

## The Essence of Empowerment: a conceptual model and a case illustration

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**ABSTRACT** *In an increasingly competitive global economy, companies have been searching for various management programmes that promise competitive advantages. However, research shows that less than one-third of these endeavours of the last 15 years, such as total quality management, downsizing, restructuring, benchmarking and re-engineering, have actually produced the expected results (Ashkenas et al., 1994; Foster-Fishman & Keys, 1995). Ashkenas et al. (1994) suggested that organisations put aside unrealistic search for a programmatic holy grail and begin to look within at an organisation's untapped capacity and its ability to produce zest. Empowerment is an effective means of promoting this highly desirable quality.*

*In recent years, empowerment has been noted as an important feature of successful management (e.g. Batten, 1995). Ripley & Ripley (1992) have observed that empowerment is the key to successful total quality management, to business competitiveness and success in the 1990s. Kotter (1995) believed that a major step in transforming an organisation is to empower employees to act on the vision. The benefits that can be derived from empowerment include employee commitment, quality products and services, efficiency, responsiveness, synergy and management leverage (Lashley, 1995a).*

*But what is empowerment? Many people have talked about empowerment without really understanding its essential nature (Dobbs, 1993; Randolph, 1995). This paper attempts to decode empowerment from various perspectives and proposes a conceptual model that serves to delineate its key elements in an organisational setting. A case study of a US subsidiary in Taiwan is described and analysed to further the understanding of empowerment.*

### A Conceptual Model

A review of the literature reveals that empowerment has been approached mainly from an end-state perspective or has focused on a single dimension. Relevant literature can generally be grouped into *results orientation*, such as successful cases of empowerment (e.g. Berman, 1995; Burbidge, 1995); *operation orientation*, such as empowerment through delayering, involving, establishing commitment, teaming and intervening (e.g. Bogg, 1995; Lashley, 1995b; Nixon, 1994; Osborne, 1994); *trait orientation*, characterised by preconditions of control and power, trust and inclusion, accountability, honesty and risk-taking (Anfuso, 1994; Foster-Fishman & Keys, 1995); and *individual*

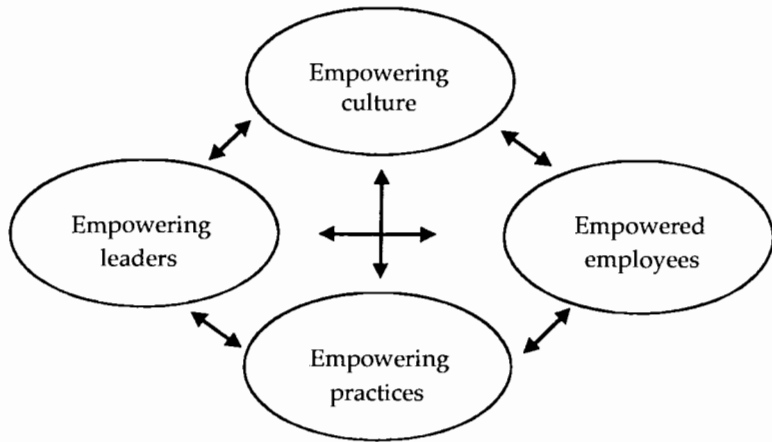


Figure 1. The empowerment model.

*orientation*, such as personal feeling, personal power, self-determination and cognitive variables of empowerment (e.g. Baird, 1994; Fulford & Enz, 1995; Spreitzer, 1995). In-depth investigation of a single dimension may provide a useful perspective. Yet, at the implementation level, such an approach does not reflect adequately the complex sets of variables involved. Zimmerman (1990) commented that an overly individualistic conception of empowerment may limit one's understanding of the environmental influences, organisational factors, or social, cultural and political contexts. Wall & Wall (1995) reported that as organisations have striven to become more competitive, many have overlooked a critical element—the overall framework that could turn empowerment from a nice concept to a competitive advantage. Therefore, a more comprehensive approach is required to implement empowerment successfully.

