Job Empowerment and Participative Decision Making Concerns at Abu Dhabi Group: A Qualitative Case Study

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Abstract
Employee empowerment and participative decision making practices have been used from long time ago that make employees to use the inborn capabilities to attain their personal unique excellence at workplace, by doing this organizational effectiveness and individual efficiency could be achieved for greater performance. Empowering the employees is taken as enhancing decision making abilities among the lower level employees and give confidence to do a difficult tasks that leads to improve individual's experience at worksite. Despite the importance of these significant human resource functions, Abu Dhabi faced terrible issues with lower level management because of their non-directed and non-employee oriented strategies. This report is described these issues with their key actions that may benefit for the organization after implementation.

INTRODUCTION
In 1924, Western Electric Company conducted a series of studies termed as Hawthorne studies. After 8 years, the key results of these studies based on key predictors of social norms were “individual work behavior, people behavior and attitude are closely related, group factors significantly affect individual behavior, group standard establish individual worker output and money is less a factor in determining output than a group standards, group attitudes and security”. These studies open new horizons related to human behavior factors in the organization. Since then, both implementation and evaluation of Human Resources concepts such as performance management, strategic compensation, team empowerment, job satisfaction, participative management, job rotation etc. are being developed and researched to improve performance and productivity. The significance of HRM practices are considered as competitive instrument (e.g., Ferris et al., 1999) for an organization and the topic of relationship between these practices with organizational performance is entirely based on systematic research (for reference see Truss, 2001).

Researchers claimed that HR practices will contribute to the organizations theoretically, if these policies effectively implemented by going together with social and organizational context. Katz and Kahn (1978) argued that “even though such theories contribute enormously to the literature through explaining the differences in HRM practices by a multitude of internal & external environmental forces, none of them has openly discussed the function of the socio-cultural context”. The most important implication for any organization related to its strategic HRM domain is resource based view (RBV) and empowerment (Wright et al., 2001). RBV theory proposed by Barney (1991) holistically offered a viewpoint how organizational research put significant importance to their internal resources, specific organizational assets
and sustaining competitive advantage (Barney et al., 2001). Research scholars (Priem & Butler, 2001a, b; Wright et al., 2001; Barney, 2001) argued “...even though there have been deliberations of whether or not the RBV is tautological and/or a theory, the RBV has been the abstract viewpoint upon which most SHRM research has been based”. Barney (1991) stated that organizations can only maintained their competitive advantage if the organization developed their internal resources that are inimitable, valuable, no strategically replacement and rare.

**ABU DHABI GROUP – A CASE STUDY:**

ADUG Group – Abu Dhabi United Group – is considered as the biggest group working in private sector of United Arab Emirates owned by the Minister of Presidential Affairs and Royal Family's member Sheikh Mansour bin Zayed Al Nahyan. This group had diversified business expertise related with extensive management interests, internet and telecommunication, banking and insurance organizations. The group is functional in almost all types of rising markets that include Caucasus/Black region, South Asia, Middle East, South Africa and East Africa with following industries:

1. Internet and Telecommunication Sector
2. Financial Services (Banking & Insurance)
3. Agriculture
4. Health Care
5. Real Estate
6. Hospitality and
7. Energy

As per strong industry all over the world, the group had significant investments in all fields in which they are operating in Pakistan. The key organizations operating under ADUG Group are:

1. Warid Telecommunication
2. Bank Alfalah
3. Alfalah Insurance
4. Wateen Telecom

Warid Telecommunication started its cellular business in May, 2005 at Pakistan with constantly innovation, approachable and contemporary services providers in telecommunication sector of Pakistan. Warid Telecom provide enjoyable and effective communication services with value added services, nationwide coverage, international roaming, prepaid brands and largest postpaid bases under his nest. At this time, Warid Telecom is fully owned by ADUG Group operated in 7000 destinations in Pakistan with state – of – the – art services in telecommunication sector.

