

- Empowerment includes recognizing people’s value and the share they have in doing things.
- Human forces Empowerment means creating a collection of necessary capacities in employees to enable them to create value-added in organizations and performing roles and responsibility they have in organizations, together with effectiveness and efficiency.
- Empowerment is designing and planning organization in such a way that people while controlling themselves, are ready to take more responsibilities.
- Empowerment is the development and expansion of capacities and capabilities of people to achieve ongoing improvement in organizational performance.
- Empowerment is to improve abilities of employees in a further use of analysis and recognition sense, having perception in doing things and total participation in decisions that affect their life.
- Empowerment is releasing internal forces to achieve amazing results.
- Empowerment as an organizational concept is the change in culture and courage to create and lead an organizational environment.

**Effective factors in employees’ empowerment process**

With regard to what is already mentioned we can state effective factors on employees’ empowerment as follows:

1. Identifying objectives, responsibilities and authorities in organizations: employees should be aware of their responsibilities and duties, objectives, organization missions and business processes and procedures.

2. Job enrichment and job promotion of employees: organizations must take action to update technical and specialized information and increase professional content. The substitution principle in order to meet the needs of job rotation techniques to use. Also in order to fulfill the succession planning principle, techniques of work circulation should be used in organizations.

3. Spirits and organizational belonging: in order to fulfill this factor one should respect employees within the organization and help to resolve personal problems. To enhance innovation and creation in employees, appropriate grounds should be prepared and the senior management of organization should make sure that employees tend to do the duties they have been assigned.

4. Trust, intimacy and honesty: organization should provide positive atmosphere and friendly work relationships among employees and increase trust between managers and employees.

5. Recognition and appreciation: agreement between salary, wage, bonus received and the work done by employee, proper distribution of welfare facilities in organization and agreement between employees’ promotion and their qualification covers the factor/element mentioned in organization.

6. Coordination and group work: applying opinions and ideas of employees in their decisions and their contribution in improving and progression of organizational affairs, delegating employees at different levels, involving them in giving suggestions to do things better and employees’ control on the affairs done by themselves, as coordination and group work factors, can affect the increase in employees’ empowerment.

7. Connections: includes communication and easy access of employees to managers and supervisors, clarity of professional relations of employees and managers and supervisors as well as employees’ awareness of current affairs of the
company related to their professional field and so on.

8. Work environment: from among the effective factors that are more or less emphasized in organizations is the work environment. Paying attention to safety and health of employees in work environment, creating appropriate situation in job environment for the work promotion of employees, reducing pressure and anxiety in work environment could be among the options related to job environment.

9. Improving processes and working methods: clarity of work circulation and information in organization, documentation of working methods and periodical review and reforming working methods and simplifying affairs are among the effective factors in improving processes and working methods.

10. Information, knowledge and work skills: availability of facilities to develop work skills in organization, the availability of effective and applicable educational grounds in organization and having technical and specialized information related to posts might be useful in providing this factor.

Achievement in implementing empowerment in organizations

As mentioned in previous sections, Employee's empowerment is using potential capacities in employees which are not used at present. Among the achievements that empowered organizations can obtain are the followings:

- Ensuring customer satisfaction
- Alignment with market needs
- Increased job satisfaction in employees
- Increased sense of belonging, participation and responsibility in employees
- Change in attitudes from obligation to authority
- Employees' more commitment and improvement in work quality
- Better relation between employees, managers and supervisors
- Reduced operating costs and increased profitability of the organization
- Increase in the efficiency of decision making process
- Continuous improvement in organization and increased productivity
- Creating new initiatives and increased use of intellectual resources

Barriers in organizations to implement empowerment

Implementing empowerment factors in organizations is very useful and causes productivity in organization and employees. Implementing this technique calls for the organization need, senior managers' support and cooperation with employees and performance factors in progression. Among the barriers to implement these factors are:

- Formal and hierarchical ruling structure
- Low trust and confidence among organization’s member
- Managers’ inappropriate attitude of toward employees and inappropriate management and leadership style.
- Lack of necessary skills in employees
- Big difference between people in organization and existence of uncoordinated personnel system
- Tension and stress at work.

