

Human Resource Empowerment in Strategic Human Resource Management: A Literature Study

*Pemberdayaan Sumber Daya Manusia Dalam Manajemen Sumber Daya Manusia
Strategis: Studi Literatur*

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Abstract

Human resources play a strategic role in organizational sustainability and competitive advantage. However, possessing knowledgeable and competent employees does not automatically generate superior organizational outcomes when employees have limited opportunities to utilize their capabilities. This study examines human resource empowerment from the perspective of Strategic Human Resource Management (SHRM), with particular attention to its conceptual development, relationship with human capital, and contribution to employee and organizational outcomes. A literature study approach was employed by reviewing seminal and relevant scholarly works on human resource empowerment, employee empowerment, psychological empowerment, human capital, and SHRM. The literature was analyzed using thematic synthesis to identify conceptual patterns, relationships, and research gaps. The analysis reveals four major themes: the conceptual shift from delegation toward psychological empowerment; empowerment as a mechanism for activating human capital; empowerment as an integrated HR system rather than an isolated practice; and the contextual nature of empowerment effectiveness.

Keywords: human resource empowerment, psychological empowerment, human capital, strategic human resource management, organizational performance

Abstrak

Sumber daya manusia memiliki peran strategis dalam keberlanjutan organisasi dan penciptaan keunggulan kompetitif. Namun, keberadaan karyawan yang memiliki pengetahuan dan kompetensi tidak secara otomatis menghasilkan kinerja organisasi yang lebih baik ketika mereka memiliki kesempatan yang terbatas untuk menggunakan kemampuan tersebut. Penelitian ini mengkaji pemberdayaan sumber daya manusia dari perspektif Manajemen Sumber Daya Manusia Strategis (SHRM), khususnya perkembangan konseptual, hubungannya dengan human capital, serta kontribusinya terhadap hasil individu dan organisasi. Penelitian menggunakan pendekatan studi literatur dengan mengkaji karya-karya seminal dan literatur ilmiah yang relevan mengenai human resource empowerment, employee empowerment, psychological empowerment, human capital, dan SHRM. Literatur dianalisis menggunakan thematic synthesis untuk mengidentifikasi pola konseptual, hubungan antarkonsep, dan kesenjangan penelitian. Hasil analisis mengidentifikasi empat tema utama, yaitu pergeseran konsep dari delegasi menuju pemberdayaan psikologis; pemberdayaan sebagai mekanisme aktivasi human capital; pemberdayaan sebagai bagian dari sistem HR yang terintegrasi; serta pentingnya konteks dalam menentukan efektivitas pemberdayaan.

Kata kunci: pemberdayaan sumber daya manusia, pemberdayaan psikologis, human capital, manajemen sumber daya manusia strategis, kinerja organisasi

1. INTRODUCTION

Human resources play a strategic role in organizational sustainability and development. In contemporary management, employees are no longer regarded merely as factors of

production but as human capital that embodies knowledge, skills, experience, creativity, and the capacity to adapt to change. The ability of organizations to manage and develop these resources has become increasingly important in business environments characterized by intense competition, technological advancement, and uncertainty. This development has shifted the orientation of Human Resource Management (HRM) from a predominantly administrative function toward a strategic role. Strategic Human Resource Management (SHRM) positions human resource management as an integral component of organizational strategy. Wright and McMahan (1992) explain that SHRM can be understood through several theoretical perspectives that connect HR practices with strategic organizational requirements and outcomes. Consequently, HR practices are not merely intended to ensure the availability of employees but also to develop employee capabilities and behaviors that contribute to organizational objectives. One HR approach that has gained considerable attention within this context is human resource empowerment. Empowerment involves providing employees with opportunities to utilize their competencies, participate in decision-making, take initiative, communicate ideas, and assume responsibility for their work. The concept extends beyond the simple delegation of tasks because it incorporates both structural and psychological dimensions of the relationship between employees and organizations. Conger and Kanungo (1988) conceptualized empowerment as a process of enhancing employees' self-efficacy by identifying and eliminating organizational conditions that create feelings of powerlessness. Their perspective shifted the concept of empowerment from merely granting authority toward a motivational process. Thomas and Velthouse (1990) subsequently developed a cognitive perspective and identified four dimensions of empowerment: meaningfulness, competence, choice, and impact. Spreitzer (1995) further developed the concept of psychological empowerment through the dimensions of meaning, competence, self-determination, and impact. These theoretical developments demonstrate that human resource empowerment is a multidimensional concept. Employees cannot necessarily be considered empowered simply because they have been assigned greater responsibilities. Effective empowerment also requires access to information, resources, organizational support, competence development, participation opportunities, and working conditions that allow employees to perceive their work as meaningful and believe that they can influence work-related outcomes.

