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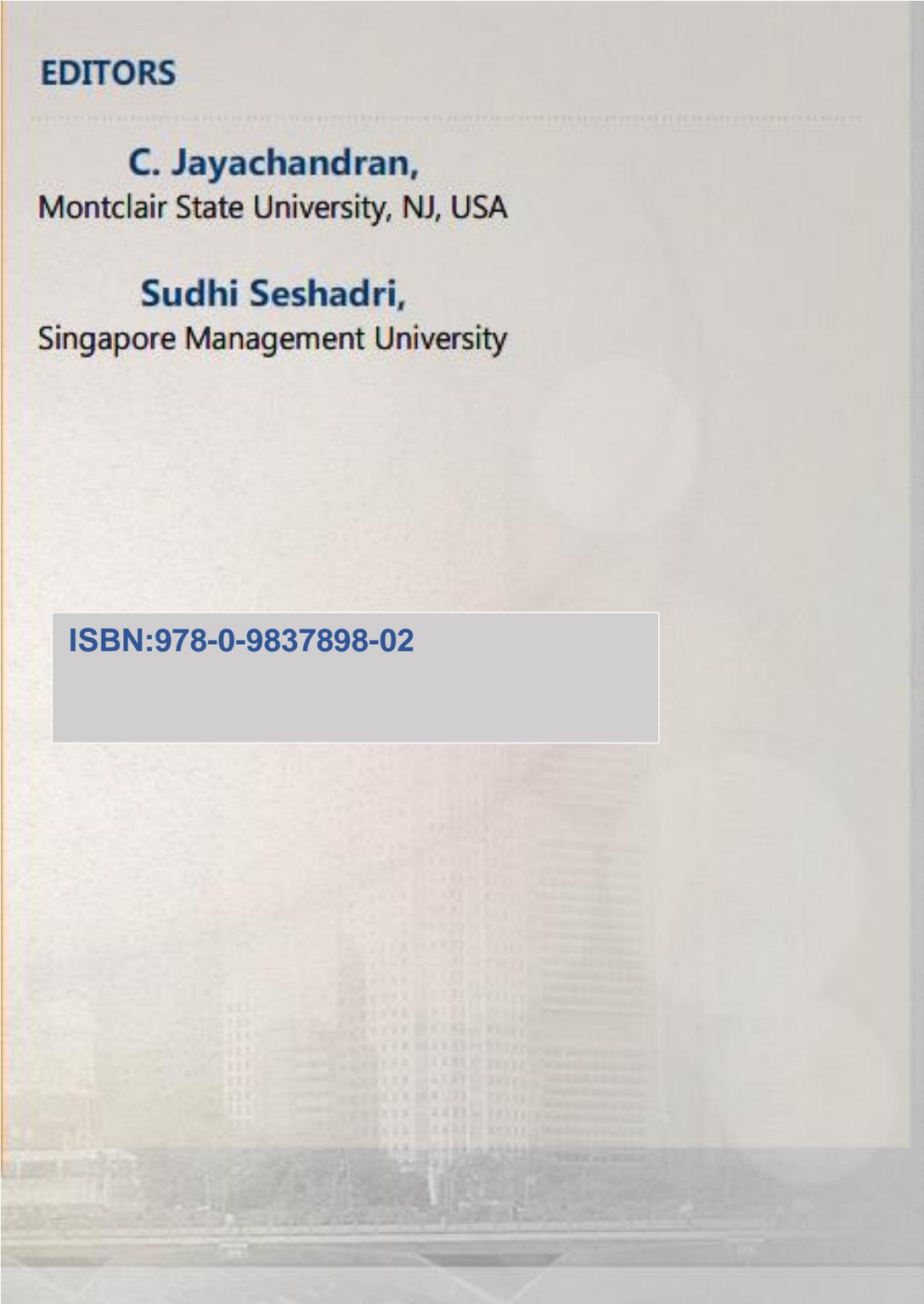
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A case for Employee Empowerment as a Strategy to promote Competitive Advantage: the hotelindustry in Guadalajara

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ABSTRACT

Most Mexican businesses recognize the importance of employee empowerment as a strategy to promote competitive advantage in the marketplace and it is more so with the hotel industry that replicate the success of leadingmultinationals. Employee empowermentis expected toplay a significant role in promoting participatory management, team building, job enrichment, , total quality management and reengineering and hence strengthen competitiveness of firms.

