A Study on Employees Empowerment With The Demographic Variables in the Employees of Union Bank of India Working for Star Union Da Ichi Life Insurance

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Abstract: Employee empowerment leads to motivation. This research aims at studying the effect of various demographic variables on employee empowerment. Thus the findings of the study will help in enhancing employee empowerment and in turn better performance of the employees.

Keywords: Employee empowerment, Gender, Age, Education, Autonomy, Extent of participation in decisions, Goal clarity, Communication, Extent of Feedback, Initiatives for training and development, Fairness of reward system, Perception of the job, Response to problem solving, Accounting for performance, Role perceptions, Organizational commitment

1. Introduction

"The best executive is the one who has sense enough to pick good men to do what he wants done, and self-restraint enough to keep from meddling with them while they do it."

Theodore Roosevelt

An organization’s human resource is its most valuable asset. The employees are the repository of knowledge, skills and abilities that can’t be imitated by the competitors. Technologies, products and processes are easily imitated by the competitors; however, at the end of the day, employees are the most strategic resource of the company.

1.1 Employee Empowerment

Empowerment refers to enlargement of an employee’s job responsibility by giving him the authority of decision making about his own job without approval of his immediate supervisor. Empowerment is the degree of responsibility and authority given to an employee. By empowerment, the employees are supported and encouraged to utilize their skills, abilities and creativity by accepting accountability for their work.

Empowerment occurs when employees are adequately trained, provided with all the relevant information and the best possible tools, fully involved in key decisions, and are fairly rewarded. Employee empowerment entails identifying how much responsibility and authority an individual can effectively handle without becoming overburdened or distressed. Empowerment includes supervisors and employees working together to establish clear goals and expectations within agreed-upon boundaries.

1.1.1 Why Employee Empowerment Fails?

Empowerment is a panacea for many organization ills – when empowerment is implemented with care. People in organizations say they want empowerment – and often, they mean it. Managers say they want employee empowerment – and often, they mean it, too. Organizations that are committed to the ongoing growth of their employees recognize employee empowerment as one of their most important strategic methods to motivate employees. Employee empowerment is also a key strategy to enable people who have the need, the answers, and the knowledge, to make decisions about how to best serve customers. If employee empowerment is such a great tool and strategy for accomplishing work, customer service, and employee motivation, how come employee empowerment is so rarely implemented effectively? Here are some of the reasons why employee empowerment fails.

Managers pay lip service to employee empowerment, but do not really believe in its power.

As with all management and business buzz words, employee empowerment can seem like a “good” thing to do. After all, well-respected management books recommend that you empower employees. When you empower employees, they grow their skills and your organization benefits from their empowerment. Employees know when you are serious about employee empowerment and when you understand and walk your talk. Half-hearted or unbelievable employee empowerment efforts will fail.

Managers don’t really understand what employee empowerment means

They have a vague notion that employee empowerment means you start a few teams that address workplace employee morale or safety issues. You ask people what they think about something at a meeting. You allow employees to help plan the company picnic. Wrong. Employee empowerment is a philosophy or strategy that enables people to make decisions about their job.

Managers fail to establish boundaries for employee empowerment.

In your absence, what decisions can be made by staff members? What decisions can employees make day-by-day that they do not need to have permission or oversight to make? These boundaries must be defined or employee empowerment efforts fail.
Managers have defined the decision making authority and boundaries with staff, but then micromanage the work of employees. This is usually because managers don’t trust staff to make good decisions. Staff members know this and either it craftily make decisions on their own and hide their results or they come to you for everything because they don’t know what they really can control.

Wrong conception of employees on the authority you have delegated your employees to make a decision. You can help staff make good decisions by coaching, training, and providing necessary information. You can even model good decision making. But, what you cannot do, unless a serious complication will result, is undermine or change the decision you had empowered a staff person to make. Teach the employee to make a better decision next time. But don’t undermine their faith in their personal competence and in your trust, support, and approbation. You discourage employee empowerment for the future.

Managers need to provide growth and challenge opportunities and goals that employees can aim for and achieve. Failure to provide a strategic framework, in which decisions have a compass and success measurements, imperils the opportunity for empowered behavior. Employees need direction to know how to practice empowerment. If managers fail to provide the information and access to information, training, and learning opportunities needed for staff to make good decisions, don’t complain when employee empowerment efforts fall short. The organization has the responsibility to create a work environment that helps foster the ability and desire of employees to act in empowered ways. Information is the key to successful employee empowerment.

1.1.2 How to Make Employee Empowerment Successful?
These are the ten most important principles for managing people in a way that reinforces employee empowerment, accomplishment, and contribution. These management actions enable both the people who work with you and the people who report to you to soar.

