The Role of Empowerment in Crisis Management in Business Organizations

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Abstract: The study aims to show the role of empowerment in the management of the crises to which the organization is exposed. This study will concentrate on empowerment of workers as an effective weapon to encounter crisis in addition to availability of the information related to the crisis. Other points of attention by this paper are the presence of alert leadership which senses the future from the events of the past and from what is taking place at the present time and the existence of an effective system of communication with channels of advanced technological means of communication. Moreover, and for sound empowerment of workers there should exist a flexible organizational structure which makes allowance for delegation of powers to guarantee effective participation of working staff members to encounter crisis.

Key word: Business organization, crises management, empowerment

INTRODUCTION

The study concentrates on the role of those who work in the business organizations as a basic resource of the organizations, how the workers are empowered and prepared for facing crises and how to act when they take place and making sure that properly utilize the resources which are available for the organization through the integration of the role of the human power with the role of communication, the role of information and the role of the organization leadership to form one strong and powerful front which is capable of facing any crisis. There are many states which are suffering now from a financial economic crisis because of the global financial crisis which stormed all countries without exception. The size of the damage which strikes states varies according to the linkage of the state with damaged global financial institutions (Al-Ashmouni, 2009).

You may find a certain state which has no economic or financial relation with the state in which the financial crisis took place, but the national banks in this state keeps balances of deposits in the banks of the country where the crisis erupted; in addition to the fact that there are investments for the citizens of the country in the shares of the stricken state or the state which was caused the crisis which will inevitably impact the economy of the affected country. One close example of this impact are the banks of the state of Kuwait and the Kuwaiti investors in external securities (Al-Subai'i, 2009).

The organization itself may be a cause of creating a local crisis which affects it in particular whether in its products, employees, or stakeholders. The most significant causes of this type of crisis include administrative corruption in the organization, the strikes of workers therein etc. There are numerous examples of such crisis such as the crisis which led to the collapse of Petra Bank in Jordan and the strike of railway workers in France as well as other examples.

Here, the crisis lies in the fact that this corruption worsens and spreads in the organization so much as to become a part of its culture especially since the cure of the crisis caused by corruption lies in the eradication of corruption and its makers from the organization and rebuilding the latter in a way based on professional values and ethics (Faris, 2008).

Thus if the organization administration patronizes and encourages the process of the employees' empowerment, it must in this case prepare the circumstances which allow the individual employees to practice their proficiencies and capabilities of supervising their work. This strengthens their spirit of initiative and performance of meaningful work (Milhim, 2006).

As regards to the employee, he should have a feeling of his personal capacities. Here comes the role of empowerment to support this employee's consciousness of his personal abilities. This comes through the organization's removal of all that which may cause the feeling of inability (Spreitzer, 1996).
For the good planning for crisis management may contribute to the prevention of certain crisis. In addition sound planning for crisis management may help in avoiding the element of surprise when a crisis takes place outside the organization (Rao et al., 2007).

Importance of the study: The importance of this study emerges from its concentration on how strong these organizations are in equipping themselves to face crises before they come. This can be achieved through the mobilization of their resources, expertise, potentials and abilities to firmly stand against such crisis rather than surrendering to the crisis leaving it to do what it likes and than the organization, after the end of the crisis, will try to recover, only to fall into a new one and try to rebuild a part of what was destroyed by the crisis.

Aims of the study: The study aims at the following:
- Acquainting the reader with the concept of workers' empowerment, its requirements and how it is achieved.
- Showing the role of empowerment in the management of the crises to which the organization is exposed.
- Showing the difference between the organization which applies empowerment and the organization which does not believe in empowerment in the management of each organization's management of crises.

The problem of the study and its questions: The problem of the study was formulated in accordance with the following statement: "Empowerment of the workers has a basic role in crisis management". This problem was studied according to the following questions:
- What are the qualities of the organization which empowers its employees?
- What is the effect of empowering the employees in making the organization emerge from the crisis victorious or with minimum losses?
- Does empowerment have other benefits than crises management?

Study hypotheses:
- HO There is no relation of statistical significance between the readiness of the organization as represented by its management to empower its employees and their empowerment (Table 1).
- HO There is no relation of statistical significance between the process of empowerment of employees and the effective management of crisis (Table 1).
- HO There is relation of statistical significance between the strength of empowerment and emergence with minimum losses from the crises (Table 1).