Subsequently, from an SHRM perspective, empowerment is particularly important because human resources generate strategic value only when their knowledge and capabilities can be effectively utilized. Jiang et al. (2012) demonstrated that HR systems designed to enhance employees' abilities, motivation, and opportunities to contribute are associated with organizational outcomes through mechanisms involving human capital and employee motivation. This indicates that possessing highly competent human resources is insufficient if organizations do not provide employees with opportunities to actualize their competencies. Despite several decades of empowerment research, the literature demonstrates considerable variation in its conceptualization and underlying mechanisms. Some studies conceptualize empowerment as an organizational practice, while others regard it as an employee psychological state. Empowerment has also been associated with numerous outcomes, including motivation, commitment, innovation, individual performance, and organizational performance. This conceptual diversity creates a need to integrate the available perspectives into a more comprehensive understanding of empowerment within SHRM. Therefore, this study aims to examine the development of human resource empowerment from the perspective of Strategic Human Resource Management, identify its principal dimensions and mechanisms, analyze its relationship with human capital and organizational outcomes, and identify research gaps that can provide directions for future studies.

2. LITERATURE REVIEW

Strategic Human Resource Management

Strategic Human Resource Management represents an evolution of traditional HRM by emphasizing the alignment between human resource management and organizational strategy. Wright and McMahan (1992) proposed several theoretical perspectives for understanding SHRM, including the behavioral perspective, resource-based view, agency/transaction cost theory, resource dependence theory, and institutional theory. These perspectives demonstrate that HR practices should not merely be regarded as administrative activities but also as organizational mechanisms for developing and utilizing human resources to achieve strategic objectives. From the resource-based view perspective, human resources acquire strategic value when employees' knowledge, skills, abilities, and other characteristics contribute to organizational advantage. Nevertheless, the presence of highly qualified employees does not automatically result in superior organizational performance. Organizations require appropriate systems and management practices that allow employees to utilize their competencies effectively. This perspective is consistent with the Ability-Motivation-Opportunity (AMO) framework, which suggests that employee performance can be enhanced when individuals possess the necessary ability, are sufficiently motivated, and have opportunities to contribute. Jiang et al. (2012) categorized HR practices into skill-enhancing, motivation-enhancing, and opportunity-enhancing HR practices. These dimensions are associated with organizational outcomes through mechanisms involving human capital, motivation, employee turnover, and operational outcomes. Within this framework, empowerment can primarily be positioned as a mechanism that expands employees' opportunity to perform. Employees may possess considerable ability and motivation, yet their contribution may remain limited when organizational structures are excessively rigid, access to information is restricted, participation is limited, or decision-making is completely controlled by supervisors.

Human Resource Empowerment

The concept of empowerment has evolved from discussions concerning power and employee participation toward motivational and psychological perspectives. Conger and Kanungo (1988) criticized the assumption that empowerment is equivalent to the delegation of power. Instead, they conceptualized empowerment as a process of enhancing self-efficacy by identifying organizational conditions that create feelings of powerlessness and removing such conditions through appropriate organizational practices. Thomas and Velthouse (1990) further developed this perspective by conceptualizing empowerment as increased intrinsic task motivation. They identified four cognitive assessments underlying empowerment: impact, competence, meaningfulness, and choice. Spreitzer (1995) subsequently operationalized psychological empowerment through four dimensions: meaning, competence, self-determination, and impact. Meaning concerns the congruence between work requirements and an individual's values and beliefs. Competence reflects employees' confidence in their ability to perform their work successfully. Self-determination represents employees' sense of autonomy in initiating and regulating work activities, whereas impact concerns their perceived ability to influence strategic, administrative, or operational outcomes within the workplace. Empowerment can therefore be examined through two major perspectives. Structural empowerment concerns organizational conditions and practices that provide employees with access to information, resources, support, opportunities, and authority. In contrast, psychological empowerment represents the psychological state experienced when individuals perceive their work as meaningful, feel competent, experience autonomy, and believe they can influence organizational outcomes. The two perspectives should not be treated as competing concepts. Structural empowerment can be viewed as an organizational antecedent, while psychological empowerment represents an employee-