The other organization operating in Pakistan is Wateen who started its business’ operation in 2007 in internet industry of Pakistan. Till date, Wateen is considered the first organization who deployed the largest optical fiber network across Pakistan. This company is also considered as first organization around the globe who sell WiMAX network at largest scale. Wateen telecom providing its services to 15000 household in Multan and Lahore, more than 250 renowned organization and over 250000 WiMAX customers across Pakistan. Wateen Telecom is a converged communication services provider that fulfills connectivity requirements for organizations and individuals in Pakistan. Wateen Telecom is currently full filling all necessities of being a complete organization who delivers prime solutions related to Enterprise, Multimedia, Voice and Internet. Vision of Wateen Telecom is “to take Pakistan into
the digital revolution of the 21st Century and to make Pakistan a regional communications hub, connecting the East with the West and Central Asia with the Middle East”.

ADUG Group also has significant presence in banking and insurance industries of Pakistan. Bank Alfalah Limited developed on 21st June, 1992 in Pakistan as public limited company with 1984’s Companies Ordinance. The organization started its banking operations in 1st November, 1997 and considered as 6th largest operating bank in Pakistan. The bank has its presence in 163 countries across Pakistan with 471 branches network with representative office at UAE and international presence at Bahrain, Bangladesh and Afghanistan. The bank providing financial services to all types of consumers like government, institutions, corporations and basic consumers with broad product and services spectrum include asset financing, Islamic financing, agri-finance, small medium enterprise, commercial, brokerage, securities, credit, consumer banking, investment banking and corporate banking. Bank Alfalah’s vision is “to be the premier organization operating locally & internationally that provides the complete range of financial services to all segments under one roof” and mission statement is “to develop & deliver the most innovative products, manage customer experience, deliver quality services that contributes to brand strength, establishes a competitive advantage and enhances profitability, thus providing value to the stakeholders of the bank”.

The whole group was faced an irritating issue across all organizations operating under the supervision of same group that is participative decision making approach and employee empowerment in the organization. Job empowerment is somewhat stereotyped word through which organization provide comfort zone for organizational change and development. This HR strategy leads to positive results for an organization related with productivity, commitment, loyalty, motivation, satisfaction and performance. But in ADUG Group faced entirely different scenario in all companies due to empowerment and participative decision making.

Organizations feels that empowerment gives free hand to all the workforce to think whatever they want and perform their duties with their own consents which is creating doubt in different employees’ perceptions because it create chaos among them. Rather than developing cohesive organization, this unguided messages or perceptions badly interrupted the business operating at ADUG Group. Due to this empowerment, employees feel free hand to take nay crucial decision that my harmful for the financial and economic strength of an organization. Another issue that this group faced in the organization is lack of training to established leadership skills at individual level when the empowered by the top management and taken decision making process at organizational level. In this way, the employees took decisions on their institutions and gut feeling which are beyond the company’s policies and regulations.

**REVIEW ON IMPORTANCE OF EMPOWERMENT AND PARTICIPATIVE DECISION MAKING**

Competitive advantage for any organization considered a key constitute for obtaining higher performance and literature related to empowerment showed that empowered employees always foster the organizations to achieve competitive advantage (Thompson, 2007; Mathews, Diaz and Cole, 2003). Employee empowerment practice has been used from long time ago that make employees to use the inborn capabilities to attain their personal unique excellence at workplace, by doing this organizational effectiveness and individual efficiency could be achieved for greater performance (Govindarajulu and Daily, 2004; Geisler, 2005). Empowerment defined by Fox (1998) as “empowerment is instilling power in employees and proposed that employee empowerment is in history, considered as organizations’ intensification employees’ feel of personal power”. Conger and Kanungo (1988) claimed that empowerment topic raised its great attention among practitioners and organizational theorists. Research findings reported consistently about the positive relationship between empowering subordinates with organizational and managerial effectiveness (Bennis and
Nanus, 1985). Hence, empowering the employees is taken as enhancing decision making abilities among the lower level employees and give confidence to do a difficult tasks that leads to improve individual’s experience at worksite (Liden et al., 2000).