THE STUDY TECHNICAL TERMS

Readiness of the organization to empower employees: The variable points out to the necessity of the availability of empowerment requirements in the organization including a leadership that believes in the importance of empowerment embodied in the organization's culture. The leadership in the organization should highly esteem inventiveness, reward and bless creative ideas, develop an atmosphere of mutual respect among employees and modify its operations and organizational structure to become more flexible and readiness to delegate powers in application of the methodology of work teams (Al Ma‘ani, 2008).

Empowerment of employees: There are several definitions for empowerment. The researcher contents himself here with the following definitions which are in harmony with the requirements of this study.

Empowerment is the process of acquiring the strength which is needed for taking decisions and contributes to laying down the plans and especially those that belong to the position or office of the individual and using the expertise of individual to improve the performance of the organization (Effendi, 2003).

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Dependent variables</th>
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<tbody>
<tr>
<td>Readiness of the organization to empower employees</td>
<td>Empowerment of employees</td>
</tr>
<tr>
<td>Relation based on mutual trust</td>
<td>Their qualification to assume greater responsibilities</td>
</tr>
<tr>
<td>Training of employee</td>
<td>Giving them powers to take decisions</td>
</tr>
<tr>
<td>Delegation of powers</td>
<td>Self-supervision</td>
</tr>
<tr>
<td>Flexible organizational structure, horizontal form</td>
<td>Effective crisis management</td>
</tr>
<tr>
<td>Empowerment of employees</td>
<td>Expectation of crisis</td>
</tr>
<tr>
<td>Ability to assume responsibilities</td>
<td>Preparation for facing It</td>
</tr>
<tr>
<td>Ability to make decisions</td>
<td>Preparation of emergency plan</td>
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<tr>
<td>Strength of empowerment</td>
<td>Emergence from crisis with minimum losses</td>
</tr>
<tr>
<td>Support of administration to the empowerment process</td>
<td>Updating and development of emergency plan</td>
</tr>
<tr>
<td>Incentives and their role in empowerment</td>
<td>Adjustment with crisis</td>
</tr>
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<td>Direct and indirect feedback.</td>
<td>Dealing with damage and losses one by one</td>
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Table 1: Model of the study
Empowerment is a strategy that aims at the release of inherent energies in individuals, and makes them participate in the operations of building the organization, taking account of the success of the organization depends on the harmonization of the individuals' needs with the organization's vision and distant aims (Brown and Harvery, 2006).

Empowerment is a transfer of responsibility and power, a call for employees to participate in the information and knowledge which are provided by the organization via its database, and in the analysis of problems, making of decisions and consequently in the power of decision-making. This is for making the subordinate responsible for the good quality of the works he decides or does. This, in turn, leads to the transfer of power from the boss himself in a relative way (Al-Utaibi, 2004).

Strength of empowerment: The existence of an organization which is capable of the empowerment of its employees through the availability of empowerment to this organization, results in having empowered employees. An empowered employee is the one who feels ownership of and belonging to the work which result from his ability to assume the responsibility of decision-making and the responsibility for its consequences (Al-Ma’ani, 2008). Empowerment becomes stronger whenever the organization prepares the circumstances which make the employees supervise their study via their own proficiency. This enhances the spirit of initiative among them and makes them insist on the performance of the tasks (Cook and Hunsaker, 2001). This in addition to encouraging the employee, rewarding him and motivating him to release the spirit of initiative and creativity through freeing him from restrictions (Zemek and Schaff, 1989).

Effective management of crises: A crisis is defined as being the moment whenever the organization is exposed to danger (Stone, 1995), John Bert defined it as a continuous chain of events which start with a small incident that develops to a larger event, then changes into something like conflict and ends up with reaching the degree of crisis.

Incident – Accident – Conflict – Crisis

Moreover, the crisis can be defined as a kind of shattering and deterioration which actually affects the system of the organization, threatens its fundamental bases, its self-consciousness and entity (Al-Jammal and Ayyad, 2005).

Effective crisis management is based on the following props:

- Diagnosis and defining the causes of the crisis
- Defining the goals desired from the crisis management
- Restriction of the crisis exacerbation
- Defining the possible alternatives (Hwanway online, Maktoob10g.com)

Crisis management is based on several aspects which are related the leader's qualities and the leadership pattern which is followed in the organization. These aspects include the house or the body and flexibility, creativity, simplicity and delegation of powers (Smith, 2000).