The *Merriam Webster's Dictionary* defines the verb 'to empower' as 'to authorize or delegate or give legal power to someone'. Conger & Kanungo (1988) defined empowerment as 'a process whereby an individual's belief in his or her efficacy is enhanced'. These definitions imply that in an organisational setting empowerment is associated with two parties: a power bestower (leader) and a bestowee (employee). In addition, empowerment is an ongoing process affected by factors such as organisational culture and management practices that may further enhance employees' self-efficacy. The above statements indicate that it may be appropriate to explore the essence of empowerment from four dimensions, namely leaders, employees, organisational culture, and management practices. Figure 1 displays a four-dimensional conceptual model of empowerment in an organisational setting.

Empowerment has been elaborated extensively by numerous scholars. Spreitzer (1995) has suggested that a powerful test of the full empowerment model would be to tie empowerment to certain organisational manipulations in order to produce motivational changes in employees. Hart & Schlesinger (1991) said that successful empowerment calls for a cultural shift within an organisation in terms of a change in values, the way people work together, and the way people feel about participation and involvement. According to Byham (1992) empowerment is a feeling of job ownership and commitment

**Table 1.** A brief explanation of the 7S

7S	Explanation
Strategy	Actions in response to external environment in order to create unique values
Structure	The formalisation, the complexity and the centralisation of an organisation
Systems	The policies and procedures in an organisation
Styles	Management action, attention or orientation in reflecting management philosophy and organisational culture
Skills	Crucial attributes such as quality, innovation, marketing skills and responsive capability
Staff	The morale, attitudes, motivation and behaviour of employees
Shared value	A set of values, aspirations and the guiding concepts

brought about through the ability to make decisions, be responsible, be measured by results and be recognised as a thoughtful, contributing human being rather than a pair of hands doing what others say. Lawler (1986) further pointed out that to be considered empowering, an organisation must reward desired contribution. These perceptions suggest that empowerment is interconnected with such organisational factors as values, working or managing styles, systems and ability. Therefore, in order to obtain a comprehensive understanding of empowerment, it is necessary to consider organisational factors.

In light of the observations described above, a matrix of the four dimensions and relevant organisational factors may facilitate an in-depth investigation of empowerment. To provide an all-encompassing coverage, the 7S proposed by Waterman *et al.* (1980) has been selected as a framework to reflect key organisational factors. Waterman and associates claimed that effective organisational change in fact represents the relationship between strategy, structure, systems, styles, skills, staff and superordinate goals (shared values). They said 'it's difficult, perhaps impossible, to make significant progress in one area without making progress in the others as well'. Readers can refer to Table 1 for a brief explanation of the 7S. Based on the concept that empowerment is a multi-faceted process and should be tackled comprehensively, key characteristics of empowerment have been placed into appropriate cells in the matrix, as shown in Table 2. In what follows, each characteristic is explained briefly.

### *Empowering Leaders*

Empowering leaders can be characterised from the dimensions of shared values, strategy, style and skills.

1. *Shared values.* Empowerment involves a high form of leadership (Ashkenas *et al.*, 1994; Kotter, 1995). Leaders need to advocate and share their values throughout their organisations in order to have a company-wide influence. *Excellence* and *human-centredness* are valued highly by empowering leaders. They know that in an era of keen global competition, excellence in quality and customer satisfaction enables companies to survive and thrive. They respect their employees' expertise and believe

**Table 2. Key characteristics of empowerment**

Empowerment 7S	Empowering leaders	Empowerment culture	Empowerment practices	Empowered employees
<ul style="list-style-type: none"> <li>• Shared value</li> </ul>	<ul style="list-style-type: none"> <li>• Excellence</li> <li>• Human-centredness</li> </ul>	<ul style="list-style-type: none"> <li>• Trust and support</li> <li>• Company-wide involvement</li> <li>• Calculated risk-taking</li> </ul>		
<ul style="list-style-type: none"> <li>• Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Creating a vision</li> <li>• Role modelling</li> </ul>			
<ul style="list-style-type: none"> <li>• Structure</li> </ul>			<ul style="list-style-type: none"> <li>• Self-directed work teams</li> </ul>	
<ul style="list-style-type: none"> <li>• System</li> </ul>			<ul style="list-style-type: none"> <li>• Flatter organisation</li> <li>• Power distribution</li> <li>• Rapid information flow</li> <li>• Appropriate rewards</li> <li>• Continuous employee development</li> <li>• Goals/ integration</li> </ul>	<ul style="list-style-type: none"> <li>• Self-management</li> <li>• Team spirit</li> </ul>
<ul style="list-style-type: none"> <li>• Style</li> </ul>	<ul style="list-style-type: none"> <li>• High task, high people oriented</li> </ul>			
<ul style="list-style-type: none"> <li>• Skills</li> </ul>	<ul style="list-style-type: none"> <li>• Human development skills</li> <li>• Communication skills</li> </ul>	<ul style="list-style-type: none"> <li>• Problem-solving skills</li> <li>• Communication skills</li> </ul>		
<ul style="list-style-type: none"> <li>• Staff</li> </ul>				<ul style="list-style-type: none"> <li>• Competent</li> <li>• Committed</li> <li>• Continuous learning</li> </ul>

