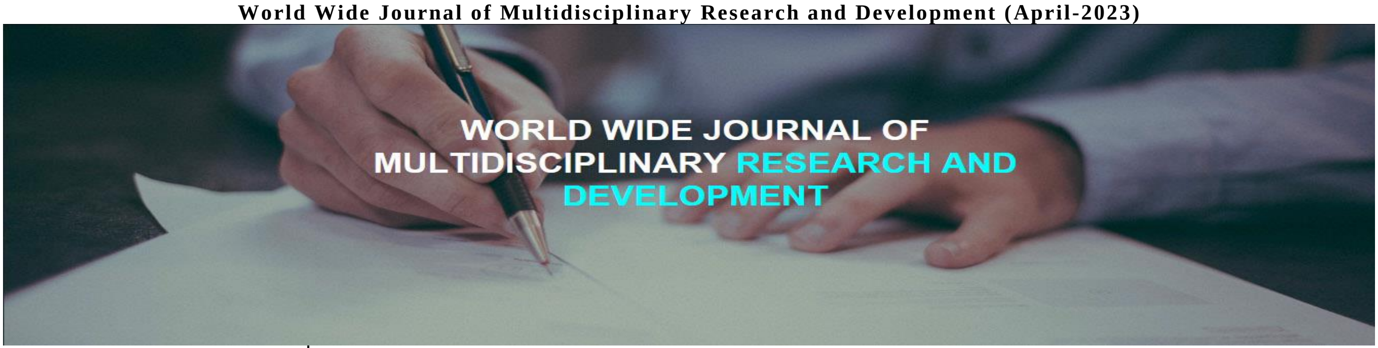

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Empowerment and value creation

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Abstract
The creation of value, as a privileged objective of company management, tends to impose itself as a performance indicator and a measure of the relevance of strategic decisions. Creating value is a global process that originates from the initiative of the actors and the investment of the entrepreneur and that develops thanks to the favorable environment created by a sharing of power leading to the search for a new balance between all the stakeholders. Thus, the creation of value extends from the primacy of the shareholders to the stakeholders. It emerges that the value created by empowerment will be economic, social and institutional in nature.

Keywords: Empowerment, Economic value, social value, Institutional value.

Introduction

Every manager today is confronted with the notion of value creation in order to improve the management of his company. The creation of wealth or value by the company originates in the creation of profit and the accumulation of capital, which in turn is reinvested (Roche, 2002). But with the work of Donalson Brown in 1924, the notion of value is reflected and integrated into the concept of management. In these terms, Damon (1998) illustrates this idea: "for several years, within various large international groups, I have been able to experiment with value creation not only as a method of financial analysis but above all as a priority objective of management". She also postulates that the creation of value is based, among other things, on the hypothesis of delegated management where the company is broken down into multiple responsibility centers, which is in line with the principle of empowerment.

In order to remain competitive, companies have understood that empowerment may be the key that will allow them to face new international challenges (Merlant, 1996). Byham (1996) considers empowerment to be one of the most effective strategies used today by companies around the world. In fact, companies such as IBM, Hewlett-Packard and General Electric maintain that empowerment is the driving force behind continuous improvement in terms of quality, productivity and customer service, thereby creating value.

This being the case, it would be interesting to study the contribution of empowerment to the creation of value in an economy where everything tends towards the immaterial. This is what will constitute the problematic of our theoretical investigation expressed by the following question: "To what extent does empowerment allow for the creation of value?" and which aims to show that the value created through empowerment is not only shared by customers but also by employees, managers and shareholders.