This research aims to find the most representative variables that endorse empowerment in organizations of the Hotel Industry. The present study included a sample of 119 hotels in Guadalajara, Mexico. The results were examined with factorial analysis and consequently a regression model.

Theoretical Background

Guadalajarais popularly known as the "Silicon Valley" of Mexico. Guadalajara in particular and the state of Jalisco have attracted considerable amount of foreign investment (1970 million dollars in 2010, SEIJAL 2010) and several multinational companies have invested in technology intensive industries in Guadalajara.

With increased investment by multinationals service sector, especially the hotel and hospitality industry have become an important segment of business in the region. Despite lack of official data on the industry, the estimate indicate that this sector employ more than half the country's working population (18 million workers) and generate over 70% of total revenue and is therefore the most dynamic sector of the national economy (Coll, A., Córdoba, J. : 2006).

Besides technology-intensive manufacturing, Guadalajara is also known for r tourism, as it is identified by the important Mexican symbols such as Tequila and Mariachi. In tourism, Jalisco is ranked No.1 nationally in the number of lodging establishments, in terms of total passengers of different airports in the country, both domestic and international; Jalisco accounts for 12.28% in tourist arrivals and ranked second in the country. The Metropolitan Area of Guadalajara has acapacity of over 16,000 rooms and based on standards they vary from Economy to Five Star and Luxury Class accommodations. Several hotels in Guadalajara have established facilities for r conventions and expositions and offer most modern and advanced technology to organize major international events.

The hotel industry is highly complex and requires constant personal attention; perhaps the hotel industry is one of those sectors that continue to adapt to changes in the demographics of tourist population and macroeconomic changes. In order to increase competitiveness and fulfill the expectations of customer demand for quality, flexibility and low costs, hotel industry in Guadalajara as anywhere else are pressurized to generate different business models and one those models include "Empowerment" of employees.

The concept of "Empowerment" could be treated as a philosophy and a style of management. Several authors have defined the concept of "empowerment" and contributed to a very broad spectrum of literature on the subject.

World Bank (2009) offered a more comprehensive definition as: "Empowerment is the process of enhancing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes. Central to this processes are actions which both build individual and collective assets, improve the efficiency and fairness of the organizational and institutional context which govern the use of these assets."

In the context of employment in an organization, many authors have described the concept of empowerment in different ways. For example, Borade, G. (2008), considers "empowerment" is meant to o give power to the individual and as a consequence, the selection, involvement and responsibilities are expected to make employees more efficient and sensitive to customer expectations. Greasly, K. (2007)statethat the true meaning of empowerment is to provide authority to an employee.

Conger J. and Kanungo, R. (1998) proposed that the empowerment should be perceived as a motivational concept, which denotes allowing an employee to deal with a situation or a task in an appropriate and professional manner.

Somech, A. (2005) states that : "empowerment is a process of strengthening employees' motivation to accomplish job-related tasks". Basically, this construct is based on two main interpretations (Conger, J., Kanungo, R.: 1988). Therefore, empowerment as a relational construct is the process by which a leader or manager shares his or her power with their subordinates."

In management literature empowerment is described as delegation, devolution, sharing of power, and authority by those higher up in the organizational structure to those at the lower levels of the organization (Olshfski, D.; Cunningham, R., 1998).

Thus empowerment, substitutes the old hierarchy of self directed teams, wherein information is shared with each person. Employees have the chance and responsibility to do their best.
Spreitzer, G., (1995) presented the following assumptions while discussing empowerment:

1. Is not general across situations, it depends on the characteristics of the work environment and people´s perceptions.
2. Is variable; "people can be viewed as more or less empowered, rather than empowered or not empowered"
3. Is not a global concept in all life situations and roles, varies according to work areas.

As it´s shown, most authors suggest that employees are expected to be highly motivated and committed to their occupation.