- that employees are responsible, self-motivated and willing to contribute to organisational excellence.
2. *Strategy*. To establish an empowering organisation, an empowering leader must *create a vision and become a role model*. A vision helps employees or teams to anchor their efforts. Smith (1996) said that a leader cannot be just a visionary. Employees need specifics in order to make that vision a reality. Leaders should translate the vision and act it out with their own deeds. As a role model, an empowering leader should personally distribute power to demonstrate his/her determination for empowerment.
  3. *Style*. The management style of empowering leaders is *high task and high people oriented* as expressed by Blake & Mouton (1985). Demands for excellence translate to a management style of 'high task' orientation. Human-centredness is reflected in their 'high people' orientation. Empowering leaders provide goals, demand results and, at the same time, show confidence in employees and allow them significant autonomy.
  4. *Skills*. Empowering leaders are skilful in *human development and communication*. Since empowerment evokes an entirely new attitude towards the employee (Byham, 1992), employees may feel disoriented in the beginning. By guiding desired behaviour through job assignments that provide a clear goal, but not the means to accomplish it, leaders help to shape employees' behaviour. Leaders should also have superior communication skills. They should be able to articulate their vision, obtain a consensus and elicit commitment among their employees.

### *Empowering Culture*

Empowering culture may be defined in terms of shared values, such as trust and support, company-wide involvement, and calculating risk-taking.

*Trust and support* are the taproot of empowerment. Rothstein (1995) said that without trust, no empowerment scheme can work. Leaders need to trust employees by distributing power, exhibiting confidence in employees, providing necessary resources, and accepting new ideas. Teams and employees need to trust and support each other in order to collaborate effectively in accomplishing organisational goals. *Company-wide involvement* further mobilises employees in forming and sustaining an empowering culture. A culture of *calculated risk-taking* fosters innovation for excellence. Kotter (1995) observed that, in transforming an organisation, management needed to encourage risk-taking and non-traditional ideas, activities and actions. However, risk-taking will prevail only in a culture of trust.

### *Empowering Management Practices*

Empowering management practices can be manifested in the dimensions of structure and systems. Espousing empowerment is one thing, acting it out is another. Empowerment is not sustainable without proper management practices to reinforce it.

1. *Structure*. Empowerment flourishes in an organisational structure comprised of *self-directed work teams*. In pursuing excellence, innovation and

versatility, fully authorised teams can make timely and quality decisions. The structure enables teams or employees to be autonomous and accountable at the same time. A *flatter organisation* is also recommended to speed up information transfer and communication (Shrednick *et al.*, 1992). Lashley (1995b) commented that empowerment can be more easily realised through delayering.

2. *Systems*. The policies and procedures of an empowering organisation may include power distribution, rapid information flow, appropriate rewards, continuous employee development, and integration of goals. When *power is distributed*, job ownership will be heightened and each employee can make a greater contribution (Ginnodo, 1992). Customer satisfaction, quality and continuous improvement become the employees' own goals. On the contrary, without real sharing of decision-making, employees may regard empowerment as simply another fad.

Organisations must also have a *rapid information flow* system. Employees must have easy access to information in order to make high-quality decisions. Kanter (1989) suggested that, in order to be empowering, organisations must make more information more available to more people at more levels through more devices.