Demonstrate That You Value People
Employer’s regard for people shines through in all of his actions and words..., facial expression, body language, and words expressed about what he is thinking about the people. The goal here is to demonstrate your appreciation for each person’s unique value. No matter how an employee is performing on his or her current task, your value for the employee as a human being should never falter and always be visible.

Share Leadership Vision:
Help people feel that they are part of something bigger than themselves and their individual job. Do this by making sure that they know and have access to the organization’s overall mission, vision, and strategic plans.

Share Goals and Direction:
Share the most important goals and direction for your group. Where possible, either make progress on goals measurable and observable, or ascertain that you have shared your picture of a positive outcome with the people responsible for accomplishing the results. If you share a picture and share meaning, you have agreed upon what constitutes a successful and acceptable deliverable. Empowered employees can then chart their course without close supervision.

Trust People:
Trust the intentions of people to do the right thing, make the right decision, and make choices that, while maybe not exactly what you would decide, still work. When employees receive clear expectations from their manager, they relax and trust you. They focus their energy on accomplishing, not on wondering, worrying, and second-guessing.

Provide Information for Decision Making:
Make certain that you have given people, or made sure that they have access to, all of the information they need to make thoughtful decisions. Remember information is power.

Delegate Authority and Impact Opportunities, Not Just More Work all the times:
Doesn’t just delegate the drudge work; delegate some of the fun stuff, too. The employee will grow and develop new skills. Your plate will be less full so you can concentrate on contribution. Your reporting staff will gratefully shine - and so will you.

Provide Frequent Feedback:
Provide frequent feedback so that people know how they are doing. Sometimes, the purpose of feedback is reward and recognition as well as improvement coaching. People deserve your constructive feedback, too, so they can continue to develop their knowledge and skills.

Solve Problems: Don’t Pinpoint Problem People:
When a problem occurs, ask what is wrong with the work system that caused the people to fail, not what is wrong with the people. If you blame people, this will be worst response to problems

Listen to Learn and Ask Questions to Provide Guidance:
Provide a space in which people will communicate by listening to them and asking questions. Guide by asking questions, not by telling grown up people what to do. People generally know the right answers if they have the opportunity to produce them. When an employee brings you a problem to solve, ask, “What do you think you should do to solve this problem?” Or, ask, “What action steps do you recommend?” Employees can demonstrate what they know and grow in the process. Eventually, you will feel comfortable telling the employee that he or she need not ask you about similar situations. You trust their judgment.

Help Employees Feel Rewarded and Recognized for Empowered Behavior:
When employees feel under-compensated, under-titled for the responsibilities they take on, under-noticed, under- praised, and under-appreciated, don’t expect results from employee empowerment. The basic needs of employees must feel met for people to give you their discretionary energy, that extra effort that people voluntarily invest in work. For successful employee empowerment, recognition plays a significant role.

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1.1.3 Dimensions of Employee Empowerment

Autonomy at the core of Empowerment:
The wide spread application of the autonomous work group concept by the quality of work life movement during 1960’s and 1970’s resulted in the variety of autonomous work group concept. Herbst, 1962 The autonomous or composite work group was the first of the formal group concepts advanced for the conscious design of group work systems. As defined by Hackman, 1987 and Sirman, 1976 as it is the degree to which individual experiences substantial freedom, independence and discretion in their work.

Extent of participation in decision making processes and empowerment:
Successful organizations seem to generate high commitment from their employees which contribute to efficiency and productivity. Vogt and Murrell (1990) Dobbs (1993) identified participation as an operative perquisite to empowerment. Participative decision making process is one of the basic dimensions of employee empowerment.

Goal clarity and empowerment:
Goal clarity is an individual level variable that has received attention as an antecedent to employee behaviors (Bray and Brawley, 2002). While goal clarity is a situation in which the expected behaviors designated for a goal are clear (Tubre and Collins, 2000). Supportive organizational structures and well defined procedures help in goal clarity.

Perception of job and empowerment:
Hackman and Oldham’s (1976) job characteristics model (JCM) identifies five core job characteristics namely:
- Skill variety
- Task variety
- Task significance
- Autonomy
- Feedback
These are core job characteristics, which are followed by critical psychological states:
- Meaningfulness
- Responsibility
- Knowledge of results

Problem solving and empowerment:

Accountability for performance and empowerment:
Accountability for performance means being accountable for the work or the job. It is manifested in the performance appraisal that is a means to keep a check on the employees work abilities. Accountability for performance is inbuilt in the psychological empowerment.

Communication and empowerment:
In any organizational endeavor, communication occupies a pivotal place. Communication pattern and processes represent the necessary vehicle by which employee activities become coordinated and directed towards the goal and objectives of the organization.