Spreitzer, G., (1995) mentioned two main consequences of empowerment: effectiveness and innovative behavoir. Empowerment will improve also concentration, initiative and resiliency and thus heighten managerial effectiveness.

Despite the benefit of empowerment as discussed in management literature, there exist a number of disadvantages and limitations, as well. Because empowerment is a never-ending journey and takes time to be effective, employees and leaders may feel impatient. As employees continue to learn on the business, leaders will feel more comfortable entrusting them with decision making powers anda sense of autonomy and making employees feel more comfortable assuming greater responsibility. Bell, C. (2003) noted that as long as companies have workers at distinct levels, empowerment will be a challenge. For Manville, B. &Ober, J.; (2003) employee empowerment has a limited scope as workers are able to make decisions about their immediate jobs or to participate in somewhat broader decisions about their own units, but they still have little or no voice in decisions about the direction of the overall company."

Argyris, C., (1998); noted d that while managers expect the participation of everyone in order for empowerment to exist in an organization, "in the principle the answer is "yes"; in reality, it is a "but." The author alluded that it "is unrealistic to expect management to allow thousands of employees to participate fully in self-governance."

Employees instead of feeling more empowered, they feel more trapped and less able to talk openly about what's really going on. Although managers share some of the responsibilities for undermining internal motivation in

their organizations, the change programs that could create high levels of internal commitment and empowerment in corporations do not yet exist (Argyris, C., 1998).

In general, empowerment is likely impress on the employees that they are trusted,their experience is valued and sought after. It allows good workers to become excellent employees who are personally invested in the team as they are implementing their own plan, rather than one foisted upon them by the organization. For empowerment to be successful employees must be entrusted to make organizational and operational decisions. But to do so, they need to be properly trained (Greisman, B., 2009).

Hypothesis

H1. Constructive and helpful attitudes from leaders constitute a significant variable to endorse an empowered environment.

H2. Clear objectives from leaders constitute a significant variable that endorse empowerment.

H3. Recognition from leaders to subordinates constitutes a significant variable that endorse empowerment.

Research Method

The methodology used in this study was adapted from Murrell, K. L., & Meredith, M. (2002). A questionnaire was applied to directives, managers and supervisors from the hotel sector in Guadalajara, Mexico. In total 119 questionnaires were made.

Questionnaires were distributed personally and participants were invited through a personal invitation in order to achieve 100% rate response. Since this research was not experimental or quasi experimental, this means, it is expected association rather than causality; random sampling was not an issue (Kerlinger, F., Lee, H. :2004).

The questionnaire consists of an introductory statement, with five possible answers and two final statements. It is comprised of thirty questions. The survey questions were classified into six different areas, in order to relate the variables, based on aMurrell & Meredith´s questionnaire.

As well, the questionnaire consists of an introductory statement, with five possible answers and two final statements. It is comprised of thirty questions, as follows:

	AREAS

	Area 1. Information: Communication* and learning**	
Q1	Level of information provided to employees.	
Q2	Level of access to the information in a system	
Q3	Aperture to free discussion among colleagues about work	
Q4	Level of confidence to express opinions to superiors.	
Q5	Ensure that all information reaches the right people.	
	Area 2. Decision making: Action* and Transformation**	
Q6	Making and implementing decisions considering the interests of all people involved.	
Q7	Promptness and consensus about decision-making	
Q8	Relevance of individual decision making and teamwork.	
Q9	Implementation of delegated tasks to ensure success.	
Q10	Level of stimulation to promote teamwork.	
	Area 3. Planning:Organization* and service**	
Q11	Planning of activities involving subordinates.	
Q12	Organization and allocation of the activities of subordinates.	
Q13	Planning activities for the completion of a work project.	
Q14	Level of work of work as team of subordinates and the leader when facing a very complicated project.	
Q15	Organizational design involving subordinates to encourage the delegation of authority and power.	
	Area 4. Evaluation: Control* and Liberation**	
Q16	Evaluation of subordinates seeking feedback and right of reply.	
Q17	Frequency and objectivity of the feedback received by subordinates about their performance.	
Q18	Type of control approach of subordinates seeking to increase the levels of responsibility.	
Q19	Monitoring progress of projects and reward management and deadlines.	
Q20	Discussion and search for solutions when having problematic employee.	
	Area 5. Motivation: Leadership*and Mentoring**	
Q21	Role of the leader to lead a team and knowledge of the employee's activities in order to retain the leadership role.	
Q22	Motivation focused on the type of work and the situation in which the employees can give their best performance.	
Q23	Types of motivation for employees oriented at recognition and satisfaction.	
Q24	Leadership position designed to demonstrate what is known and blindly trust in self opinions.	
Q25	Effective collaboration through knowledge-building with unmotivated employees.	
	Area 6 Development & Selection: Assignment * and Creation**	
Q26	Employee selection discarding conflicting, lazy and difficult to control.	
Q27	Feedback and solutions when subordinates when they do not do their job properly.	
Q28	Levels of consciousness and learning capabilities that can be achieved when working in teams	
Q29	Existing developed level of recognition and importance of subordinates with several years in the company.	
Q30	Support to the subordinate who is not developing their work through comprehension and support within the capabilities of the leader.	

