

## PARADIGM OF EMPLOYEES EMPOWERMENT: PROPOSAL FOR BUSINESS ACTORS IN ACEH PROVINCE

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### ABSTRACT

Employee Empowerment must be managed with an approach of human resources characteristic which is in accordance to characteristics of job. The main purpose of employee empowerment is for the supply of products and services that can generate value for customers by utilizing smart technology optimally. Employee empowerment will be successful if executed through the establishment of proper mindset, both within managers and employees. The manager needs to be embedded with basic belief that: (1) employee is human, (2) people are basically good, (3) bureaucracy kills initiative (4) manager's task is to provide training, technology, and support for employees. The employees need to be embedded with basic belief that: (1) employees empowerment is only manifested by growing belief within managers towards employees, (2) managers trust on employees grows because of the competence and character built inside employees. Furthermore, values need to be instilled inside managers and employees, such as: honesty, courage, Abundant Mentality, patience in achieving the vision.

**Keywords:** Paradigm, Employee empowerment, Mindset, Basic Beliefs, Basic Value.

### INTRODUCTION

Economic globalization perceived by the whole world now will make the companies to be in a different business environment in earlier times. Market no longer competes with domestic business environment but faces global or multi-national competition. Company Management in Aceh province needs to use a new paradigm to sustain operations in global business environment (Mulyadi, 2007).

The technology used by people demanding particular quality of workers to be able to operate the technology effectively. In turn, the type of workers determines the management that enables them to optimally utilize their competence in operating the technology to generate value for customers (Boh, Wong, 2015).

Employee empowerment is a trend of human capital management in future organization (Sharon, Jae, Myeong-Gu, 2014). Employees Empowerment is conducted in the organization with a focus on providing products and services to customers. customer satisfaction was basically why employee empowerment addressed. So as to have a soul, employee empowerment needs to be based on a proper mindset. With that mindset, employee empowerment will be sustainable, so that it can result in an organization that is able to optimally utilize the human capital in this age of information technology (Magdaraog Jr., Gualberto, 2015).

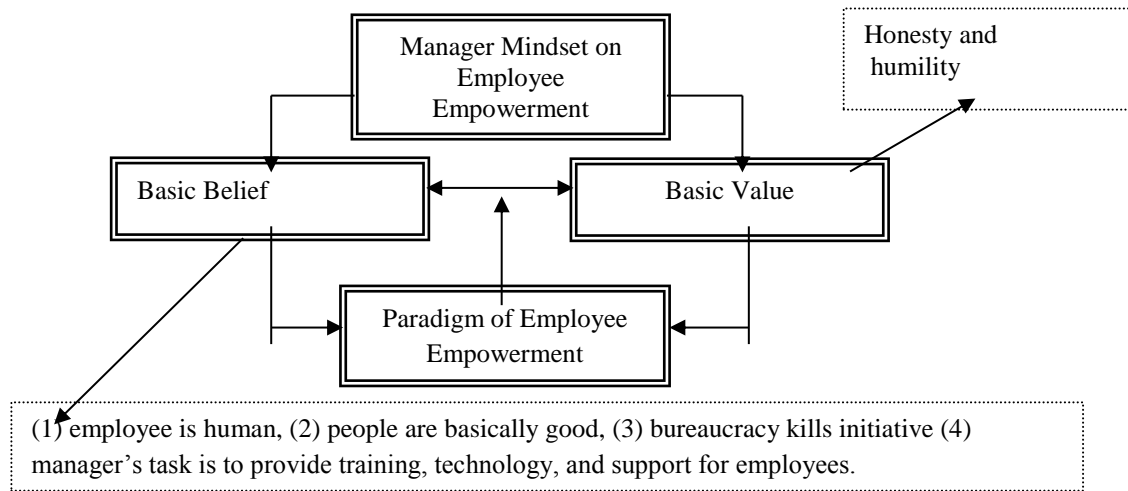
This paper is an idea for the proposed development of organizations in Aceh Province. Companies should place employees as company's capital advances. This paper will describe the mindset underlying the employee empowerment, such as: reasons for the employee

empowerment, how employees should be empowered, how employees face the era of smart technology.