Extent of feedback and empowerment:
Kluger and Denisi (1996) defined feedback as actions taken by an external agent to provide information regarding some aspects of one’s task performance. Feedback has a broad, beneficial impact on knowledge and skill development.

Initiative for training and development for empowerment:
Employees cannot act in an empowered manner without training. Training in short offers a tool for becoming empowered and in itself is empowering. The training focused on developing interpersonal, decision making and problem solving skills to enable employees to be able to act in an empowered way.

Fairness of reward system and empowerment:
Rewards enhance empowerment by recognizing and reinforcing individual skills and providing individuals with incentives for participation. Recognition and reward of employees require the utmost attention from upper management.

Role perception:
Role perception is mapping the work roles of the individuals. It is the perception of the fit or coordination between the individual aspirations and organizational requirements i.e. the utilization of capacities and capabilities of workers to meet the expectations and requirements of the organization.

Extent of participation in decisions:
Participation in decision processes, training and development and work management clarify the employee, what he or she was supposed to do. These are ‘must have’ factors in the goal clarity.

1.2 Company Profile

1.2.1 Star Union DA ICHI

Star Union Dai-ichi Life Insurance Co. Ltd. (SUD Life) is a joint venture (JV) of Bank of India, Union Bank of India and Dai-ichi Life, a leading life insurance company of Japan. Bank of India and Union Bank are leading Indian public sector banks and have a robust nationwide network of more than 7800 branches that cater to more than 64 million customers. Bank of India and Union Bank have sponsored select Regional Rural Banks, which provide SUD Life access to more than 1564 branches that make life insurance products available in rural areas.

Dai-ichi Life is the second largest life insurance company of Japan and is one of the top ten life insurers in the world. Dai-ichi Life was established in 1902 and is a recognized brand name across the globe. Dai-ichi Life is renowned for sound product knowledge, superior asset management skills, and strong operational capabilities to manage life insurance businesses globally.

SUD Life is committed to providing insurance products across various strata of society and geographies as per the needs of the customer. At SUD Life, the customer commands topmost priority.
2. Review of Literature

<table>
<thead>
<tr>
<th>Author</th>
<th>Year(s)</th>
<th>Views</th>
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<tbody>
<tr>
<td>Gandz</td>
<td>1990</td>
<td>&quot;Empowerment means that management vests decision-making or approval authority in employees where traditionally, such authority was a managerial prerogative.&quot;</td>
</tr>
<tr>
<td>Bowen and Lawler’s</td>
<td>1991</td>
<td>Discussion of empowerment relates the concept to practice that includes sharing information, rewards, knowledge and power with front line employees.</td>
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<tr>
<td>Wilson</td>
<td>1995</td>
<td>Empowerment is actually a continuous process &amp; is analyzed in a dynamic environment at different levels. Empowerment concerns motivational or psychological issues, Structural changes, cultural historical elements &amp; the existing values &amp; attitudes in organizational context.</td>
</tr>
<tr>
<td>Lashley and Lashley</td>
<td>1996-1997</td>
<td>Proposes a pragmatic analysis of the paradoxical nature of the potential impact of empowerment by addressing the managerial meanings and motives of empowerment and the use of empowerment. What is clear is that all factors that are considered to influence managerial empowerment initiatives can be as powerful and positive as they can be damaging and negative. Why are managers unwilling to empower their subordinates? The reasons include habit (decision making and problem solving are embedded in managers' ways of thinking), fear of anarchy, personal insecurity, lack of skills (to mentor and support their employees), lack of top management support and job/promotion insecurity.</td>
</tr>
<tr>
<td>Rafiq &amp; Ahmad, Liden, et al.</td>
<td>1999-2000</td>
<td>Employee empowerment can lead to positive impacts on attitude &amp; behavior of employees &amp; is regarded as a way of encouraging decision-making at lower levels of an organization &amp; this can result in richer work experiences.</td>
</tr>
<tr>
<td>Hui, Au, and Fock</td>
<td>2004</td>
<td>A survey of hotels in Beijing found service employees' willingness to accept and exercise discretionary power their manager allows to be essential for the successful implementation of empowerment.</td>
</tr>
<tr>
<td>Jun et al., Spreitzer et al.</td>
<td>2006</td>
<td>A relationship between empowerment and job satisfaction has been demonstrated. Job satisfaction is defined here as the degree to which an employee is proud of his or her company, and satisfied with the job. A relation between empowerment and normative commitment can be expected because of a sense of obligation caused by empowering the employee, for example when he is given more autonomy. A relation between empowerment and continuance commitment is less obvious. The degree of continuance commitment depends on the need to stay in the organization and is assumed not to be caused by empowerment. It can be very important to &quot;hold&quot; people within the organization, working towards the same goal and achieving a good performance.</td>
</tr>
<tr>
<td>Humborstad, Humborstad, Whitfield, and Perry</td>
<td>2008</td>
<td>Empirically examined the impact of empowerment on the service willingness of hotel employees in Macau. In their study of a sample of 290 hotel employees, the findings conclude that empowerment has a positive effect on a willingness to deliver higher levels of service.</td>
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3. Research Methodology

This chapter describes the overall design of the study, research questions, population and sample collection, hypothesis, data collection instruments, data collection procedures and data analysis procedures.