An *appropriate reward* system formalises empowerment. Contribution without matching rewards is not likely to be sustainable. Empowerment loses ground when organisations do not provide rewards that are valued by employees and when rewards are not offered for employee competence, initiative and persistence in innovative job performance (Bowen & Lawler, 1992; Conger & Kanungo, 1988).

*Continuous employee development* facilitates empowerment. To be effective autonomous teams, employees need regular and continuous training to learn new skills. Organisations should set up an ambitious employee development system to equip them with necessary knowledge and proper attitudes. Robbins (1994) noted that, by giving employees enhanced skills, abilities and confidence, management increases the likelihood that the empowerment process will succeed.

*Goals' integration* procedures should also be designed to maintain an empowering process. Empowerment enables units to operate independently, while pursuing the same objectives. One pitfall of power distribution is fragmentation. Organisational systems should have a built-in mechanism that keeps track of all the change efforts. Without integration, empowerment may eventually be abandoned and old paradigms resorted to once again.

### *Empowered Employees and Teams*

Empowered employees and teams are observed in the dimensions of style, skills and staff.

1. *Style*. Empowered employees and teams have a working style of *self-management* and possess a *team spirit* (Randolph, 1995; Rothstein, 1995). They make and implement work-related decisions and are held accountable (Randolph, 1995). They are characterised by self-observation, self-goal setting, self-criticism and self-leadership (Ivancevich *et al.*, 1994). Moreover, empowered employees are fully aware of overarching organi-

sational goals as well as their role. They thereby understand and demonstrate their team spirit.

2. *Skills*. Empowered employees and teams are trained to have effective *problem-solving skills* and *communication skills*. Rapid changes require timely coping measures. Empowered employees challenge inefficient policies and identify problems. They are also able to communicate and work with others to obtain necessary resources, support and information to solve problems and make better decisions.
3. *Staff*. Empowered employees and teams are bred in an empowering organisation. With empowering leaders as drivers, immersed in a culture of empowerment and reinforced by empowering management practices, employees are expected to experience growth and become *competent* and *committed* to organisations. In order to maintain their own credibility, they will have intrinsic motivation to *continuously learn* (Shrednick *et al.*, 1992). Consequently, they themselves will be committed to excellence. Both organisational goals and autonomy will be achieved.

### *Interactions of the Four Dimensions*

Figure 1 and Table 2 analyse empowerment from the perspectives of empowering leaders, empowering culture, empowering management practices and empowered employees and teams in terms of strategy, structure, systems, style, skills, staff and shared values. This description attempts to highlight the major elements that need to be developed to create a sustainable empowering organisation. The characteristics listed in the matrix are inclusive rather than exclusive in nature. Space does not permit a full articulation of all of the content details; however, their characteristics do provide the essential elements and the proper perspective on what is required for further consideration. It should also be noted that these elements constantly interact with each other. For instance, empowering leaders facilitate the formulation of an empowering culture, design empowering practices and nurture self-managed employees. An empowering culture nourishes empowering leaders, accelerates the implementation of empowering practices, and shapes employees to be self-managing. Empowering practices formalise the empowering culture, manifest the determination of empowering leaders, and encourage employees to become empowered. Empowered employees sustain the empowering culture, enable leaders to maintain empowering and initiate empowering practices at their own level. Empowered employees become empowering leaders at their own work units and the process goes on and on to the lowest possible level. The interactions are mutually reinforcing and should be carefully observed and shaped.

In order to further explain empowerment in a real organisation setting, this author selected and observed a company that demonstrated empowerment based on the proposed conceptual model. The following data were obtained through interviews, observation and an archival data review of a US subsidiary in Taiwan—AA Insurance Taiwan.

### **AA Insurance Taiwan**

AA Insurance, headquartered in the USA, is a fabricated name to protect the

firm's anonymity. It has a history of more than 100 years and has franchises in more than 70 countries. The operation in Taiwan was inaugurated in 1988. In less than eight years AA Insurance has become the third largest insurance company in Taiwan with premiums of approximately US\$455 million from 502,000 insurers. By 1995 AA Insurance Taiwan had about 100 service centres with approximately 5000 sales personnel and 1000 staff. During the past eight years premium increase has been over 30% annually. The rapid growth of this subsidiary has caught the corporate attention. In order to commemorate its outstanding achievement in Taiwan, AA Insurance headquarters has officially announced a specific day as 'AA Insurance Taiwan Day'. In addition, the employees in Taiwan have been awarded a 'Hats Off' medal as a symbol of extraordinary merit, one rarely offered in AA Insurance history.