Empowerment means to enable to give a chance to allow or to permit which can be interpreted either through their own initiative or prompted by others. Empowerment also means enabling employees and providing an opportunity for employees to plan, implement the plan and control the implementation plan of his or group responsibilities (Rita, 2011; Sharon, Jae, Myeong-Gu, 2014). Seen from the perspective of manager, employee empowerment is a process of providing opportunities for employees to enable themselves in planning and controlling the implementation of the plan that is the responsibility of the employee (Littrell, 2007; Lishley, 1996).

**EMPLOYEE EMPOWERMENT MINDSET FROM MANAGER'S PERSPECTIVE**

Employee empowerment embodiment involves two parties: (1) managers who are responsible for making employees empowered, in the sense that employees can be trusted and relied upon by the manager to take decisions that were previously carried out by the manager, and (2) employee responsibility is to render him empowered, in a sense that he can foster manager trust that he can be trusted to implement decisions that had not previously been done. Therefore, it is necessary to build (1) manager mindset and (2) employee mindset. Figure 1 depicts the culture of organization in the establishment of employee empowerment mindset from manager’s point of view.



**Gambar 1.** Employee Empowerment Mindset Viewpoint Manager

Employee empowerment mindset consisting of employee empowerment paradigm, basic belief, and values that underlie employee empowerment. In the future organization in which knowledgeable workers are dominant in the creation of products and services using smart technology (Lishley, 1996; Mathisen, Armulf, 2013; Arora, et al., 2004), managers need to look at employees as capital who optimally capable of providing contribution in realizing the vision of organization (Drucker, 1993). To be optimal, managers need to change their mindset in viewing employees, in order to conform with smart technology that is used by the organization as well as the characteristics of worker and his job.

## Basic Belief within Manager

Basic beliefs that need to be belong to a manager to make employee empowerment mindset is (1) employee is human, (2) people are basically good, (3) bureaucracy kills initiative, and (4) manager's duty is to provide training, technology and support for employees (Snyder, et al. 1994).

**Employees are human.** The manager manages various resources: human resources, natural resources, capital resources. Among these various resources, only employee is human capital. If not explicitly instilled in managers that employees are human capital then the manager will treat its employees like how he treats other resource (Posey, Bennett, Roberts, 2011; Shirahada, Hamazaki, 2013; Bharti, et al., 2014).

In a qualified organization, employees are assessed together with the directors that exist in the organizational structure. Each person is deemed to have the ability to understand and contribute in realizing the vision of the organization. Managers should view employees as adults who deserve to bear greater responsibility for their work or group work (Nenonen, Storbacka, 2015; Hsiao, Lee, Chen, 2015). Figure 2 shows the contribution of employees in the creation of products and services that generate value for customers.

**People are basically good.** Employee empowerment is a core belief that people are basically good. Although sometimes people fail, and sometimes people make mistakes, but the goal is for the better. As a sensible human and creatures that think, people have a natural tendency to be successful at work. To be able to empower others, managers must simply believe that "of all time, almost everyone, almost always, will use its power in realizing his vision, and guided by the values of goodness."

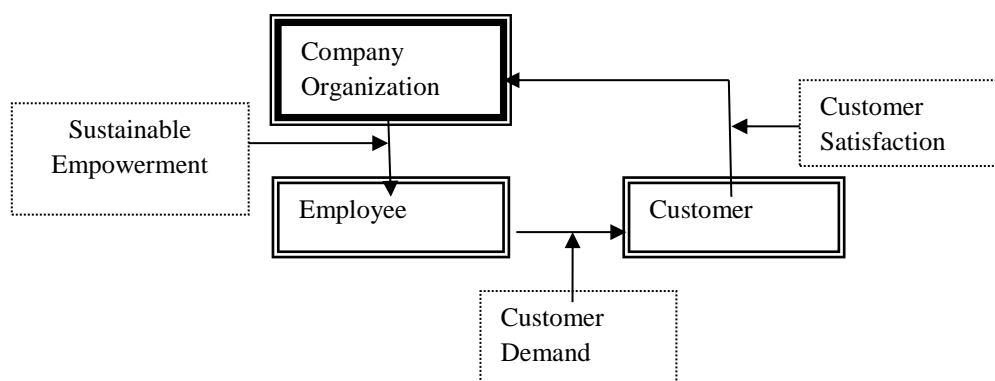
Employee empowerment can be seen as liberation, because with empowerment, managers can no longer use the controlling, checking, verifying, and setting activities of people working in the organization. managers conduct empowerment by providing training and adequate technology to employees, giving the right direction, and letting employees do all that can be done by them.