In the circumstances of crises the leader should be open to accepting the suggestions which help in the resolution of the crisis and he must be determined to allow the emergency team leaders to give help. He must also be calm and self-possessed. He has also to be characterized by decisiveness in dealing with the crisis and quick in dealing with, relying in that on his excessive skill in the speed of decision making, delegation of powers to his assistants and to the leaders of working teams.

Emerging from the crisis with minimal losses: In often happens that many crises are preceded by signs, indications or warnings that there is an impending crisis. Those signs and warnings are expressed as an early warning that the organization has to discover through visible things and the unusual things that take place in the general or special environment of the organization. In accordance with these items of information, organizations assume that the crisis is inevitably happening, so that these organizations must take precautions to face the crisis through the principle of "prevention is better than cure". The aim of prevention or protection is to discover the weaknesses in the protection system of the organizations, which means re-assessment of the protection system in order to develop it and make sure of its ability to face the crisis before it takes place (Al-Ammar, 2005).

The main aim of the protection and readiness system is to contain the damage resulting from the crisis so that the organization may emerge with minimal losses. This step largely depends on planning. For good planning for crisis management may contribute to the prevention of certain crisis. In addition sound planning for crisis management may help in avoiding the element of surprise when a crisis takes place outside the organization (Rao et al., 2007).

LIMITATIONS OF THE STUDY

Crises, in themselves, are of different types and forms. Some of them are frequent while others are rare. Some have disastrous consequences and effects, others have limited effects. In addition, there are local crises and there are global ones. On the other hand, at the level of
business organizations, there are crises which affect these organizations. Some of these latter ones take place within the organization itself, while others happen within the special or general environment of the organization. The limits of this study will be in discussing crises management in the business organizations and the crises that take place within the organization or in its own environment.

For the purposes of this study the term special environment does not mean local environment for example, but means the environment of the industry to which the organization belongs. For example the special environment of a Jordanian bank is the banking sector in Jordan and the global banking system; because banks must deal with banks which are outside the borders of the state in which they exist. Moreover, industrial companies deal with internal and external competitors. They also deal with providers of raw materials in outside markets and so on.

Previous studies:
The study of Nuwayi (2009) (The Governor of the Banque de France - The Central Bank): Nuwayi affirmed that the Islamic banking instruments have a wide reputation now among most banking systems in the world. Hence came the conviction of the French government finally to be open to the Islamic financial instruments, to recommend taking full necessary organizational and tax measure at the quickest possible time.

Al-Wakid's study (2009): The study aimed at showing the effects of the global economic crisis on Jordan, and the clarification of the role of administrative corruption in creating crisis in business organizations. It also demonstrated that what is going on now and in the future has led and will lead to revisions of the policies and ideologies of free economy and once again to the rehabilitation of the policy of the states' intervention in the economic activities and the social market economy, which returns the Keynesian theories of the renowned British economist John Maynard Keynes.

The study also clarified that the linkage of the rate of exchange of the dinar with the U.S. dollar does not represent a solution to the problem. It also clarified the necessity of revising and lowering the interest rates on deposit and lending. Moreover, the banks must intensively deal with the low-moving loans and clear their portfolios of bad debts and attract new deposits.

In addition, the study clarified several factors leading to corruption, including political, economic, socio-cultural and administrative organizational factors. The crisis lies in the assumption that this corruption would exacerbate to become a part of the organization's culture.

The study of Eisa, Muhammad Abd al-Shfee‘ (2009): The study aimed at showing that the impact of the global financial market on the work and unemployment of the Arab woman would be greatest, and in particular, under slowness of the growth of labor force- Hence the woman must be empowered in the labor market through the development of her professional skills from the competitive perspective and increasing her productivity of study.

The researcher puts forward suggestions for increasing the woman's empowerment in the labor market like microprojects and producer families.

The study of Faris (2008): The study aimed at the clarification of the role of administrative corruption in causing crises in business organizations. Here, the crisis lies in the fact that this corruption worsens and spreads in the organization so much as to become a part of its culture especially since the cure of the crisis caused by corruption lies in the eradication of corruption and its makers from the organization and rebuilding the latter in a way based on professional values and ethics.

The study of Sikich (2008): The study aimed at showing the weaknesses in planning for crises management and pointed out that the weaknesses in planning for crisis management were represented in the following:

- Unavailability of a system to gather and transfer the information needed for planning. This includes an analysis of the crisis.
- The failure to define and create structured teams for events, which means that such organizations did not believe empowering their employees for their active participation in the solution of the crisis.
- Absence or weakness of coordination with the units affected by the event such as fire fighting teams, police, hospitals etc.
- Weakness in defining organizational responsibilities. This is caused by the failure to give a brief clarification of the measures, tasks and duties related to the personnel.