Wellins et al. (1991) and Lawler (1986) claimed that, in the last decade, numerous organizations used some empowerment techniques based on managerial approaches on the expectation that these techniques enrich novelty and employee productivity. Yagil (2002) argued that the term empowerment runs “the range of influence –from the ability to suggest items for incorporation to executing the suggestions without approval from higher management”. However, literature fails to distinguish the major and minor empowerment’s types that may confuse the management to put the empowerment strategies in action. Current theoretical literature on the empowerment proposed that psychological mindsets can be achieved by empowering managerial practices which lead to empowered behaviors (Thomas and Velthouse, 1990). The influential author of empowerment (Spreitzer, 1997) defined psychological empowerment (PE) as “a universal state of mind including four cognitions reflecting a proactive orientation in connection with one’s role in the organization”. Organizations can realize following most important aspects by empowering individual employees:

1. Employees can find sense of meaning in their assigned duties and responsibilities
2. Foster the inner abilities to manage difficult tasks at workplace
3. Employees can feel sense of autonomy in specific processes to get expected targets and
4. Feel themselves to be an important part of their organization and causes genuine influence on the positive outcomes of the organizations.

Researchers (e.g. Siegall and Gardner, 2000; Carless, 2004) only focused on PE as the only criterion to develop if the organization empowered their employees on their jobs. A conceptual framework given by Boudrias and Savoie (2006) used as a new technique to evaluate empowerment. They critically reviewed the available literature of empowerment (Spreitzer, 1997) and conducted 20 interviews serving in diverse organizations and concluded that “employees which are empowered conscientiously assume their job-related responsibilities and proactively make the first move to bring changes in their work environment”. Empowerment can also be revealed through extra-role and in-role performance of the employees like organizational citizenship behavior and proactive behaviors.

Employee perceived empowerment can also be viewed as intrinsic motivation which leads to social exchange explanation of organizational citizenship behavior (Conger and Kanungo, 1988). Morrison (1996) contended that for OCB as “employees must have discretion in how they carry out their job responsibilities”. Another positive outcome of empowerment is that organizational members sense the feeling of self-efficacy which in return provided OCBs. Empowerment is also associated with number of important organizational outcomes like satisfaction, commitment, and job performance (Liden et al., 2000). Perceived employee empowerment positively linked with different outcomes. Hartline and Ferrell (1996) conducted a research study on 279 hotels and concluded that under appropriate conditions, empowerment enhanced service quality and job satisfaction. Studies also showed the positive relationship of perceived empowerment with in-role performance (Liden et al., 2000; Bartram and Casimir, 2007), customer service, creative behavior (Peccei and Rosenthal, 2001; Alge et al., 2006), helping and ideas’ voicing (Cirka, 2000) and multiple attitudes of organizational citizenship behavior or extra-role performance (Wat and Schaffer, 2005; Menon, 2001; Alge et al., 2006). Numerous researchers also equated the association of empowerment with

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decentralization and delegation, soft HRM, TQM and quality circles, information sharing (Randolph, 2000), PDM (Labianca, Gray, & Brass, 2000), self-managed teams and employee involvement (Lashley, 2000).

One of the oldest styles of management is authoritative and directive. But with the passage of time, organizations started recognizing the importance of employee participation in decision making; therefore, participative style of management was emerged. So employee participation in decision making reflects recent management style where it is believed that the employee who participate in decision making process work more productively; therefore, add more towards achievement of organizational goals. It is far and wide believed that employee participation is positively linked with job satisfaction which is also empirically proved by lot of researches; as a result, employee participation in decision making has become a key characteristic of our era of management. Discretionary power and decision making abilities provided by the empowerment and due to this greater empowerment, employees work more hardly to gain the service provisions (Hancer and George, 2003).