I- Empowerment: Beyond the simple delegation of power

The notion of empowerment is of Anglo-Saxon origin, it has been much talked about and is used in multiple contexts such as politics, ecology, personal development, social work, psychology and management. Similarly, it covers various meanings and, according to Dufort (2001), in the various contexts in which it is used, evokes the idea of a gain in power. Morin (1996) defines empowerment as the power to act with authority "to be effective, the work team must have the power to negotiate agreements and make the adjustments required to accomplish its mandate". Empowerment is therefore the action of a person, a group, a team or a community, allowing those who participate in it to obtain a gain of power over themselves and their environment, allowing them more concretely to take a greater place in the decisions that concern their lives and allowing others to have access to it, because practicing empowerment for oneself is also to promote its appropriation by those around us, colleagues and clients. It is a mirror process, as Besson (2001) emphasizes. For his part, Kieffer (1984) defines empowerment as "a process of long-term development and learning of an actor with a view to increasing his competence to participate". This is why we can see that empowerment has subsequently emerged as a critical construct for organizational innovation according to Spreitzer (1995) and organizational effectiveness according to Conger and Kanungo (1988) and Kanter (1983). At this level, the overall efficiency of a process will be improved if, for example, a work team knows how to perform first-level maintenance on its work tool and can solve 80% of the problems without moving a maintenance team. Finally, empowerment is presented according to Byham (1996) as "a corporate value that allows each person to take ownership of his or her work, to make decisions, to assume real responsibilities and to be evaluated on his or her results and to follow up on his or her actions. Team members feel valued because they are recognized as valuable individuals".

II- Types of empowerments

There are two types of empowerments: individual and community. The first type refers to a process that focuses on the characteristics of each individual employee in order to detect the key success variables that will facilitate his or her access to his or her new responsibility. The second type defines employee empowerment from a global perspective. In fact, the manager will try to detect the employees who can work in cohesion and cooperation.

- Individual empowerment

According to Ninacs (2000) "individual empowerment is a process that takes place on four levels: participation, technical competence, self-esteem and critical awareness. It is a simultaneous sequence of steps that form the transition from a powerless state to one in which the individual is able to make choices and take action:

Participation: implies silent assistance from management, a right to speak for employees, a right to listen and participate in debates and decision making.

Technical competence: refers to the progressive acquisition of knowledge and practical and technical skills required for action by the individual.

Self-esteem: is manifested by the self-recognition of the legitimacy of one's participation and one's own identity and competence, as well as the recognition of one's competence by others.

Critical consciousness: means that the individual must be aware of the importance of collective and collaborative work.

These four phases must be intimately linked to each other and one cannot do without any of them. In fact, "the components of the empowerment process are intertwined like a cable made of four strings where one strengthens the others while being strengthened itself. This reciprocal reinforcement occurs gradually along a continuum that varies according to a considerable number of variables. It follows that the absence of one component would reduce or even cancel out the scope of empowerment" according to Ninacs (2000).

- Community empowerment

According to Ninacs (2000), the implementation of a community empowerment process requires seven steps that can be summarized as follows. It begins with a stage of discovery and collective awareness that manifests itself in a joint identification of the critical element following a strategy of dialogue and discussion between leaders and subordinates. This fosters a sense of collective ownership and partnership that encourages cooperation and participatory infrastructure. Second, joint diagnosis is used to develop organizational skills. Finally, the community will develop its strategic planning and will make its evaluation in terms of implementation of the empowerment process.

III- Value: A fragmented notion

At a time when it is recognized that the role of the company goes far beyond that of a simple instrument for maximizing profits for the benefit of shareholders, we see the rise of personal judgment and the debate on values. According to the Larousse de Poche, value means "what a person or thing is worth". Value is a broad notion that includes multiple meanings and has been used in various fields. Values are not attitudes or behaviors, they are implicit rather than explicit. According to Nathalie (2001) "values, ranked in order of importance, are one element among others such as norms and representations of the culture that orient the individual towards desired behaviors and goals in life and ensure the evaluation of situations. Values are then deeply rooted motivations or orientations that guide action. In the absence of values, one generally lacks the reference points to situate oneself and act.

IV- Typology of values

Several studies have focused on classifying values. Rokeach (2000) links values to beliefs and believes that they have as their object the goals of existence or the ways of translating into existence. "Values are ideals, preferences that predispose individuals to act in a certain direction. They belong to the deep orientations which structure the representations and the actions of an individual. They are similar to what some psychosociologists call attitudes. They are not directly observable, unlike opinions and behaviors. They can therefore only be reached by inference from what each person is willing to give about himself. The values of an individual constitute his deep identity, what mobilizes him, what makes him live" according to Rokeach (2000).

According to Rokeach (2000), "values are either attainable, i.e. the goals or purposes of action that refer to personal values (comfortable life, freedom, joy, self-respect, friendship, wisdom) and social values (world of peace, equality, national security, etc.). Or instrumental, these are the means or ways of conduct to achieve the goals. The ways of conduct are of two kinds, moral values (courage, honesty, ability to love, obedience, politeness ....) and competence values (ambition, independence, intelligence, imagination, responsibility...)".