level response. Organizations may establish empowering structures, but the extent to which employees actually feel empowered depends on their perceptions and interpretations of those conditions.

Human Capital and Empowerment

Human capital encompasses the knowledge, skills, abilities, experience, and other productive capacities embedded within individuals. From a strategic perspective, organizational investments in human capital are important because employee capabilities can become a source of value creation and competitive advantage. However, human capital represents what employees possess and are capable of doing, whereas empowerment concerns whether employees have the opportunity and psychological readiness to utilize those capabilities. The two constructs are therefore closely related but conceptually distinct. Employees may possess considerable expertise while remaining unable to utilize their potential because they lack authority, relevant information, opportunities to communicate ideas, or discretion in decision-making. Conversely, providing extensive autonomy to employees who lack sufficient competence and organizational support may also fail to produce desirable outcomes. Human capital development and empowerment should therefore be regarded as complementary mechanisms. The AMO framework provides a useful theoretical explanation for this relationship. Ability-enhancing practices develop employees' capabilities, while opportunity-enhancing practices provide conditions in which those capabilities can be applied. Jiang et al. (2012) demonstrated that different dimensions of HR systems have distinct relationships with human capital and motivation, which subsequently contribute to organizational outcomes.

Empowerment and Organizational Outcomes

Theoretically, empowerment can generate outcomes at both individual and organizational levels. At the individual level, empowerment can strengthen employees' sense of ownership, intrinsic motivation, responsibility, and willingness to take initiative. At the organizational level, these responses may contribute to greater flexibility, learning, innovation, and adaptability. However, empowerment should not be assumed to produce performance automatically. Granting authority may fail to improve performance when employees lack competence, clear objectives, sufficient information, managerial support, or consistent organizational systems. The relationship between empowerment and organizational outcomes therefore needs to be understood within its broader organizational context.

3. METHODS

This study employed a literature study approach to identify, analyze, and synthesize scholarly literature addressing human resource empowerment within Human Resource Management and Strategic Human Resource Management. The literature study approach was selected because it enables the integration of theoretical perspectives and research findings developed across different periods, thereby facilitating a comprehensive understanding of the concept under investigation. The review was conducted through several stages. First, the scope of the study was established by identifying human resource empowerment, employee empowerment, psychological empowerment, human capital, and Strategic Human Resource Management as the principal concepts. Second, relevant scholarly publications were identified using combinations of keywords, including "human resource empowerment," "employee empowerment," "psychological empowerment," "strategic human resource management," "human capital and empowerment," and "empowerment and organizational performance." Third, literature was selected according to its relevance to the research objective. Publications were considered when they: (1) constituted scholarly works relevant to human resource empowerment; (2) provided theoretical foundations or empirical evidence concerning empowerment; (3)

examined relationships between empowerment and HRM, human capital, work behavior, or organizational outcomes; and (4) contributed to the objectives of the review. Publications without substantial relevance to the research focus were excluded. The review included both relevant contemporary literature and seminal studies that established the theoretical foundations of empowerment, particularly Conger and Kanungo (1988), Thomas and Velthouse (1990), and Spreitzer (1995), together with relevant SHRM literature. These seminal studies were retained because the purpose of the review was to trace the conceptual development of empowerment rather than merely describe recent publication trends. Information from the selected literature was categorized according to: (1) conceptualizations of empowerment; (2) dimensions of empowerment; (3) antecedents of empowerment; (4) relationships between empowerment and human capital; (5) individual and organizational consequences of empowerment; and (6) research gaps and directions for future research. The literature was analyzed using thematic synthesis. Findings across the reviewed studies were compared to identify conceptual similarities, differences, patterns, and relationships. The synthesis was subsequently used to construct an integrated understanding of the strategic position of human resource empowerment within SHRM.