Participative management defined as, with the help of vast literature on this topic, a mutual understanding between subordinates and supervisor or manager to influence take a joint decision by mutual consent for the benefit for themselves, employees and organizations (Gebert et al., 2003; Day et al., 2005). Despite this, the research study of Sato et al. (2002) also highlighted it caused job-related stress and ambiguities in job responsibilities and caused conflict among administrators and other employees. The most valuable definition of participative decision making (PDM) is given by Heller et al. (1998) after incorporating all-inclusive elements that highlighted from the debates on it. He defined it “the totality of forms, i.e. direct (personal) or indirect (through representatives or institutions) and of intensities, i.e. ranging from minimal to comprehensive, by which individuals, groups, collectives secure their interests or contribute to the choice process through self-determined choices among possible actions during the decision process”.

Strauss (2006) stated that participation is a process that lets employees to use some control on their work and the work conditions. It gives confidence to employees to take part in decisions making process, which have a straight impact on work environment. Considerable employee participation in management is very important for cross-functional integration and working in an efficient manner. Open communication with high chain of command, expression of innovative and creative ideas result in shared vision, trust and mutual respect. In employee participation methodology, subordinates share with their supervisors, a degree of decision making power. Participation in management is very important for cross functional integration (Nyhan, 2000). Research conducted on employee participation has scrutinized on how it effects an employee’s normative, continuous, and effective commitment. Further it motivates employees and provides meanings to ideas like organizational loyalty (Tesluk, et al. 1999) as a result leading towards high performance. Time was, employee participation studies scrutinized its nature, process and content. Greater part of work is presently focused on assessing impact of employee participation on organizational performance, which is the main line of investigation (Cox, et al. 2006).

Analysis regarding employee participation impact on organizational performance has been quite less common, but in recent times, lot of work has been done in this area. Impact and relationship analysis regarding employee participation with both employee and organizational performance was considered by Cox et al. (2006). Kessler et al. (2004) studied relations between employee participation and employee perceptions. Different kinds of participation means different levels of influence, is called Participation Intensity (Dachler and Wilpert, 1998) whereas focusing on central dimensions is Participation Depth (Strauss, 1998). Heller (2003)
said that the division of power is an essential action so as to enhance satisfaction and performance through employee involvement. Stating the form at the same time as investigating employee participation is necessary because different forms of participation reflect various decision-making processes that might turn out different results in terms of attitudes and employee relations (Wilpert, 1998). Job-related issues concerned with staff conditions to perform a function, are known nearby issues, whereas the regulatory issues concerned with the regulatory environment are called far-issues. Issues related to organizations and work are two different phenomenon and to both, employee participation can be applied (Strauss, 1998).

To enhance the organization's competitiveness, participative practices are extolled and the main theme behind this principle is to give confidence to employees to attain a higher output (Zwick, 2004).

Greenberg (1975) contended that the main objective of organizations to implement PDM programs at worksite is to increase the productivity of the employees. Miller and Monge (1986) translated their point of view on PDM as “this approach should be centered on issues which employees are well-informed about so as to ensure and accrue organizational benefits”. Researchers suggested numerous models for the participation. The cognitive model suggested that organizations should developed stronger and longer employee engagement to attain organizational strategy and upsurges the consistent flow of information without any obstacle (Miller and Monge, 1986).

To better implement the PDM culture in the organization, organization should enhance the participative environment that promotes sharing responsibilities attitudes among the employees. Research studies (e.g. Maslow, 1943; Miller and Monge, 1986; French et al., 1960) explained the advantages of implementing PDM in favorable environment as “such responsibility is said to be beneficial to the healthy development of employees as it brings about the accomplishment of higher-order needs, such as self-expression and independence”. In this way, organizational eventually enhanced the job satisfaction level among their employees (Vroom, 1964).