3.1 Need and significance of the study

This research study is significant in many aspects: it is hoped that when the study is successfully completed it will source of policy guidance to the organization and will provide necessary information that to what level the employees of Union Bank Of India which is one of the partners of Star Union Da Ichi are empowered for making policies and working for them. It will help to enlighten the management of the organization on the need and importance of having effective empowerment strategies in the organization and different variables that affect empowerment.

3.2 Objectives

To study the employee empowerment in the employees of Union Bank of India working for Star Union Da Ichi in NCR region.

To investigate the association of employee empowerment with demographic variables (Age, Gender, Education, Marital Status and Experience) of employees in Union Bank of India.

3.3 Research Design

The purpose of this study is to identify to what extend the employees are empowered and what variables affect the empowerment of employees. This study bears the characteristics of a “survey research”. As in a survey research the researcher is usually interested in how and how much of the responses differ—they their variability, how closely some responses are related to others.

Quantitative research methods were employed to carry out the study. They were used to collect information regarding the Employee empowerment and to what extent different factors affect the empowerment of employees. The subjects of this study involve middle level and Lower Level Managers of the Union Bank of India. Employee Empowerment Questionnaire developed for the quantitative measure. Data regarding the survey were collected at one point in time. The instrument was personally handed over to the Middle Level and Lower Level Managers of the Union Bank of India.
Hypothesis:

Gender of an employee has effect on EMPLOYEE EMPOWERMENT
Age of an employee has effect on EMPLOYEE EMPOWERMENT
Education of an employee has effect on EMPLOYEE EMPOWERMENT.

Respondents

The respondents of the study are Middle Level and Lower Level Managers of Union Bank of India.

3.6 Data Collection Tools

In this study Employee Empowerment Questionnaire DEVELOPED BY J.D MEIER was used to gather information related to the impact of Employee Empowerment on the Organizational Commitment of the personnel. The instrument relating to Employee Empowerment was acquired through.
The Employee Empowerment Questionnaire is designed to measure the following variables of Employee Empowerment:
- Autonomy (Q1-12)
- Extent of participation in decisions.(Q13-17)
- Goal clarity (Q18-21)
- Communication (Q22-27)
- Extent of Feedback (Q28-30)
- Initiatives for training and development. (Q31-33)
- Fairness of reward system (Q34-36)
- Perception of the job (Q37-43)
- Response to problem solving (Q44-47)
- Accounting for performance (Q48-51)
- Role perceptions (Q52-54)
- Organizational commitment (Q55-57)
The answers of the Questionnaire measured on 5 point rating of Likert Scale:
- Strongly disagree
- Disagree
- Half Agree
- Agree
- Strongly agree

3.7 Data collection procedure

The data for the study were gathered from 100 Middle and Lower Level managers of Union Bank of India. Firstly, a proposal explaining the aim of the study was sent to the Union Bank of India for permission and approval. Then, after getting the approval Questionnaires were sent to the Union Bank of India to be filled by their Middle and Lower Level Managers. The Questionnaires were then distributed by the Bank in NCR region to its Middle and Lower Level Managers for their response.

4. Findings and Interpretation

Normality Of Data
STEPS:
- Analysis
- Descriptive statistics

Findings for Normality:
Data collected is not normally distributed.
Thus Non-Parametric Tests are used.

HYPOTHESIS TESTING:
Age of an employee has effect on employee empowerment.
Test used : K-Sample median test

Interpretation
The significant value ($p=.144$) indicates that the distribution of scores in each section differ significantly from predicted value i.e. Age has an effect on employee empowerment.

Hypothesis 2:
Education of an employee has effect on employee empowerment.
Test used : K-Sample median test

Interpretation
The significant value ($p=.310$) indicates that the distribution of scores in each section differ significantly from predicted value i.e. Education has an effect on employee empowerment.
Hypothesis 3: Gender of an employee has effect on employee empowerment.

We have applied Mann Whitney Rank sum test.

**Interpretation**

Mean rank for Female is greater than mean rank for males. Indicating that organizational commitment in Females is higher than males. Further the results tell us that Z is the standardized score associated with sig value .338. It is MORE than 0.05 Therefore gender does not have any effect on employee empowerment.

**References**


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