Empowerment has been observed in this subsidiary, particularly in the management teams. In what follows, empowerment will be described from the perspectives of empowering leaders, empowering culture, empowering management practices and empowered employees.

### *Empowering Leaders*

The general manager of AA Insurance Taiwan is the initiator of, and driving force behind, empowerment. He relentlessly pursues excellence and successfully communicates his values to his senior managers. As a result, in the past three consecutive years the performance of AA Insurance Taiwan has been number one throughout the Asia Pacific Region. Based on a survey conducted by 'Modern Insurance', a Taiwanese journal, AA Insurance Taiwan has been rated as number one in service quality and number one in sales expertise among foreign insurance companies. The general manager's belief in human-centredness is evidenced by numerous statements printed in various documents such as 'people are the most precious assets' and 'people are the basis of our business'. Employees have commented that 'senior managers are caring and respect employees' (Supervisor Han, eight years of service); 'my manager treats me as a customer' (Assistant Manager Liu, eight years of service); and 'I like the humanistic management here' (e.g. Senior Assistant Manager Hsieh, Assistant Manager Liu, Supervisor Han).

The most distinctive characteristic of this general manager's philosophy is thorough power distribution. His principle is 'don't ask me for approval. The more you ask, the less power you will have'. He maintains the company's high efficiency by carefully selecting the right personnel for key positions. Once selected, that person has full authority and autonomy to carry out his assigned task. For instance, there is no written policy that stipulates the limitation of expenditures that each position level is authorised to endorse. The general manager totally relies on the judgement and conscience of the empowered employee. One of his key management team members said 'you just keep him informed (without trying to win his approval) about the progress of important issues'.

The general manager is also an effective people developer. He said that the company does not pay senior managers for their techniques or know-how. The company pays them for their new ideas, for their motivations and for their ability to deal with the challenges of the future. In this regard, there



should be no predetermined limits in deploying a senior management team. Therefore, part of his people development scheme is to rotate the responsibilities of high-level management such that reassigning the financial vice-president to a position as head of marketing is normal operating procedure. In retrospect, one of his key members said that there was no negative effect resulting from such cross-area assignments among high-level management. On the positive side, departmental boundaries were reduced and the level of creativity increased.

### *Empowering Culture*

A well-known tenet of AA Insurance Taiwan is 'build trust, invest in people and pursue excellence'. 'Taiwan is Asia's number 1. Making a difference. Surpass last year's performance' are all well-communicated goals that have been imprinted in employees' minds. Pursuing excellence and continuously striving to improve have become deeply ingrained working habits. Trust and support are evident in this company. Employees have commented that 'management fully trusts and supports its employees' (Senior Assistant Manager Hsieh, eight years of service). 'In this company I have experienced good team spirit, mutual respect and support during the past eight years' (Assistant Manager Liu). According to the interviewees, this company implemented flexible working hours without time cards years ago, yet no employee abuses the freedom the company has provided. Everyone is motivated to excel in management and in customer service. An effective manifestation of employees' involvement is that the general manager himself and all the managers are required to take turns answering customer service telephones on weekends and holidays. This regulation has demonstrated management's determination to provide the best service to customers. Calculated risk-taking is also encouraged in order to serve better both customers and employees. For example, sales representatives have the power to satisfy customers' needs innovatively on the spot and managers are free to sign a US\$100,000 management development contract after careful analysis.

### *Empowering Management Practices*

In this subsidiary, various self-management project teams are constantly being devised and implemented. For instance, a task force was formed to evaluate improvement proposals. Proposals are graded in three levels: A, strategic or long-term level; B, process or improvement level; and C, routine or maintenance level. Various points are awarded to grade A, B and C proposals. The points can be accumulated in exchange for valuable gifts. This team enjoys full control in terms of setting the rules of the game and its implementation. The system was initiated about six months ago and has so far operated effectively as of today. Similar innovative programmes are encouraged. With various self-managed project teams active, the company has gained its employees' devotion to organisational effectiveness while team members have experienced a sense of self-efficacy.