*Basic Skills
**Competence of empowerment

Once the data collection phase, the coding and tabulation items was proceed by recording the data in each of the questionnaires considered valid. This was done using SPSS (Statistical Package for Social Sciences).The results were examined with factorial analysis and consequently a regression model, under the method "step-wise".

Results

The table 1 shows the frequency and percentage of women and men. Corresponding to the Feminine gender, there were 71 questionnaires, which makes a total of 59.7%. Finally, regarding the Masculine gender, there was a total of 48 questionnaires; corresponding to 40.3% of the total.

TABLE 1. GENDER FREQUENCY AND PERCENTAGE

Gender

	Frequency	Percent
Feminine	71	59.7
Masculine	48	40.3
Total	119	100.0

TABLE 2. MANAGERIAL LEVEL FREQUENCY AND PERCENTAGE

Level

	Frequency	Percent
Link	72	60.5
Manager	29	24.4
Submanager	18	15.1
Total	119	100.0

Table 2 shows that frequency and percentage of each managerial level. Submanagers have 15.1% of the total, which is 18 questionnaires; Link employees have 60.5% corresponding to 72 questionnaires and finally Managers have 24.4% of the total, corresponding to 29 questionnaires.

The maximum, minimum, mean, standard deviation, kurtosis and skewness statistics for each question reach the criteria of normality (moderate in this case). Factor analysis was used to analyze the data obtained. Values also were analyzed with the Cronbach´s Alpha, where factors 1, 2, 3, 4, and 6 are valid according to acceptable internal Cronbach's Alphas values (over 0.6). In addition, results showed that Adjusted R Square value of 0.123 demonstrates that approximately 12.3% of the variability of the variable Q9 (Level Empowerment) is explained by the variation of the independent variables "Communication with peers" (Q3) "Attitude of Leadership" (Q21) and" leadership targets "(Q24).

Subsequently, a regression model was obtained with the dependent variable "Level of empowerment (Q9) and variables "Communication with peers" (Q3), "Attitude of Leadership" (Q21), "Leadership targets"(Q24) as independent or explanatory. The independent variables were determined under the method "step-wise".

Table 3 ANOVA (Analysis of Variance) demonstrate that the regression model is statistically significant at least at a level of 99% (See A. Significance value). Therefore, it is rejected the null hypothesis on all the estimated parameters are zero.

TABLE 3. ANOVA[B]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	37.247	3	12.416	6.529	.000[a]
	Residual	218.685	115	1.902		
	Total	255.933	118			
a. Predictors: (Constant), Q24, Q21, Q3						
b. Dependent Variable: Q9						

Source: Own elaboration

TABLE 4. COEFFICIENTS[A]

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	T	Sig.	95% Confidence Interval for B LowerBound	UpperBound
1 (Constant)	3.449	.437		7.890	.000	2.583	4.315
Q3	.312	.092	.299	3.391	.001***	.130	.494
Q21	-.232	.085	-.239	-2.729	.007**	-.400	-.064
Q24	-.180	.086	-.181	-2.087	.039*	-.351	-.009