Levitin divides values into five dimensions, namely, telic values (last means and ends), ethical values, esthetic values, intellectual values and economic values.

Frioui (1999) considers value as a belief to which everyone adheres. It is a variable of ethics that also includes the norm (the rule to which everyone must unanimously conform) and ideology. Values can be economic values that are appreciated through the creation of material wealth. They can also be social values defined by the relational network that the company maintains with its various stakeholders. Finally, institutional values are understood as the consolidation of the institution's power. It is the stakeholders' feeling of pride in belonging to the company and public recognition.

Indeed, Neveu (2000) and Wirtz (2005) consider that the values created by the company are financial (for shareholders), human (for employees), societal (for the environment) and transactional (for the customer).

Mack (1997) defines value as "that which contributes to life, that is to say, that which nourishes, protects, maintains good health, and makes existence pleasant".

In conclusion, these definitions emphasize three dimensions of value, namely the economic, social and institutional dimensions.

V- The company: A field of value creation

The question of value creation has been central to the various theoretical currents that have marked different areas of management sciences such as strategic management, corporate finance, accounting, management control and marketing according to Schmidt (2008). On a practical level, the theme of value creation has become the major concern of the managers of large companies.

Hoarau and Teller (2001) distinguish two non-exclusive conceptions of value. The first concept of value refers to the notion of competitive advantages and distinctive resources (substantial value), and value depends on the company's ability to develop strategies that allow it to exploit opportunities and neutralize threats in its environment. This conception of value focuses on the learning and motivation mechanisms of the actors. The second conception of value focuses on the financial dimension and is based on the optimization of the management of invested capital, i.e., the profitability of invested capital and the minimization of the cost of capital.

For Freeman (1984) and Clarkson (1995), in addition to shareholders, there are other stakeholders, defined as any group or individual who may be affected by the achievement of the firm's objectives or, more explicitly, as those parties who incur risk in relation to the firm's products and activities and expect other forms of value creation from the firm.

Writz (2006), Ramirez and Wallin (2001) defend an expanded conception of value creation to include investors, customers, employees and/or their representatives, suppliers, regulators. Another tangible sign of this broadening of the scope of value creation is the growing interest in sustainable development, in which societal value is becoming an important element in the choice of socially responsible investment, according to Ferone (2001).

The notion of value creation refers to a systemic vision of the company whose "vocation is to create value for its customers, its employees, its shareholders and more generally the community" according to Chazelet and Lhote (2001).

The value created by the firm is therefore multidimensional and its recipients are multiple. The value thus created can be assimilated to a triad formed by an economic (or financial) value, a social value and an institutional value according to Savall and Zardet (1998):

-Economic value: creating economic value means inventing, producing and disseminating a continuous flow of products or services that sustainably bring satisfaction to those who buy them as well as to those who produce them, according to Mack (1997). Moreover, the creation of economic value is at the heart of the activity of organizations and at the center of their vocation, their purpose and their strategy.

-Social value: creating social value means integrating the company into its internal and external environment. The creation of social value limits the managers' room for maneuver and only exerts a constraint on the market in the long term.

-Institutional value: any institution aims to establish a mode of regulation in order to maintain and perpetuate a state by ensuring the transmission of values and models of behavior. Thus, when the company becomes an institution, it becomes a creator of value.

It should also be noted that value creation is the result of the combined effort of all partners, since the company is considered a diversity of cooperative and competitive interests. The creation of value arouses creativity, develops initiative and requires a level of professionalism. There is therefore accomplishment, self-satisfaction and the organization always seek continuous improvement. However, a value presupposes adherence and involvement, yet we are witnessing a period in which values are imposed, which is why management by values must be renewed and ensure continuous improvement because values are changing. At this level, empowerment favors a certain organizational flexibility and a propensity for change with the permanent concern of creating value for the stakeholders.

III- Empowerment and value creation

Even if empowerment evokes, in all cases where it is used, the idea of appropriation of power, it is not the only concern. According to Hoarau and Teller (2001) the possibility of exchange added to the autonomy enjoyed by the actors develops their capacity to learn. The development of communication, information exchange, learning and innovation constitutes a source of value for the client and the shareholder, which is achieved through employee satisfaction and the creation of social value through a healthy and fulfilling organizational climate that promotes a sense of belonging, self-esteem and fulfillment while developing the skills of each individual.