This subsidiary has rather fast information flow. Their communication channels are open and even the general manager is accessible. Subordinates

are invited to attend management meetings. Employees are kept abreast of corporate initiatives, progress and the general manager's expectations via an internal monthly newsletter and a bimonthly publication for insurers. There are frequent information exchanges between units. Sales representatives, who have direct contact with the customers, pass on information to the office to expedite appropriate action.

AA Insurance Taiwan spares no effort in employee development. As a showcase this company opened a well-equipped training centre in an expensive down town section of Taipei to demonstrate their commitment to lifetime learning for their employees and continuous training in customer services. In 1995 they were awarded the Golden Cup for outstanding employee training and development by the Taiwanese government. They have also successfully cultivated more than 100 in-house trainers to educate employees. Employees' comments include the following: 'I was instilled with the concept of customer service and communication skills and now they have become my habits. Even my family benefits from my learning and growth' (Assistant Manager Liu, eight years of service). 'The company provides ample opportunities for employees to learn' (Senior Manager Hsieh, eight years of service). The general manager himself is the best model in terms of reading extensively and continuously apprising himself of new developments and trends.

Examples of integrating goals include the business plan meeting and progress review. When such meetings are held, departmental heads take turns as acting chair. During these encounters, each department voices its concerns and sometimes even fights for its beliefs. However, once a conclusion has been reached all devote themselves whole-heartedly to the implementation and realisation of the goal.

### *Empowered Employees*

In this subsidiary, employees are empowered, particularly those comprising a management team. Company performance has proven that managers are active, committed and competent. Cross-area job assignments have prompted them to develop a habit of continuous learning. Employees possess team spirit and are self-managed. They noted that 'we have good team spirit' (Staff Chang, eight years of service); 'employees enjoy self-respect and are self-managed' (Senior Assistant Manager Hsieh, eight years of service). They also exhibit commitment, competence, and a positive attitude to learn continuously. Employees have commented that 'the company cares about us and we would like to contribute more and work harder to repay the company' (Staff Su, eight years of service; Manager M. Y. Chang, eight years of service); 'after so many years I feel capable and have great confidence in myself. Service and contribution are now part of my nature and I would like to pass my expertise on to other employees' (Manager S. T. Chang, eight years of service); 'Due to ever increasing competition, we should not rest on our laurels, rather we need to continuously upgrade our level of expertise and design new products that meet our customers needs' (Manager Chen, eight years of service).

Interviews, observations and archival data review have revealed that empowerment has been implemented in AA Insurance Taiwan, particularly

in the management team. This case indicates strongly that the general manager is the catalyst for all empowerment efforts. One of his key subordinates said that 'were it not for the general manager, things would not have turned out so well'. During the empowering process, what is crucial is that the general manager himself practices empowerment, communicates his values, creates an empowering environment, requires matching policies and is extremely persistent.

To examine further whether AA Insurance did have an environment for empowerment and whether employees felt they were empowered, a questionnaire survey was conducted in the case company.

### *Results of the Questionnaire Survey*

This section reports the findings of the questionnaire survey, including measurement, samples, reliability and validating testing, and survey results.

1. *Measurement.* Based on the empowerment model and the key characteristics proposed in this study, a questionnaire of 33 questions was developed (please refer to the Appendix). The questions were then reviewed by a faculty member of the Business Administration Department and a manager for further refinement.
2. *Samples.* A total of 100 copies of the questionnaires were distributed to the service centres of AA Insurance throughout Taiwan, except in the Taipei metropolitan area where the interviews were conducted. The reason for this sampling was to investigate whether the offices that are located at some distance from their Taipei headquarters would exhibit a similar empowerment environment. A total of 83 copies of the questionnaires were returned, among which were 80 usable copies. Table 3 presents the profile of the respondents.
3. *Reliability and validity testing.* For further data analyses, reliability and validity testing was conducted. The Cronbach alpha of the 33 questions is 0.94, which indicates that the questionnaire is quite reliable. In order to test the validity, a confirmatory factor analysis with a varimax rotation was administered. To test the empowerment model, a four-factor analysis indicated that the questions pertaining to empowerment culture were grouped into empowerment practices and empowered employees. It is understandable that such a culture is usually manifested through everyday practices and employees' behaviour. In order to get a clearer picture, a three-factor analysis was then tested. Table 4 reveals the relevant statistics. Questions related to each factor are close to the characteristics stated in Table 2. For a simpler breakdown, the three factors were termed 'leader', 'organization', and 'employee', respectively. The factor loadings of item numbers 14 and 15 were less than 0.40 and were discarded.