PDM is directly related with the subordinate participations in the decision making process within the manager's realm (Heller et al. 1998). Researchers suggested that subordinates prefer to take active role in PDM regardless their influence and designation in the organization (Selart, 2005). From the past few decades, employees are playing an active role in management decisions in Western organizations (Sagie and Aycan 2003). This notation advocates that higher PDM will leads to promote higher job satisfaction, performance, organizational commitment, organizational learning, feedback process and intention to stay with the organizations (Kitapci and Sezen 2007; Swody and Powell, 2007; Wright and Kim, 2004; Chiva, Alegre and Lapiedra, 2007; Somech, 2003; Klenke, 2003).

Some researchers highlighted the positive and key benefit of PDM as it put impulse effects on the organizational commitment and job satisfaction of the employees (Witt et al., 2000; Guthrie, 2001) that will leads to organizational and individual performances. Apart from the benefits of PDM for organizations, several studies also focused on the limitations and problems of PDM associated with employees, organizational behavior and performance (Rajagopal and Rajagopal, 2011). Some researchers exert more efforts just to pinpoint the extreme of loopholes in PDM's theory (Jones, 1997; Parnell, 2002). The participative decision making is only beneficial when implemented on the basis of task strategy formulation and goal setting theory (Latham et al., 1994), planning, locus of control, evaluating results and creating
alternatives (Souitaris et al., 2010; Black and Gregersen, 1997) and problem solving with cooperation (Tjosvold, 1982).

Previous studies conducted in Western cultures especially in American and European contexts found that organizational commitment can be predicted by employees’ individual facets like tenure, education, bureaucratic structure, participative decision making, personal competency, leadership style, job involvement, centralization of decision making, supervisory trust and other work-related outcomes (Lok and Crawford, 2001). In addition to these important outcomes of PDM, it also upsurge the organizational citizenship behavior of the employees (Bogler & Somech, 2005). Research scholars proved that when organizations fairly allocated the decision making power and perceived organizational justice then the employees performed OCB more frequently (Tepper & Taylor, 2003; Podsakoff et al., 2000).

PDM is considered as management theory which is highly researched topic in Australia, Britain, North America and America but not in African and Asian settings (Scott-Ladd et al., 2006; Sagie and Aycan, 2003; Gbadamosi, 2003; Dawkins and Frass, 2005). Northouse (2004) argued that “PDM is rooted in the “theory Y” perspective of management proposing that employees are basically interested in performing well at work and will be more committed and attached to a work organization if managers value employee contributions in making decisions that have an effect on the nature of work”. The relationship of PDM with job satisfaction, turnover and organizational commitment may be varied due to the nature of participation decisions (Scott-Ladd et al., 2006; Kearney and Hays, 1994; Kahnweiler and Thompson, 2000; Cotton et al., 1988).

**STRATEGIC ACTIONS**

According to Ma (1999), studying HR practices are more beneficial and major reason for competitive advantage rather than individual HR practices, “the more likely for competitive advantage to have direct implications in the causal chain of performance analysis, if it is more compound”. In reality researchers have positively connected HR practices to performance of organization (Huselid, 1995). Researchers (e.g., Fox et al., 1999) also claimed that empowerment and participative decision making are directly linked with the improved individual productivity and organizational performance, quality in customer services, efficiency improvement higher profitability, augmented firm value and continued existence of organizations.

The linkage between organization and employee commitment is considered as most thrilling concern. The study of Bhatnagar (2007) proved a strong connection between organizational commitment with organizational learning, psychological empowerment and strategic HR roles. Huang et al. (2006) also claimed that psychological empowerment can enhanced through participative leadership which in return enhanced the employee’s organizational commitment. Other studies in different contexts also supported the notation that empowerment leads to positive organizational commitment and satisfaction of the employees (Avolio et al., 2004). The research study of Lane (1998) claimed that “psychological empowerment is showed to play a central mediating role in the development of organizational commitment”. Similarly, Wiley (1999) research also concluded with significant association of organizational empowerment, lotus of control, psychological empowerment with organizational commitment. Hence, the group should focused on the empowerment and participative decision making processes.

