

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 Susman, 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 prerequisite 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:

Levine (1995) identified employee problem solving as a characteristic of work group empowerment, whilst *Ford and Fottler (1995)* identify problem solving and product design tasks, as the new responsibilities of empowered work group.

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 stratas of society and geographies as per the needs of the customer. At SUD Life, the customer commands topmost priority.

Geographical area under study:

We have covered NCR region under our study, which covers:

No. of branches: 54

No. of employees: 550

Employee Empowerment

<u>ASIA</u>		
Author	Year	Views
Gandz	1990	"Empowerment means that management vests decision-making or approval authority in employees where , traditionally, such authority was a managerial prerogative."
Bowen and Lawler's	1991	Discussion of empowerment relates the concept to practice that includes sharing information, rewards, knowledge and power with front line employees.
Wilson	1995	Empowerment is actually a continuous& permanent process & is analyzed in a dynamic environment at different levels. Empowerment concerns motivational or psychological issues, Structural changes, cultural historical elements & the existing values & attitudes in organizational context.
Lashley and Lashley	1996 1997	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 example and job/promotion insecurity
Raflg& Ahmad, Liden, et al,	1999, 2000	Employee empowerment can lead to positive impacts on attitude & behavior of employees& is regarded as a way of encouraging decision-making in lower levels of an organization & this can result in richer work experiences.
Hui, Au, and Fock	2004	A survey of hotels in <i>Beijing</i> found service employees' willingness to accept and exercise discretionary power their manager allows to be essential for the successful implementation of empowerment.
Jun et al. , Spreitzer et al.,	2006	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, because 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 'hold' people within the organization, working towards the same goal and achieving a good performance.
Humbors-tad,Humborstad , Whitfield, and Perry	2008	Empirically examined the impact of empowerment on the service willingness of hotel employees in <i>Macau</i> . In their study of a sample of 290hotel employees, the findings conclude that empowerment has a positive effect on a willingness to deliver higher levels of service.

2. Review of Literature

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 extent 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 –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.

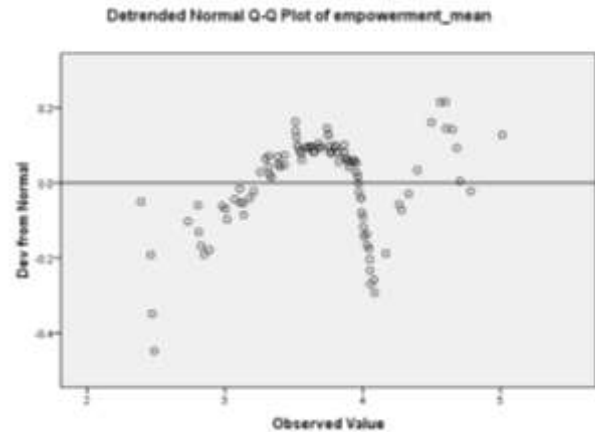
4. Findings and Interpretation

Normality Of Data

STEPS:

- Analysis
- Descriptive statistics

Explore
 Then a dialogue box pops up



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.

NPar Tests

[DataSet1] E:\New Folder\A.sav

Kruskal-Wallis Test

Ranks			
	Age	N	Mean Rank
comm_mean	20 - 30	34	44.75
	30.1 - 40	20	47.50
	40.1 - 50	11	67.32
	Above 50.1	35	52.51
Total		100	

Test Statistics^{a,b}

	comm_mean
Chi-Square	5.417
df	3
Asymp. Sig.	.144

a. Kruskal Wallis Test
 b. Grouping Variable: Age

NPAR TESTS

/K-W=org_mean BY Education(1 5)
 /MISSING ANALYSIS.

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.

NPar Tests

[DataSet1] E:\New Folder\A.sav

Kruskal-Wallis Test

Ranks			
	Education	N	Mean Rank
org_mean	Graduation	48	48.65
	Post Graduation	50	53.34
	Others	2	24.00
	Total	100	

Test Statistics^{a,b}

	org_mean
Chi-Square	2.344
df	2
Asymp. Sig.	.310

a. Kruskal Wallis Test

b. Grouping Variable: Education

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.

NPar Tests

[DataSet2] E:\latwest spss\centuryyy begin aspp.sav

Mann-Whitney Test

Ranks				
	Gender	N	Mean Rank	Sum of Ranks
org_mean	Male	62	47.86	2967.50
	Female	37	53.58	1982.50
	Total	99		

Test Statistics^a

	org_mean
Mann-Whitney U	1014.500
Wilcoxon W	2967.500
Z	-.958
Asymp. Sig. (2-tailed)	.338

a. Grouping Variable: Gender

5. Results and Discussion

- 1) Age has an effect on employee empowerment. So, the policies for employees should be framed according to their age groups. Suggestion is that employees should be divided into the age slots as taken above and policies are to be framed keeping in mind the variables taken in the study, which will lead to greater employee empowerment.
- 2) Education has an effect on employee empowerment. In the same way slots should be made of the employees according to their qualifications and policies should be framed accordingly.

- 3) Gender does not have any effect on employee empowerment. Therefore there is no need to make separate policies for males and females.

References

- [1] Thesis On “Employee Empowerment In Banking Organisation”- By-Farooq Siddiqui
- [2] A review of the literature on employee empowerment(1993). Retrieved March 31, 2014, from: <http://www.emeraldinsight.com/journals.htm?articleid=882427>
- [3] Motivate your Employees(2009). Retrieved March 31, 2014, from: WWW.JSTORE.COM