In contrast to the organisational perspective provided by this study, Hayes (1994) approached the measurement of empowerment from an individual perspective. He designed a 14-item empowerment questionnaire. In Hayes' (1994) study, he correlated empowerment questions to self-esteem, task variety, task importance and job satisfaction for further validation. In this study, correlations of the empowerment score with the four variables were also obtained. Statistics show that empowerment is

**Table 3.** The profile of respondents

Characteristics	Grouping	Number	Percentage
Age	≤ 35	30	39.5
	36-45	35	46.1
	46-55	11	14.4
Sex	Male	29	36.7
	Female	50	63.3
Education	High school	34	42.4
	College	23	28.8
	University +	23	28.8
Position	High level	10	13.2
	Middle level	23	30.3
	Low level	35	46.1
	Non-supervisor	8	10.4
Years of service	≤ 3	36	45.6
	4-6	24	30.4
	7 +	19	24.0
Number of employees in respondents' department	20	18	25.7
	21-40	23	32.9
	41-60	17	24.3
	60 +	12	17.1
Location of the service centre	Central area	19	25.0
	South area	42	55.3
	East area	15	19.7

correlated positively and significantly with self-esteem (0.49 at the 0.001 level), task variety (0.41 at the 0.001 level), task importance (0.34 at the 0.005 level) and job satisfaction (0.51 at the 0.001 level). The correlations obtained in this study are higher than those reported by Hayes (1994). Data analysis indicates that the measurement of this study should be valid and reliable.

4. *Survey results.* For further data analysis, the mean scores of the factors 'leader', 'organization', and 'employee' were calculated. They are 4.89, 5.15, and 4.49, respectively, on a six-point scale. The result shows that the empowerment indicators are relatively high, which somewhat supports this author's observation and the result of interviews. Generally speaking, the management practices of AA Insurance are conducive to empowerment (mean 5.15). Leaders are quite empowering (mean 4.89). In regard to whether employees have the capability to be empowered, the indicator 'employee' is somewhat weak (mean 4.49) compared with the other factors. Yet, the mean is still rather high on a six-point scale.

A multivariate analysis of variance (MANOVA) and Scheffe comparison were also administered to test whether age, sex, education, position, years of service, number of employees and location of service centres (Table 3) have some impact on the factors 'leader', 'organization', and 'employee'. At the 0.05 significance level, only age and education have some influence on the perception of the 'leader' and 'employee', respectively. More specifically, respondents who are most senior in age perceived their leaders to be more empowering than those in their mid-30s or early-40s. Respondents with a high school education perceived more strongly that employees in their

Table 4. Mean, standard deviation and factor loading of the three factors

Var.	Leader			Organisation			Employee				
	Mean	SD	Factor loading	Var.	Mean	SD	Factor loading	Var.	Mean	SD	Factor loading
X1	5.34	0.95	0.76	X2	5.56	0.97	0.42	X17	4.61	1.07	0.43
X4	5.18	0.98	0.79	X3	5.74	0.52	0.44	X22	4.63	1.00	0.50
X5	4.99	1.00	0.75	X13	4.71	0.95	0.67	X26	4.22	1.15	0.67
X6	5.15	0.84	0.76	X16	4.66	1.03	0.62	X27	4.37	1.01	0.73
X7	4.77	1.05	0.76	X18	5.03	0.98	0.73	X28	4.28	0.94	0.78
X8	4.72	1.01	0.82	X19	4.48	0.94	0.59	X29	4.35	0.90	0.78
X9	4.56	1.19	0.75	X20	5.03	0.99	0.54	X30	4.29	0.92	0.86
X10	4.89	0.90	0.71	X21	4.98	1.01	0.67	X31	4.40	0.96	0.83
X11	4.85	0.95	0.75	X23	5.35	0.80	0.68	X32	4.96	0.92	0.61
X12	4.41	1.10	0.55	X24	5.30	0.82	0.76	X33	4.76	0.92	0.62
				X25	5.41	0.70	0.63				

department have the capability to be empowered. The results imply that senior employees may regard their leaders more positively, and respondents with less education are more confident in their colleagues' capability.

