

Employee empowerment practices in commercial banks in Kenya

Abstract:

Rapid environmental shifts are causing fundamental transformations that have a dramatic impact on the way organizations are managed. The transformations reflect a shift of paradigm from old paradigm (known as the old workplace) to new paradigm (as the new workplace) (Daft, 2003). This shift spawns differences in various organizational characteristic aspects, organizational strength, and managerial competence in organizational management. Key among organizational characteristics in this paradigm shift is related to Human Resources. These have shifted from dependable employees to empowered employees (Ratmawati, 2007). Organizations today face fierce competition from successful global competitors, most of whom have made continuous improvement and rapid response to market needs a way of life (Shrednick, Shutt and Weiss, 1992). It is becoming increasingly clear that the engine for organizational development is not analysts, but managers and people who do the work. Without altering human knowledge, skills and behaviour, change in technology, processes, and structures is unlikely to yield long-term benefits. Managing business productivity has essentially become synonymous with managing change effectively. To manage change, companies must not only determine what to do and how to do it, they also need to be concerned with how employees will react to it. In this respect, the role of Human Resource Management (HRM) is moving from the traditional command and control approach to a more strategic one, and studies have highlighted “employee empowerment” as one of its critical success elements (Jarrar and Zairi, 2002).