Social capital

The term social capital was mentioned in an article by Hani Fan from the University of Eastern Virginia in 1916. But, it was applied for the first time in a classic work by Jane Jacob: death and life of America’s large cities (1961), in which he explained that compacted social networks in old and complex suburban areas form some kind of social capital and show more responsibility with regard to maintaining cleanliness, absence of street crime and other decisions about improving quality of life compared with official agents, such as police and security forces.

Also the economist, Glen Lori, like the sociologist Ivan Light, used the term social capital in 1970s to describe the problem of financial development in cities. In 1980s, the term welcomed in a more broad sense by James Coleman, the sociologist, and Robert Putnam, a politics scientist, provoked a fierce debate on social capital, civil society, both in Italia and United States (Fukuyama, 1379: 10). Social capital is a concept which has not a long history. Social capital is defined by its function. Social capital is not a single object, rather types of different things that have two common characteristics: all of them include some aspect of a so-
cial structure, and facilitate certain interactions between people who are within the system. Social capital, like other forms of capital, is productive and makes possible the access to certain objectives that are not accessible in its absence. Social capital is not fully interchangeable, like physical capital and human capital but its interchangeable compared to especial activities. A certain form of social capital which is valuable in facilitating certain interactions may be useless or even harmful to other interactions. Social capital is neither among people, nor among physical tools of production (Coleman, 1377: 462).

Overall, social capital includes accessible resources, such as: information, thoughts, guides, business opportunities, financial capitals, power and influence, emotional support, benevolence, trust and cooperation.

Social capital and empowerment

In organizations and societies, social capital plays a more important role than physical and human capitals. In such a way that in absence of social capital, efficiency of other capitals in organizations decreases and without social capital, going through development, cultural and financial evolution and development becomes hard and rough. In traditional views of management, developing financial, physical and human capital plays the most important role but at present it is said that for development, we require social capital more than financial, physical and human resources, since without social capital other capitals would not be used optimally. In a society which lacks social capital, other capitals remain useless and are low-yielding. Thus, social capital is considered as a core principle to achieve development, those managers are successful who understand the importance and function of social capital properly.

Empowerment of human resources based on social capital, is a way of administrating susceptible organizations with a more complex and compatible future. In the organizational management strategy, without employee’s empowerment, the organization is doomed to failure. Continuous improvement makes sense only when people have necessary information and are trusted to use their skills and abilities.

In fact, synergy is a pioneering and effective technology that provides strategic advantage both for organizations and their management and also creates opportunities for human resources and employees. Synergy is the cooperation tools of group members in success and failure.

Types of capitals in an organization

In previous models, the only human factor in all types of capital was human capital which is more based on number, expertise, knowledge and skills of human sources at different levels of employees and managers. But paying attention to one organization as a social system leads to the fact that social capital as an indicator of financial value of trust networks and reducer of transaction and interaction costs are included in this list. In other words, social capital indicates the financial saving of social and cultural elements among human resources.

One of the conceptual models discusses social capital at different levels of organization. Accordingly, social capital could be regarded at both macro and micro levels (Krchna&Shrader, 1999). At macro level, the overall position of an organization in social, political, cultural and external connection networks has been discussed and at micro level, available social capital within the organization has been discussed. The first type of social capital at micro level is called cognitive social capital and is related to phenomena such as values, attitudes, commitments, contribution, trust available in the social system of organization and the second type is called structural social capital which is related to managerial structures and processes such as responding to managers and leaders about their performance, clarity in decision-making, the amount of decision-making and taking action based on group-work; thus, the elements of social capital in organizations are as follows:

1- Trust: organizational trust is a concept that crystallizes in the process of social relations between people and organizations of society. Social trust results from available and grouped social interaction of forums and social activities, especially capital if it is transferred from individual to social level, it is considered as a valuable capital. In patnum’s point of view trust is one of the essential elements in strengthening cooperation and an obligatory
and uninformed element and requires predicting the behavior of an independent actor. “you trust a person in doing a work just because of your knowledge about his behavior and possible choices, his abilities and consequences you guess he will accept doing the work”(Putnam, 2001, 229).