Further examination of each mean reveals that the three highest means in decreasing order are 'there is a clear vision in our company' (X3), 'the value of our company is human-centredness' (X2), and 'self-learning is promoted in our company' (X25). The three lowest means are 'we do not need supervision' (X26) and 'everyone is capable of solving his/her own problems' (X28) and 'everyone is competent' (X30). The results may indicate that a clear vision, a people-oriented focus, and an emphasis on self-learning as perceived by employees throughout service centres in Taiwan may have some bearing on the outstanding performance of AA Insurance. The lower rating of employees' capability may have something to do with a prevailing problem in the insurance industry in Taiwan. Generally speaking, the educational background of employees in insurance companies is relatively lower than of those in other types of companies. Quite a large percentage of insurance representatives are part-time employees and part-time housewives. Yet, the mean values of this study reveal that the qualifications of the employees in AA Insurance are still high (lowest mean 4.22).

Overall, the research findings from interviews, observations, archival data and the questionnaire survey throughout AA Insurance in Taiwan support the empowerment model proposed in this study.

## Conclusion

Empowerment is a concept that aims at shifting employees' working attitude by instilling in employees a zeal for organisational goal achievement and for a high quality of work life. This paper first identifies four dimensions of empowerment, namely empowering leaders, empowering culture, empowering management practices, and empowered employees. A matrix that incorporates the four dimensions and the key organisational factors was then constructed as a tool to investigate and deploy the elements of empowerment in a comprehensive fashion. The model and the matrix proposed provide encompassing guidelines in transferring a philosophical concept into operational guidelines. A real case with both qualitative and quantitative research results is presented to further illustrate empowerment. Apparently, empowerment can be managed and sustained when it is planned carefully and practised persistently.

Approaching a new century that will doubtless be characterised by hyper-competition, organisations must rely on committed and competent employees, who are receptive to the concept of learning continuously to maintain competitive advantages. With a rather high percentage of failure of managerial fads, organisations should look within themselves to instil employees' zeal and to explore their potential that can be attained through empowerment.

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## Appendix

### *Empowerment Questionnaire*

Indicate your position regarding each statement by circling the number which is closest to your view on a 6-point scale, 1 = strongly disagree and 6 = strongly agree. In this questionnaire 'superior' means the leader of your department.

1. My superior constantly pursues excellence
2. An important value of our company is human-centeredness
3. The leaders of our company project a clear vision
4. My superior always clearly indicates the specific goal of our department
5. My superior is a good role model
6. My superior emphasizes quality work performance
7. My superior is concerned with my well-being
8. My superior knows how to effectively develop the potential of employees
9. My superior is good at communicating
10. In our company, superiors trust their employees
11. In our company, superiors provide their employees with relevant support
12. Our company is characterized by department-wide involvement in carrying out tasks
13. In our company, calculated risk-taking is encouraged
14. Self-directed work teams are prevalent throughout our company
15. The administrative chain-of-command in our company is too complex
16. In our company, power is fairly distributed. Even the lowest levels have some degree of autonomy
17. We can decide for ourselves what is the best way to do our own work
18. We can obtain work-related information upon request
19. There is a free-flow of work-related information
20. Employees are periodically informed of the future direction of the organization as well
21. Employees receive appropriate rewards for their innovations and outstanding performance
22. In our company, departments periodically check whether a consensus has been reached in terms of specific organizational goals
23. Our company invests time and money in employee development on a continuous basis
24. In our company, employee training and development include the enhancement of peripheral skills as well as core techniques
25. Self-learning is promoted in our company
26. In our department, we do not require supervision. We have become accustomed to self-management
27. Our department has a sense of team spirit
28. In our department, each and everyone is capable of solving his/her own problems
29. Our department is characterized by effective communication
30. In our department, everyone is competent
31. In our department, everyone is goal-oriented
32. In our department, we are all proud to work for this company
33. In our department, everyone is committed to life-long learning