4. RESULTS AND DISCUSSIONS

The thematic synthesis identified four major themes concerning the development and strategic position of human resource empowerment: (1) the shift from delegation toward psychological empowerment; (2) empowerment as a mechanism for activating human capital; (3) empowerment as part of an integrated HR system rather than an isolated practice; and (4) the contextual nature of empowerment effectiveness.

The Shift from Delegation to Psychological Empowerment

The first major finding is a conceptual shift in the understanding of empowerment. Earlier approaches tended to associate empowerment with the distribution of authority and the delegation of decision-making from supervisors to subordinates. Subsequent theoretical developments demonstrated that formally granting authority does not necessarily result in employees experiencing empowerment. Conger and Kanungo (1988) shifted attention toward motivational processes by positioning self-efficacy as a central component of empowerment. Thomas and Velthouse (1990) expanded this approach through cognitive dimensions underlying intrinsic task motivation, while Spreitzer (1995) provided a more operational conceptualization through the construct of psychological empowerment. The development of these perspectives indicates a sequential relationship:

Organizational/Structural Empowerment → Psychological Empowerment → Employee Responses → Organizational Outcomes

This relationship implies that organizational empowerment practices influence employee behavior when organizational conditions are interpreted by employees as meaningful experiences of empowerment. Therefore, formal delegation alone cannot be regarded as sufficient evidence that employees are psychologically empowered.

Empowerment as a Mechanism for Activating Human Capital

The second finding indicates that empowerment can be interpreted as a mechanism through which organizations activate their human capital. Employee competencies constitute organizational potential, but it produces value only when employees have opportunities to utilize their knowledge and capabilities. The value-creation process can therefore be represented as:

Human Capital → Empowerment/Opportunity → Employee Contribution → Organizational Outcomes

This relationship emphasizes the distinction between the possession of human capital and the utilization of human capital. Organizations may employ highly skilled and knowledgeable individuals, but such resources cannot create maximum value if employees lack opportunities to apply their capabilities. This interpretation is consistent with the findings of Jiang et al. (2012), which emphasize the distinction between ability, motivation, and opportunity mechanisms within HR systems. Different HR practices may influence human capital and employee motivation through different pathways before ultimately contributing to operational and financial outcomes. From the SHRM perspective, this finding suggests that human capital should not be viewed solely in terms of the amount of knowledge and competence available within an organization. Attention should also be directed toward whether organizational systems enable employees to transform those resources into productive behaviors.

Empowerment as an Integrated HR System

The third finding demonstrates that empowerment should not be conceptualized as an isolated HR practice. Providing employees with decision-making discretion may have limited effectiveness without access to information, adequate competence, supervisory support, appropriate reward systems, and clearly defined responsibilities. The effectiveness of empowerment therefore depends on alignment among different HR practices. Training develops employees' capabilities, communication provides information, participation expands opportunities to contribute, reward systems strengthen motivation, and leadership provides the support required to exercise authority effectively. From an SHRM perspective, empowerment is consequently more appropriately positioned as part of a configuration of mutually reinforcing HR practices rather than as an independent intervention. This interpretation also suggests that ineffective empowerment may not necessarily indicate a weakness in the empowerment concept itself but may result from inconsistency among HR practices.