Therefore, the concept of empowerment starts from a belief that basically people want to do a good job, managers no longer need to apply the method to persuade employees to exert their efforts. Managers must ensure that employees have knowledge and technology necessary for their work, and he had to support the efforts of employees who eliminate any barriers that prevent the realization of superior performance. The manager, who in traditional management asking the question "What do I do to motivate my employees?" Now have to ask the question "What do I need to do, and what needs to be done by the organization, to eliminate the cause of the lack of interest of employees in achieving superior performance, or to eliminate the causes of business interruption against their efforts in achieving superior performance? "

**Bureaucracy inhibits initiative.** Often in organization or company, employee heard a message that inhibits initiative, innovation, and creativity such as: "Do what I just said!" "You are not paid to think." "Think about your business, and we will take care of others!" Higher organizational hierarchies reinforce the message to employees that largely contribute in realizing vision of the organization is only expected from people who occupied upper levels of organization.

One of aspects of organization that damages empowerment the most is the tiered managerial level. Each level of managerial is required to review, monitor and approve below managerial level work. Intermediate managerial level now attracted attention because it provides lower contribution in generating value for customers, compared to employees who are in the lower level (and in particular: the work) should be carefully monitored and verified to ensure quality, and to avoid mistakes.

In employee empowerment, responsibility for the work is returned into the hands of employees. Employees are taught how to monitor their own work, and their work in teams. They learn and gather and interpret the data of their own performance, making necessary adjustments to the ongoing work, as indicated by the data collected. Thus, employees gain greater motivation for their work, and the organization gain significant savings with the removal of the management levels that do not add value to the customer (Krisjanous, Maude, 2014). Managers need to identify aspects of organization, although it seems efficient, teach employees to not work, to not try, and to not care about their jobs.



**Figure 2.** *The New Management Model Driven By Customer And Stirred By Employee*

**The task of manager is to provide training, adequate technology, and support for employees.** Managers and employees must learn a new role in organization that implements employee empowerment. Managers who originally conduct monitoring, review, approval, and decision-making, must do the work to employees, so that employees can do the job that were the responsibility of manager previously. Employees, on the other hand, must learn to accept new responsibilities, which previously submitted to his superior manager, to get a settlement.

Managers must see employees as "a bundle of opportunities that should be developed and expanded for the purpose of provision of services to customers." Managers are responsible to provide adequate technology, and training for employees to enable them to do what they can do. In addition, manager must provide support during the process of employee change in this new responsibility. If the manager does not have the willingness to accept mistakes and failures, employees will tend to return to the old way of work that has been known previously.

### **Basic Value within Manager**

To realize the paradigm of employee empowerment needs to be invested in the personal values of the managers themselves, namely: (1) honesty, and (2) humility (Snyder, et al. 1994).

**Honesty.** Managers must tell the truth to employees, and vice versa managers must also provide equal opportunity for employees to tell the truth to the manager. Managers must provide his information to employees to allow employees to make decisions effectively. Empowerment is basically an "integration between thought and execution" In traditional management, the idea is implemented by manager, talks conducted by supervisors, and implementation is done by employees. In the employee empowerment, an employee should have had all or part of data and information held by manager and supervisor for appropriate decision-making fields and expertise.

**Modesty.** Employee empowerment means giving greater responsibility to employees to make decisions. Thus, the initiative of employees is to be much better than that done by the manager. Humility to recognize employee performance should be a value upheld by the manager, if desired employees succeed in an organization.