TABLE 3. ANOVA[B]

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a.Dependent Variable: Q9							
R2 =1.902 F Value = 6.529 Sample Size =119							
*Significant at .05; **Significant at .01; ***Significance at .001							

Source: Own elaboration

Based on the results of Table 4, all coefficients of the variables Q3, Q21 and Q24 are statistically significant because T values (in absolute value) are above 1.96. Similarly, Qvalues are less than 0.05 and confidence intervals do not that the estimate value is 0. As a result, H1 & H2 are accepted, since variables Q21 and Q24 are statistically significant. The variables Q21 and Q24 show a negative effect on the dependent variable. These variables are related to leadership. While P21 represents the role of the leader and the ability of learn more of the employee's jobs than themselves in order to maintain the leadership status quo, Q24 represents the position of leader to display his/her knowledge and the imposition of his/her ideas. If the leader care less about his/her status quo and allow employees to do their job independently, a higher level of empowerment will be achieved. The finding results consistent with the literature since the leader should collaborate and set an example for employees to achieve success and power. Supporting this claim, Rapp, A.,Ahearne, M., Mathieu, J. &Schillewaert (2006)indicate that managers should do a better job of demonstrating the meaningfulness of work; allowingworkerscontribute in decision making, removingbureaucratic constraints and expressing confidence.

Additionally, H3 is rejected given that it was not significant. In contrast, communication with peers about work is positively associated with the level of empowerment. This variable that represents the free discussion between colleagues about the job leads to a new statement: Whether there is more communication and free discussion about work among employees, there is a higher level of empowerment and vice versa.

Even thoughliterature states"communication between employees and managers" as a variable that contributes to enhance the empowerment level, little or nothing has been study aboutcommunication and free discussion on work among the employees and leaders. Few authors, like Kieslinger, B., Pata, K. &Fabian, C. (2009) denote the importance of collaborative learning among workers. Communication would consequently result in feedback and mutual support between employees and therefore more autonomy supported on the exchange of information that helps the decision making of the employees. An employee may be benefited from the experience of another.

Conclusions

The observed results are not favorable in terms of empowerment level of employees who were ranked in a low to medium level. Therefore it is suggested that companies in the hotel industry generate a plan of action to achieve the transformation needed to increase the level of empowerment, which is relevant and appropriate for the institution to acquire the fundamental soundness and credibility to operate efficiently and effectively and thus achieve full customer satisfaction and international competitiveness.

A significant result in this research is that the communication level and free discussion about work among employees or participative collaboration is the most representative and positive variable of empowerment, even more important than other variables such as mentoring. Communication can be comprehended as an indispensable element of an organization and it should be considered as a function that concerns to the entire company since it directly influences its daily operations and goals (Malmelin,N., 2007). Hence, it is recommended to managers to establish an organizational environment that endorses communication and feedback between employees, enabling them to learn from their pals and support each other. Significant participation by individuals who have unique and noteworthy experience can foster strategic decisions and commitment to execute those decisions effectively (Vroom, V.H., Jago, A.: 1988).

In addition, it was found that significant variables that influence the level of empowerment of employees are associated to leadership. The leader must assume a collaborative role and supply all essential information to employees so they can perform their activities in an autonomous approach. The commitment of the leader will allow the employees to achieve higher levels of empowerment and consequently, to maintain or increase competitiveness in the company.

Finally, empowerment has been proved to be a successful providing autonomy to employees, working as tool for information and experience learning exchange and improving job performance. For hotel Industry, the improvement of quality in processes and activities is valuable, since employees are the most important asset (Hamidi, Y., 2009).

Employees become reliable and therefore their experience is appreciated and significant. Moreover: good workers become excellent employees.

Limitations and Research Recommendations

In order to lessen limitations, it is recommended additional researches using different samples in other industries, regions or countries in view of the fact that research focuses only on the Hotel Industry in Guadalajara, Jalisco.

Furthermore, as quantitative data rather than qualitative data were gathered, the research does not exemplify the particular work conditions of participantsto further examine our hypothesized relationships.

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