The Importance of Context

The fourth finding concerns the contextual nature of empowerment. The appropriate level and form of empowerment may differ across organizations, occupations, and employees. Some types of work require substantial autonomy, creativity, and discretion, whereas others require greater standardization, coordination, and compliance with established procedures. Consequently, empowerment should be aligned with job characteristics, employee competence, organizational structure, leadership, organizational culture, and environmental conditions. This finding is consistent with the contingency perspective of HRM, which proposes that the effectiveness of an HR practice depends on its fit with organizational circumstances. These findings collectively demonstrate that human resource empowerment occupies a strategic position in explaining how employee capabilities are transformed into organizational contributions. A fundamental distinction should therefore be made between possessing high-quality human resources and being able to utilize those human resources effectively. From a human capital perspective, organizations can invest in recruitment, selection, education, training, and employee development to increase workforce capability. However, these investments do not automatically generate superior organizational performance when organizational structures prevent employees from utilizing their capabilities. Empowerment therefore functions as an important bridge between employee capacity and actual employee contribution. The conventional relationship:

HR Practices → Human Capital → Empowerment → Employee Behavior → Organizational Performance

Empowerment can also be positioned within the AMO framework:

Ability × Motivation × Opportunity → Performance



Within this framework, human capital provides the foundation for employee ability, while empowerment provides opportunities and psychological conditions that facilitate the utilization of that ability. This perspective is consistent with Jiang et al. (2012), who demonstrated that HR systems are related to organizational outcomes through multiple mechanisms rather than through a single direct relationship. Another important implication is that genuine empowerment cannot simply be equated with increasing employee responsibilities. Providing greater responsibilities without corresponding authority, information, competence, resources, and support may increase employees' workload without producing a psychological experience of empowerment. Effective empowerment therefore requires alignment among responsibility, authority, capability, resources, and support. Strategically, organizations may therefore need to shift from a paradigm of controlling people toward one of enabling people. This does not imply eliminating organizational control. Rather, organizations should establish clear objectives and boundaries while allowing employees sufficient discretion regarding how those objectives are achieved.

Research Gaps and Future Directions

Several research gaps emerge from this synthesis. First, conceptual fragmentation remains between structural empowerment and psychological empowerment. Existing research frequently emphasizes one perspective without fully explaining how organizational empowerment practices are translated into employees' psychological experiences. Second, the relationship between human capital and empowerment requires greater theoretical integration. HRM literature extensively explains the importance of developing employee capabilities, while empowerment literature emphasizes autonomy, competence, meaning, and impact. Future studies should examine more explicitly how empowerment transforms human capital potential into realized employee contribution. Third, direct relationships between empowerment and performance remain common in research models. However, the relationship may involve more complex mechanisms, including employee motivation, organizational commitment, knowledge sharing, creativity, innovative work behavior, and psychological safety. Fourth, contingency factors require further investigation. Leadership, organizational culture, job characteristics, employee competence, and environmental conditions may determine when empowerment produces desirable outcomes.

5. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

From the perspective of Strategic Human Resource Management, empowerment functions as an important mechanism through which human capital can be utilized more effectively. Employee capabilities represent potential resources, whereas empowerment provides organizational opportunities and psychological conditions that allow employees to transform those capabilities into behaviors and contributions that generate organizational value. The analysis further demonstrates that empowerment should not be treated as an isolated HR practice. Its effectiveness depends on its alignment with competency development, access to information, employee participation, reward systems, leadership support, and job design. Empowerment should therefore be understood as part of a broader and internally consistent human resource management system. Overall, the review indicates that the strategic value of human resources depends not only on what employees know and are capable of doing, but also on whether organizational conditions allow and encourage them to use those capabilities. This distinction positions empowerment as a potentially important mechanism connecting human capital development with employee and organizational performance.

Recommendations

Future studies should develop more integrative models connecting structural empowerment, psychological empowerment, human capital, and organizational outcomes. Particular attention should be given to mediating mechanisms that explain how and why empowerment affects performance and moderating factors that explain when and under what organizational conditions empowerment is most effective. Empirical research should also investigate the proposed relationship between HR practices, human capital, psychological empowerment, and performance across different organizational and industrial contexts. Leadership, organizational culture, job characteristics, and psychological safety may be incorporated as contextual variables to provide a more comprehensive understanding of empowerment effectiveness. From a managerial perspective, organizations should avoid interpreting empowerment merely as the delegation of additional responsibilities. Empowerment initiatives should be accompanied by sufficient authority, competency development, access to information and resources, participation opportunities, managerial support, and clear performance expectations. Such integration may enable organizations to transform employee capabilities into meaningful and sustainable organizational contributions.

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