**EMPLOYEE EMPOWERMENT MINDSET FROM EMPLOYEE'S PERSPECTIVE**

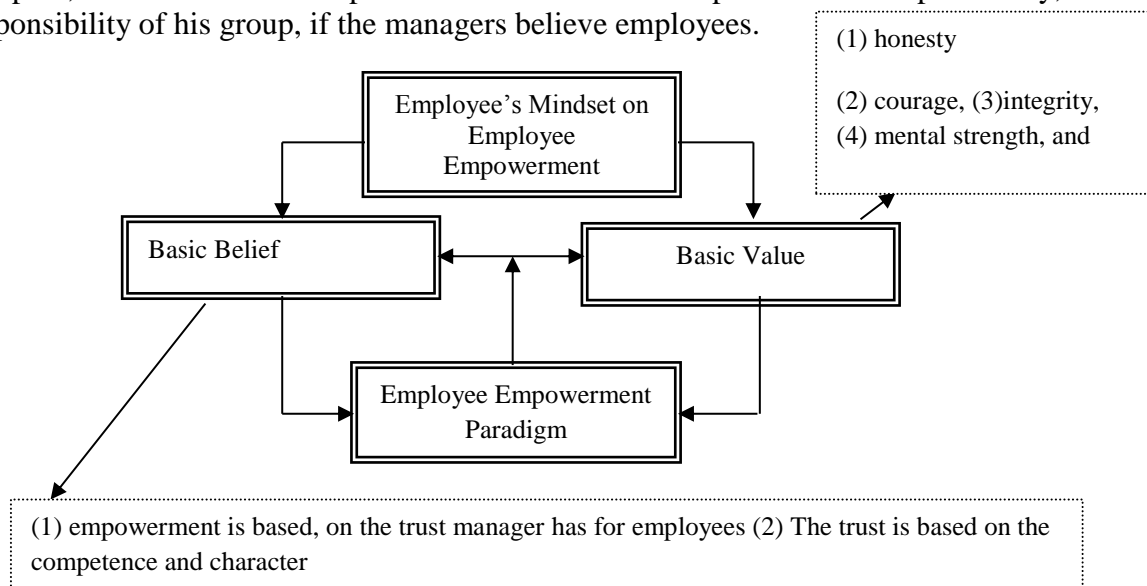
Employee empowerment from the standpoint of employee in which the employee empowerment related to how employees are trusted and believed by the manager in terms of making decisions about work that is under its responsibility (Gaffiney, et al., 2014; Kedia, Mukherji, 1999). To be credible and convincing, there needs to be built beliefs and values within the employee. Figure 3 depicts the culture of an organization that is based on employee empowerment mindset reviewed from the perspective of employees.

**Basic Belief within Employee**

Two basic beliefs that need to be built within the employee to gain trust of manager are:

1. Employee empowerment is only realized by growing confidence in managers towards its employees.
2. Manager trust towards employees grow as competence and character are built inside of employees.

**Trust.** Employee empowerment only materializes if the employee can be trusted by manager. Therefore, employees need to instill confidence within himself that he can plan, implement the plan, and control the implementation of the work plan of his responsibility, or the responsibility of his group, if the managers believe employees.



**Figure 3.** Formation of Employee Empowerment Mindset from Employee Perspective

**Competence and character.** Developing trust is not something that is easy to implement, if employees perceive that managers will give the authority to take decisions to employees because it is the rights of employees. The right to decision-making can only be earned by the employees through verification of competence of employees in decision making (Hellrigel, Jackson, Slocum, 2005). Without a belief that manager trust that makes the employee empowerment materialize, the employee will not be eager to increase competence, and build character to get the right decisions on the work of his responsibility.

Competence belongs to employee if he is capable of using knowledge. Knowledge is a special resource that is owned by humans, knowledge cannot be found in the book. The book only contains information; while knowledge is the ability to implement the work and information into specific performance. The information contained in financial sector in financial management book only becomes knowledge in the hands of personnel who have the ability to apply this information in his work and performance. Information that can be converted into knowledge with the ability of humans consists of information that is both science and engineering to social, economic, and managerial which can be accessed by anyone. But not everyone is able to apply this information into his work and performance. That's why the advantages of a business from other businesses relied on the knowledge - the ability of human resources in implementing information related to science, engineering, social, economic, and managerial into their work and performance.

Knowledge is not a business resource, but it is a social resource that cannot be maintained in confidentiality in a long term. Therefore, personnel should continue to update and improve their knowledge, so that the organization within which they work at will have advantages over its competitors. Thus, in order to sustain a superior position of their organization, personnel must be life-long learners.

### **Basic Value within Employee**

Five basic values that need to be upheld by the employee so that he can be trusted by manager and fellow workers in team are: honesty, courage, integrity, abundant mentality and patience in realizing vision.

**Honesty.** Honesty is the ability to say a reality as it is. Honesty requires courageous soul, because often a reality when revealed as such has an unfavorable impact for the whistleblower. To build trust with managers and coworkers, honesty is a value that must be upheld. Every human relationship is guided by honesty.