Another strategic action that the group can implement is job formalization. As said by Taggart and Mays (1987), formalization is “the use of well-defined rules and regulations to govern the behavior of individuals so that actions within the organization become standardized’ (p. 1986). So, formalization is the degree that rules & regulations, behavior standards, activities etc., are
in written form within an organization (Price & Mueller, 1986), and also includes things such as employee handbooks, standard operating procedure (SOP) manuals (Pandey & Scott, 2002). He also summarized that formalization is consisted of both codification and observation.

As Tobin (2001, p. 95) notes “centralization refers to power and the division, location, and amount of decision-making power throughout an organization”. Centralization is based on two levels (Wright, Salyor, Gilman, & Camp, 1997). First level is defined as “the degree of say that is allowed among employees in guiding and shaping the future of the organization”. This type of centralization referred as employee perceptions regarding the stay with decision-making. Second level is defined as “the degree that an employee has input and control over the tasks and order of his/her job. In the literature such centralization is often referred as the degree of job autonomy”.

It appears amongst non-correctional employees, levels of say into decision making are positively connected to levels of job satisfaction. To be more specific, low levels take part in decision-making are connected with low levels of job satisfaction, and on the other hand high levels of say into decision-making are connected with high levels of job satisfaction (Jermier & Berkes, 1979; Kakabadse & Worrall, 1978). Locke and Schweiger (1979) finale, from a review of the literature, that there is well-built proof that participation of employee in decision-making (i.e., decentralization) enhances job satisfaction.

The Behavioral school, further, says that high degrees of formalization are essential. As a substitute, organizations should have a least number of written rules, policies and procedures in an attempt to allow enough leeway for the self-initiative and self-control expression on the part of the worker (Fry, 1989). It is asserted that highly formalized organizational structures bring about employees to become uncommitted and dissatisfied (Organ & Greene, 1982). Walton (1985) said that formalization damage worker commitment as employees feel hampered and constrained by the formalization control mechanisms.

CONCLUSION

PDM is considered as an important HR practice where employers give valued to every individual employee (Irving and Taggar, 2004). This practice provides an opportunity to the employees to influence the top management serving at different levels of organizations either directly or indirectly (Cotton et al., 1988; Glew et al., 1995; Locke and Schweiger, 1979). French et al. (1960) intended that “PDM increase employee morale because workers who are accorded recognition through participation perceive that management consider them as competent, intelligent, and valued partners”. And these recognition perceptions and values creates higher level of job satisfaction that leads to, ultimately, greater performance (Cotton et al., 1988). In general, top management take PDM as an important ingredient for the increasing organizational effectiveness; the management definitely applied this techniques to enjoy higher performance, quality decision, satisfaction, involvement and commitment with the organizations (Humphreys and Hoque, 2007; Chiva et al., 2007).

Literature pertaining to economic growth claimed that cultural explanation is not included or not yet highly researched. Beside this shortfall, some researchers tried to recognize some economic growth theories and modernization (Inglehart and Baker, 2000; Schlicht, 1993; Romer, 1986; Lucas, 1988) like economic phenomena, economic variables, PDM and job satisfaction but is still very scant. Debatably, the main reason behind the missing link of cultural explanation in the economic literature is just because of its subjectivity nature (Inglehart and Baker, 2000; Inglehart, 2006). After these limitations, some researchers put

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substantial efforts to find the relationship of job satisfaction and cultural beliefs (Xu and van de Vliert, 2003; Lange, 2009). But still, linkage between PDM and different cultural characteristics is missing which is astounding (Sagie and Aycan, 2003). The methods of participation in management process may differs across borders in emerging economies (Zhou et al., 2006; Parnell, 2010; Ralston et al., 2008; London and Hart, 2004). That is why researchers strongly recommend implementing participative dispositions in developing countries (Parnell et al., 2012).

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