The study of Heller (2005): The study aimed at the clarification of the empowerment idea as that it is not an individual operation i.e. related to an individual or a group of individuals within the organization, but it goes further than that to become a relational management based on a profound organizational method.

The researcher gives an example of empowerment when it is individual or personal through a field research that dealt with British managers. For the findings of the research reveal that 56% of the managers who were asked were still planning for the empowerment of their subordinate officials. Meanwhile the number of the
companies which have not laid down a plan for empowerment exceeded half of the sample. This means that these companies contented themselves with theoretical empowerment through narrative accounts in the literature of management or through the letters addressed to the employees.

The study came to the conclusion that working personnel empowerment must be subjected to actual practice that can be supervised and developed through their reinforcement and support by the administration of the organization.

THE THEORETICAL FRAMEWORK

Acquaintance with the employees empowerment and the requirements and realization thereof: The empowerment of working personnel is represented in freeing the employee from many traditional functional or job restrictions, especially those which limit the freedom of action. Thus if the organization administration patronizes and encourages the process of the employees' empowerment, it must in this case prepare the circumstances which allow the individual employees to practice their proficiencies and capabilities of supervising their work. This strengthens their spirit of initiative and performance of meaningful work (Milhim, 2006).

The other party in the empowerment process is the individual himself. If that individual is not prepared to become an empowered official, the efforts of the organization and its administration are bound to fail. Because independence is an intellectual state and a conceptual context that cannot be developed through its mere imposition on a person from outside (Al-Ma'ani, 2008).

The researcher feels that the empowerment process can be illustrated as a bilateral equation whose two sides are the organization and the employee as follows:

Empowered Administration + Empowerable Employee = Success of Empowerment Process

As regards the employee, he should have a feeling of his personal capacities. Here comes the role of empowerment to support this employee's consciousness of his personal abilities. This comes through the organization's removal of all that which may cause the feeling of inability (Spreitzer, 1996). Psychologists and sociologists refer to this type of empowerment as psychological empowerment which depends on conceiving empowerment via the individual’s conception of the following:

- **Meaningfulness**: This means the individual’s conception that the tasks which he performs are meaningful and valuable for him and others, and agree with the requirements of the study (Al-Ma'ani, 2008).
- **Competence**: it is realized when the employee conceives that he is capable of performing his work successfully and very skillfully through reliance on his experience, skills and knowledge (Spreitzer, 1996).
- **Self-determination**: it means the individual's realization that he is free to a degree that he can choose the methods of carrying out his work (Deci et al., 1989).
- **Impact**: This means the individual’s realization that his presence in the organization impacts the decisions that are taken at the organization.

As regards the organization, and for the empowerment should possess the following requirements:

- **Empowered leadership**: it is the leadership which provides the employees with opportunities for their empowerment via providing resources and information to the employees of lower administrative levels, to delegate powers, to make employees share in taking decisions and bearing the responsibilities thereof and to motivate its employees to be creative in work, to reward the working personnel for their inventive initiatives and to support confidence between the organization and the employees.

- **Empowered operations**: empowered operations that are performed inside a certain organization are regarded to be a means which is invested by the organization in releasing the energies and potentials of its working personnel for the achievement of the aims of the organization. Training is regarded to be one of the most important requirements of empowerment, provided that it aims at increasing the efficiency of working personnel and improvement of their performance especially when the training programs are linked with incentives that
motivate the workers to move towards training (Al-Ma’ani, 2008).

- **Empowered culture**: its importance comes from the fact that it helps in implanting and sustaining the values and behavior required by the organization. It also helps the working personnel in performing their duties in a sound manner, and in particular, when behavior is targeted in a manner that cannot be defined in advance. The means that carrying out effect empowerment requires a new organizational culture which takes into account the individual’s attitudes and behavior (Martin, 1992).

- **Knowledge management**: knowledge management means the acquisition of information and data, selection of what is good thereof and processing that, and the storing thereof in mechanized or manual systems to become a publishable knowledge, and facilitation of referring thereto by all the members of the organization (Fernadez, et al., 2004). Thus the management of knowledge is an endless project as knowledge is being renewed around the clock. For the obtainment of new knowledge augments the employee’s experience, skills and cognitive acquisitions that enhance his ability to perform the tasks of work efficiently and independently and with wider participation in making decision.