**Courage.** Courage is one's determination in defending position, beliefs, principles and vision. Courage is the courage to take a position. Courage also means the ability to change his mind; the ability to say, "I do not know, but I will find the answer," the ability to recognize that he is not perfect; the ability to keep learning, not satisfied with the success that has been achieved; the ability to put principle above prejudices and above expediency. Courage Value needs to be upheld by employees to encourage them to take responsibility for decisions about work which is his responsibility. In addition, the creative application of knowledge requires courage in the value of employees to express themselves and implement them.

**Integrity.** Integrity is the ability of people to realize what has been said or promised by the person to become a reality. Employees need to uphold integrity, by realizing all the commitments they have made into action. Integrity is the ability of people to realize what has

been said limited to seen benefit for him. Character is what you are in the dark. If the employee has promised something to customers, he has to sacrifice a source of certain resources, and remains steadfast to the commitment that has been promised, regardless of the resources to be sacrificed, it is the employees who uphold integrity in fulfilling commitments to customers. Customers will choose to associate with the company whose employees uphold integrity, because only a person of integrity deserves to be a partner in the work.

**Abundant Mentality.** abundant mentality is the soul of a person's ability to accept success, excess, fortune, awards earned by other people. Abundant Mentality is indispensable, because employees work in a work team, who together with other employees, help fulfilling customer needs. Embodiment of abundant mentality value, among others: (1) humble to give congratulations on the success of co-workers, (2) refrain one-self from patronizing attitude of co-workers' work performance, and (3) get used to seeing "the bright side of everyone and everything."

**Patience.** Patience in realizing the vision of value that needs to be upheld by the employee. Patience is the power of people's hearts to receive abnormalities that occur to him in long term. Patience is the ability to channel the spirit of constantly and diligently materializing the vision that has been formulated.

## DISCUSSION

### Embodiment of Employee Empowerment Mindset into Management

**1. Embodiment Into Future Organization:** Organization is basically a "wealth-creating institution". Therefore, every member of organization basically has the responsibility to add value (value adding role). Knowledgeable workers responsible for using the knowledge that they control with smart technology provided by organization to produce a product (Sthepanus, 2015), and provide services to generate value for customer be cost effective. In this way knowledgeable worker carry out its role as an enhancer of value, so that the company's organization can serve as a "wealth-creating institution"

There are four changes of future organization that is based on employee empowerment mindset: (1) organizational structure is flat, (2) a return of basic functions of organization as a destabilizer, (3) a description of positions becomes unnecessary, and (4) developing networks of information to meet the increasingly complex needs.

**Organizations are increasingly flat.** Therefore, utilization of a shared database enables organizations to conduct information sharing among members of the organization, smart technology provides opportunities for employees to access the information center of organization. availability of information factor in decision making is needed to enable employees to make decisions. In addition, education and training are required so that employees have the knowledge and skills necessary for decision-making.

With the utilization of shared database, employees can access to the information center. Thus, if the employee has sufficient knowledge to make a decision, he can do the analysis and recommendation without the help of mid-level managers. Therefore, the utilization of a shared database resulting in the role of mid-level managers is no longer required. As a result, the trend of organizations is becoming increasingly flat trend, with the loss of middle-level managers. Such characteristics of organizations are based on employee empowerment mindset in human capital.

**Organization as destabilizer.** The work of knowledgeable workers is a creative application of knowledge in the manufacture of products and services by utilizing smart technology. As a destabilizer, organizations must systematically break through against all the established processes and systems (Hu, 2014), to be replaced with systems and processes that are able to produce products and services of higher quality, more reliable, faster, and more cost effective. Minset employee empowerment mindset enables employees to be capable of creating and implementing change, anytime business environment requires changes.

**De- jobbed organization.** If the work of knowledgeable workers is creative, change will always occur in the future organization. Therefore, it is difficult or almost impossible to create a job description for such work. Based on a shared vision, employees utilize smart technology to apply knowledge in design and production of products and services that generate value for customers. De-jobbed organization is based on the mindset of employee empowerment in the management of human resources, thus enabling employees to devote their creativity in utilizing knowledge to produce products and services that generate value for customers.

**Virtuality.** Future business organization will focus its activities on its core competency only. As a result, the activity of which is not their superior competence is outsourced to its business partners.