According to Roche (2002), the creation of value is based on the hypothesis of delegated management by hierarchical lines, i.e., the breakdown of the company into multiple responsibility centers, which is in line with the principle of empowerment, i.e. the responsibility of the actors. The value created is not only shared by customers, employees and shareholders, although these actors remain the main partners of the company, it is also necessary to mention other partners such as suppliers, managers and the community whose satisfaction is also important for the performance and sustainability of the company. Hence, we can say that value is a fragmented and omnipresent notion.

Value creation for suppliers	**Creating value for customers** **Book value of the firm**	**Creating value for employees**
Creation of societal value	**Creating shareholder value**	**Creating value for partners**

Fig. 1: The different aspects of value creation
Source: Roche (2002).

III-1- Creating value for customers

Every company is concerned with ensuring its sustainability in a competitive economic environment. The creation of value for customers becomes an important strategic issue that meets the objective of survival of the company, as Brilman (1995) argues, "The management of activities is fed by a common objective: the creation of value for the consumer.

Empowerment mobilizes autonomous sales teams with access to all the information on the product or service offered with a good reception to attract a customer subjected to a multitude of range offered by competitors. According to Brilman (1995) "The customer sees someone in front of him who can answer immediately and make decisions". From there, what unites a team is the process that brings it to this customer. It is clear that one of the objectives of empowerment is to improve customer service and create value for the customer. There is even a close connection between the value and the extent of empowerment granted to employees, which is a combination of the complexity (variability) of the customer's needs and the degree of complexity of the customer-related task. The degree of autonomy and empowerment given to employees may depend on the complexity of the customer's needs in order to better prepare the firm to create value for the customer (Bowen and Lawer, 1992).

Similarly, as part of the empowerment process, the company is called upon to manage a virtual value chain which, according to Rayport and Sviokla (1996), is based on an informational framework made up of information collected during the stages of the physical value chain. This information does not constitute a support element for the value addition process but a source of value in itself in the sense of Rayport and Sviokla (1996). Based on the information flowing through the virtual value chain, companies will be able to deliver value to customers in new ways and establish new relationships with them. Managing an informational framework in parallel to the management of physical activities allows to provide the customer with the information he needs and the partner with the information concerning the activity subject to partnership.

In parallel, learning is one of the pillars of empowerment. It is a condition for effective action and, according to Argyris (1995), the actor learns in action. The effectiveness of the action will then allow the company to improve its profitability and to better satisfy its target, thus promoting the creation of value for its shareholders and customers.

Finally, empowerment stimulates creativity and encourages innovation. The company can integrate innovation in processes that improve the efficiency with which inputs are transformed into products. Innovation can also be applied to products, so that they are competitive in terms of quality and price, more differentiated and with a faster launch of new products, which then creates value for the customer.

III-2- Creating value for employees

For Damon (1998), value creation starts within the organization by clearly defining each responsibility. At this level, empowerment aims to involve and give responsibility to employees and to give them autonomy and the means to make decisions, whether they are collaborators or operational, in order to be effective in the action to be taken. We deduce that the employee benefits from empowerment because it creates economic and social value for him.

The creation of economic value is generally done through management, employment, training programs, career management, individual remuneration systems adapted to the performance of each employee (including profit-sharing) as well as collective remuneration systems granted to autonomous work teams that may include budgetary allocations to these teams and all the benefits that make employees feel good about themselves in the company. In addition, staff will be able to benefit from rewards and opportunities for career advancement as a result of the innovations.

The creation of social value is established through the trust granted to employees, which represents an important factor in stimulating motivation, fostering a sense of initiative for the employee and which would be perceived by him as a sign of consideration. Similarly, the creation of a work environment based on respectful and cooperative relationships between employees favors cross-functional communication, which could improve transparency and availability of information and consequently consolidate their sense of belonging, which is a source of value for employees. Similarly, the ability to solve problems reinforces their self-confidence and they feel satisfied with their performance. Finally, the learning of the actor will offer him new opportunities for evolution, allowing him to realize himself and to adhere more to the objectives of the organization, which increases the feeling of belonging and personal satisfaction.