- **Work Teams**: The organization must redesign the work in order to make it work collectively. And the employment of the work teams is much harmonious with the empowerment of the working personnel. We also find that the decisions and ideas issued by the work team are better than when the work is performed individually (Besterfield, 2003). The most important benefit reaped by organizations when self-managed work teams i.e. empowered work teams include flexibility, improvement of productivity, decreasing cost and solution of numerous problems and difficulties (Little and Ferries, 2002).

- **Production technology**: the availability of technology and its agreement with the development of human capacities that operate equipment and software helps in the achievement of the empowerment of working personnel (Al-Ma’ani, 2008).

Therefore the researcher feels that the psychological and the structural empowerment inside the same organization complement each other. So the presence of the working personnel who possess all the four comprehended elements which were mentioned above without the presence of leadership, operations, culture knowledge, work teams empowering technology in the organization, empowerment will not be realized and vice versa.

The role of empowerment in managing the crises to which the organization is exposed: Irrespective of their type, crises are characterized by qualities most important of which are the following: surprise, escalation of events, shortage of information, loss of control, absence of quick solution and sometimes the spread of panic.

Hence empowerment is regarded to be a modern administrative input that helps in the expectation of incidence of crises through early warning. Empowerment also helps in the sound planning for the management of this crisis because it helps in directing of the thinking of workers towards inventive thinking and also enables them to act properly in difficult situations.

Moreover, empowerment is regarded to be one of the subjects that were met with keen interest by researchers in human resources management field. In their researches and studies these people emphasized that workers empowerment is conducive to the improvement of quality, realization of job satisfaction (Al-Tahir and Marzouq, 2004).

**Type and nature of the study**: This study was accomplished in accordance with the descriptive and analytical methods. For there was a description of the ways that help organizations in the management of the crises that befall them from the actual reality of theoretical literature and previous studies. In addition the data that were gathered from the study sample to get acquainted with the manner of running the crisis which formed the study sample.

**The study population and sample**: The study population consists of the banks and financial companies which are working in Jordan; because this sector is regarded to be one of the sectors which are most sensitive to crises whether such crises are financial, technological or cognitive ones.

On the other hand, the study sample consists of the Housing Bank for Trade and Finance, the Jordanian Commercial Bank and al-Sanabil International Company.

**Data gathering methods**: The required secondary data were collected from available books and studies in the bookshops.

The preliminary data, on the other hand, were gathered through a questionnaire that was distributed to public relations directors and employees in the banks and companies of the sample to the amount of six questionnaires for each bank and company; thereby the sample number of individual amounted to 18.

**FINDINGS**

- The organization's adoption of the process of empowerment through planting confidence in their
souls in the importance of the works they do, consulting them, taking their opinion, listening to their points of view, in addition to listing them in training programs that aim at raising the level of their thinking to become original and creative over and above the presence of a flexible organizational chart which allows the transfer and delegation of some powers and responsibilities in a manner that contributes to the process of the empowerment of employees in an effective and basic manner.

- The empowered employees who enjoy independence in taking decisions can bear the results of these decisions, and consequently they are qualified to expect problems, difficulties and crises and confronting them through the knowledge and experience which they possess.
- If the empowerment process receives great attention by the administration of the organization, the empowerment of the workers will assume the quality of strength in a manner that enables the empowered employee to act as if the organization were his property. And when the crisis takes place these empowered employees work for the preparation of an emergency plan before the crisis happens and through its early warning in order to circumvent it and emerge from it with minimal losses and damage.

**RECOMMENDATION**

- The administration of the organization must look to the employees as a human capital and not as mere cost of salaries, leaves, health services etc.
- Upon the discovery of an employee who has stored capacities, unutilized potentials and a high level of self-confidence the administrations of the organization have to encourage him, support him and empower him through giving him more powers and making him take part in decision making.
- Organizations must move from the ideas of traditional administration and the roles thereof which are based on close control, and they should give the working personnel more confidence to observe their works. The best means to secure the success of that is collective work or work teams.
- In order to test the ability of its empowered employees, in solving crisis, the organization must every now and then devise artificial and secret crises and ask the employees to resolve such crises.
- The administrations are to encourage the empowerment of their employees not only in words but also in deeds through generous incentives and bonuses.

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