Virtuality means managing people who cannot be seen and cannot be controlled in detail. Because company is trying to produce best customer value in accordance to its core competency, then to create a product or service, company needs to operate in a network with other companies. Managing a company that operates a network is equal to managing virtual organization, which physically cannot be seen and controlled in detail, but through a contract between companies in networking, company organization can submit quality products and services for customers.

## 2. Management of knowledgeable workers

Because knowledgeable workers have very different job characteristics with workers who operate hard automation technology, it requires different management styles. Subsidiary concept needs to be used as a basis for managing knowledgeable workers, to enable the workers to use their creativity in applying their knowledge through smart technology to generate value for customers.

Besides, the concept of authority in future organization should be redefined, so that knowledgeable workers realize that it is only through the empowerment of their control that makes a true sense of authority. Every leader needs to understand that future organization requires a lot of leaders to enable the organization to adapt to change and to be able to create the change, it would require the concept of "leadership from everybody". This is the concept that will be realized through employee empowerment.

**Subsidiary and Role of Manager.** In subsidiary, control is carried out after the event occurred. The manager trusts individuals or groups forever, unless they are proven not trustable. With regard to supplier for example, companies need to build long-term mutual trust. The company should give full trust in suppliers who have been selected, and build long-term partnership in the business based on the principle of win win relationship.



Task manager in regard to subsidiary is to ensure that individuals or groups: (1) have the competence and character in carrying out the responsibilities assigned to them, (2) understand targeted organization's vision, (3) have a commitment to the vision of the organization.

Based on the concept of subsidiary, the manager is responsible for the empowerment and involvement of entire knowledgeable workers in performing continuous improvement, towards systems and processes to realize the vision of organization. To create empowered employee, the first step is to improve the competence of employees, so that they are able to make decisions on the work that is their responsibility. The next step is providing information and technology, so that they can make access to information center to make decisions based on reliable information. If employees are given the responsibility for the operations of company, then they should get an award in accordance with the responsibilities they have assumed.

**Authority.** In business organizations, power is derived from one's position. In a political organization, the power given by people to leaders who believed that power would apply well to the voters. In future organization, positions and roles carried by a person does not make much sense until the person is able to prove the reliability of professionalism. All authority must be obtained (via professional evidence of reliability) before the authority can be effectively implemented. The organization must be able to develop leadership potential of each person, whether they hold managerial positions and or as employees.

**Leader from everybody.** In traditional management, the leader is at the top of organization, so that the organization in the past referred to the organization with responsibility at the top. In future organization, every employee is a leader. With the mindset of employee empowerment, leadership potential that is inherent in every employee is driven and developed, so that every employee has a responsibility to make adjustments to his personal vision with the vision of the organization. With its leadership-potential, employees use competence and skills in applying knowledge in manufacturing of products and provision of services to generate value for the customer (Hsiao et al., 2015).

## CONCLUSION

Technology shifting used by public to smart technology, requires a very different type of workers with the type of workers needed when people use hard automation technology. Knowledgeable workers who are able to utilize smart technology, requires a management that has very different way of managing workers who conduct the type of hard automation technology.

Employee empowerment is an approach to the management of human resources, in accordance with the characteristics of jobs and workers in information and technology age. The main goal is employee empowerment for the provision of products and services that can generate value for customers, by utilizing smart technology optimally.

Employee empowerment will be successful if executed through proper mindset establishment, either in employees themselves or in manager. Within managers themselves need to be instilled basic beliefs that: (1) employee is human. (2) people are basically good, (3) bureaucracy kills initiative, and (4) manager's task is to provide training, technology, and support for employees. Besides, managers need to uphold the following values: honesty and humility. On the other hand, the employee needs to be invested in basic beliefs that: (1)

employee empowerment only manifested by growing belief within manager towards employees. And (2) manager's trust towards employees grows as competence in the character built inside the employee. In addition, the employees themselves need to be instilled the following values: honesty, courage, integrity, abundant mentality, and patience in realizing the vision.

Mindset of employee empowerment is embodied in the management system: (1). Organizations are increasingly flat, (2) the role of organization as a destabilizer, (3) virtual organization, (4) de-jobbed organization, and (5) an organization with many leaders. Mindset employee empowerment is also manifested in the form of a shift in management process like management shift of financial assets leverage to human asset leverage.

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