III-3- Creating shareholder value

In the context of empowerment, the process of creating shareholder value is not obvious a priori since the customer and the employee are the primary beneficiaries. However, a close analysis of the definition and application of empowerment reveals an indirect link between empowerment and the creation of shareholder value, which, according to Roche (2002), is reflected in the increase in the value of invested capital.

Indeed, empowerment stimulates the motivation of employees and reinforces their commitment to the company, develops their skills and favors a participative management style for taking initiatives and participating in the decision-making process closer to the customer in an efficient and faster way. Certainly, when the customer receives a product or a service of better quality, he feels satisfied and becomes loyal, which has the effect of improving the profitability of the company and the profitability of the shareholders, which allows us to say that empowerment allows the creation of value for the shareholder.

At the same time, the effectiveness of the action through learning will allow the company to improve its profitability and better satisfy its target, thus promoting the creation of value for its shareholders and customers. Quélin and Duhamel (2002) show through empirical research that the concern for improving skills is linked to expectations of financial value creation. According to Kaplan and Norton (2001), "there is a direct relationship between the value of a company and its ability to innovate, improve and learn. Only to the extent that it is able to bring innovative products to market, create even more value for the customer, and increase the efficiency of operations, can a firm expect to enter new markets and increase revenues and margins - in short, to grow and thereby increase shareholder value" (Kaplan and Norton, 2001).

III-4 -Creating value for managers

According to Roche (2002), value for managers is assessed in terms of the financial health of the company and the benefits achieved through the implementation of the empowerment strategy. According to Mathé and Chargué (1999), "the managerial performance of a manager or a management committee is the ability to achieve the predefined objectives through a sound and efficient management that allows the creation of value for all the stakeholders of the company. Thus, a successful manager is one who improves the competitive position of his company and the portfolio of products and skills it has. Campbell (1977), after reviewing several dozen articles, identified thirty different performance criteria, including financial efficiency, production efficiency, development efficiency, social efficiency and market efficiency.

Taking into consideration the definition of managerial performance and synthesizing the different theoretical contributions on empowerment, we can say that empowerment aims at improving the performance of the company. First of all, by shortening the traditional and hierarchical decision-making process, operational decisions and direct contact with the customer will be more effective and will therefore allow for greater reactivity to any sudden change in customer tastes and preferences, the entry of new competitors into the market, etc. This will allow the company to improve its performance in the medium and long term. In the medium and long term, this allows for the establishment of trust between the customer and the brand. This customer loyalty translates into a good competitive position on the market and a differentiation from competitors, and provides fairly certain gains and cash flows.

Secondly, in a process of empowerment, employees and collaborators have the power to decide without systematically following the hierarchical circuit and bureaucratic rules. This saves time and money by eliminating the costs of vertical communication and driving out unnecessary costs. With lower administrative costs and compressed operating expenses, the company realizes operating profits and the efficiency and profitability of the company are improved.

Similarly, as Mathé and Chagué (1999) point out in a study of eighty groups of companies, the exploitation of the group's collective skills has a positive impact on financial efficiency and, in particular, on commercial profitability. Similarly, they consider that leadership ambition has a positive influence on turnover, added value and market share. Organizational commitment has a positive effect on financial, stock market and development efficiency measured by growth in turnover, added value and market share (Mathé and Chagué, 1999).

Based on these findings, we can argue that empowerment has a positive impact on performance since it is based on the exploitation of the group's collective competencies, implies the adoption of transformational leadership and involves employees in the definition of managerial and operational objectives.

Conclusion

According to Brilman (1995), empowerment brings the company closer to its objectives in terms of value creation. "If we want to bring value to the customer and the shareholder, we must position the decision where it is most likely to be the best, because the person who makes it knows the context and the business, has the experience and will be able to know and quickly measure its effects, whether it is a strategic, financial or operational decision" (Brilman, 1995).

In order to mobilize actors to create value, the firm is called upon to grant them consideration and a residual creditor status that allows them to share the rent with the shareholders and to become, in a less narrow definition than that of traditional legal ownership, owners.

To summarize, empowerment is an open and multidimensional concept that goes beyond the simple delegation of power, but rather a new vision of management focused on the development of the company's competencies, the fulfillment of its employees and the creation of value.

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