2. Cooperation: social cooperation of people in administering affairs of a society always accompanies challenges and opportunities. The idea of social cooperation has a long history. Social cooperation is totally ideological that is a reflection of beliefs arising out of social and political theories (Niazi, 2004, 2).

3. Cohesion and solidarity: from a sociological perspective, cohesion is a phenomenon according to which members are interdependent at group or society level, and need each other in a mutual way. This does not require banishing knowledge or moral objection based on reciprocity or responsibility, rather inviting to acquire these values and a sense of mutual obligation (Peyro, 1991, 400).

Talcott Parsons, one of the prominent thinkers of structural-functional theory, has discussed the subject of social solidarity in both personality and social systems. Parsons referred to expressive interactions and believes: whenever in expressive social interaction situations “self” is directed to others results in some kind of cooperation and whenever this solidarity is institutionalized, it can be called coherence. Solidarity is in high level when individual interactions are moral and directed to a gathering. In these interactions, loyalty and responsibility toward the actions of others reaches its maximum (Parsons, 1995, 28).

4. Awareness: nowadays knowledge and information acts as large capital in social transformation and day by day gets broader dimensions either on the surface or in depth to the degree that one of the important factors in accessing societies to social capital is to gather information (Nasrabadi, 2008, 41).

Social awareness includes a collection of thoughts, opinions, sensitivity to life and paying attention to whatever, in broadest sense, is related to general affairs, either political or social.

Overall, it can be stated that social capital is the financial effect aroused out of the facilities that networks of trust and cultural factors in a system create. Networks of trust, in addition to reducing management costs, cause allocation of more time and capital to main activities; in addition to that, it causes transformation of more knowledge of group members to each other, creates proper flow of learning and knowledge among them and this also can be effective in reducing management costs and social and organizational development.

Employee empowerment based on strengthening and increasing social capital in organizations is using potential capacities among employees that are not used at present. Among the achievements that empowered organizations can make by applying and strengthening social capital are the followings:

- Ensuring customer satisfaction
- Alignment with market needs
- Increased job satisfaction in employees
- Increased sense of belonging, participation and responsibility in employees
- Change in attitudes from obligation to authority
- Employees’ more commitment and improvement in work quality
- Better relation between employees, managers and supervisors
- Reduced operating costs and increased profitability of the organization
- Increase in the efficiency of decision making process
- Continuous improvement in organization and increased productivity
- Creation of new initiatives and increased use of intellectual resources

Conclusions

Since social capital is the financial social cultural or organizational crystallization based on trust and cooperation of people, every action from managers to enrich organizational culture can cause the increase in financial capital. In the following most important approaches to strengthen social capital in organization are mentioned:

Planning to enrich social and organizational culture: managing organizational culture, with regard to the leadership role and cultural symbols, can generally strengthen cultural elements like feeling common grouped and organizational identity, feeling a sense of belonging
to common future, cooperation, interpersonal and group trust and similar cases. In this regard managers of organizations can take steps toward enriching organizational culture by creating cooperative systems, holding general meetings and ceremonies with employees, spiritually supporting employees and playing the role of leader properly.

Another important step in this field is the managers and leader of the organization to build trust between group members and organizational units and among different units too.

Paying attention to promotion of social capital in general training and employee training: one the most important processes in society to establish social capital is the educational system. Passing public education at all levels as well as academic training can play the main role in providing this type of investigator.

Also, the most important actions taken by governments to strengthen social capital are:

- Encouraging and strengthening foundation of civil institutes,
- Strengthening and enriching public training,
- Ensuring the safety of citizens to voluntarily participate in social institutions,
- Avoidance of the outsourcing different financial and social and cultural sections and assigning related activities to public institutions to attract their participation in activities and providing ground to establish and strengthen social institutions and trust networks between different people.

References


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