



ISSN Print: 2394-7500
ISSN Online: 2394-5869
Impact Factor: 5.2
IJAR 2016; 2(7): 969-973
www.allresearchjournal.com
Received: 28-05-2016
Accepted: 29-06-2016

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Employee empowerment as an aid for healthy human resource practices

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Abstract

Empowering the employees is the new HR strategy which is being followed for the betterment of both employees and the employer. The abilities of the employees are generally not fully utilized by the organizations. The employees of such IT companies are given a good autonomy to a level that gives them a confidence that aids quick decision making. Interaction with both off-shore and on-shore team needs proactive thinking and quick decision making. 120 samples are drawn from the IT companies of Coimbatore district. The results of the study envisage that there is a positive correlation between the facets of Employee empowerment, Innovativeness, Performance and Job satisfaction. The impact of Job satisfaction is measured with significant predictors such as Performance, Servicing, Mentoring and Development.

Keywords: Employee empowerment, innovativeness, performance, job satisfaction, correlation, multiple regressions

1. Introduction

Human resources are the most valuable resources for any business organization. Each person is unique on his own and cannot replicate the qualities of others. In the growing competition in the market and with the widespread of job opportunities, there is an inherent job stress among the employees and hence the job of human resource manager has become ultimately tough to manage such dynamic source. Empowering the employees is the new HR strategy which is being followed for the betterment of both employees and the employer. The abilities of the employees are generally not fully utilized by the organizations. Also, employees were not made part of any managerial decision making. Moreover, employees generally believe that they are totally dependent on the organization and their personal attitudes and attributes have a meager effect on their performance. This ideology in the minds of such employees make them less productive. To wipe out such a situation in the organization, 'Employee empowerment' as a new HR strategy evolved. Employee empowerment emerged as a proponent of Total Quality management. In the more strenuous job scenario like IT sector, which is the new generation job provider, employee empowerment in practiced as a tool to generate best productivity out of the employees. The employees of such IT companies are given a good autonomy to a level that gives them a confidence that aids quick decision making. Interaction with both off-shore and on-shore team needs proactive thinking and quick decision making. Hence, empowering the employees has been practiced as an aid for effective and healthy human resource practices.

2. Literature Review

'Employee Empowerment' means 'to give authority to the people'. Employee employment involves less hierarchical and gives the employees more freedom in their jobs. This enables them to make quick decisions and not wait for decisions to flow from their top managers. It is the process of enabling or authorizing an employee to think, take action, and control work and decision making in an independent or autonomous way. It is the state of mind when one feels that he is self-empowered to control one's own destiny (Verma.R, 2006) [8]. It is the collection of required capacity in staff for enabling them to create value in organization and role playing and responsibilities are responsible in the organization, with efficiency and effectiveness (Doaei, 1998) [2].

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Among the various approaches of Employee empowerment, Mechanical approach and Organic approach are the most prominent ones. Mechanical approach is the process during which senior management develops a clear vision, paint programs and specific tasks in the organization. It provides information and resources that are needed to perform duties and allows them to practice change the process improvement. It is a 'Top-Bottom' approach. Organic approach is a 'Bottom-Top' approach, whereby the empowerment is defined in terms of personal beliefs.

Employee empowerment acts as a catalyst in the four important elements of employee performance that includes employee importance, efficiency, the ability to choose and the influence on the decision making (Sayed, 2010) (Sayed, 2010) [6]. The purpose of empowerment is to increase the authority, knowledge, motivation related to the work of employees, therefore to enhance the contribution of employees to company and customers' satisfaction (Juhl, Kristensen, Dahlgarrd, & Kanji, 1997) (Juhl, Kristensen, Dahlgarrd, & Kanji, 1997) [3]. Thus employee empowerment satisfies both external customers and internal customers. Empowerment of employees may be carried out at various levels namely, at the individual level, group level, team level, unit level or even at branch levels.

Strategies of employee empowerment (Ugboro & Obeng, 2000) (Ugboro & Obeng, 2000) [7] (Karakoc & Yilmaz, 2009) (Karakoc & Yilmaz, 2009) [4]

- By changing the job definition by widening the meaning and framework of job and increase the authority.
- By enlarging the span of control of the job, to facilitate authority transition from managers to subordinates
- By increasing the qualification of managers
- By increasing the qualification of employees
- By increasing the team spirit
- By restructuring the work process
- By redefining the performance appraisal system, giving utmost authority for appraisers
- By reforming the rewards and recognition system for better motivation

3. The study

3.1 Statement of the problem

IT sector employees are more into job stress, which is basically based in quick decision making. As they have to interact with both on-shore and off-shore team-mates, they need to be proactive thinkers. In doing so, they cannot afford to wait for the orders and decisions that flow from their top level managers. Some decision making need to be really quick and on the spot. In such cases, a proper autonomy and independence for the employee is really need of the hour. Most of the IT companies today have started the practice of employee empowerment by imputing the autonomy and at the same time fixing the responsibility and accountability. This is effective implied by mentoring them at right intervals, motivating them for the proactive decisions, developing their skills and leadership qualities through various workshops and training schedules. On doing so, the employee gets a confidence in his work that increases his innovativeness which is showed by his increased performance and ultimately increases his job satisfaction. Hence, the current study is based on the relationship of employee empowerment strategies,

innovativeness, performance and job satisfaction of the IT employees of Coimbatore district.

3.2 Objectives of the study

On studying the relationship between various employee empowerment strategies, innovativeness of the employee, his performance and job satisfaction, following are the research objectives framed;

1. To study the various dimensions of Employee empowerment strategies practiced in IT companies.
2. To examine the relationship between the dimensions of employee empowerment, innovativeness, performance and job satisfaction of the employees.
3. To elucidate the impact of employee empowerment, innovativeness and performance on the job satisfaction of employees.

3.3 Research Hypothesis

Following are the hypothesis of the study:

Ho1: There is no co-relation between the dimensions of Employee empowerment, Innovativeness, Performance and Job satisfaction among the employees.

Ho2: There is no impact of dimensions of Employee empowerment, Innovativeness and Performance on Job satisfaction of the employees.

3.4 Research Methodology

In order to meet the research objectives, a semi-structured questionnaire on Employee empowerment with 19 variables are developed with 2 variables on Innovativeness, 2 variables on Performance and 2 variables on Job satisfaction scoring on Likert's 5 point scale, apart from basic demographic counts. 120 samples were drawn from the top 3 IT companies of Coimbatore district, namely CTS, HCL and Wipro. Method of random sampling technique is applied as the study involves primary data collection. The data thus obtained is further processed with appropriate statistical tools to meet the research objectives.

4. The results of the study

4.1 Reliability of the instrument

As the instrument developed for the study is adopted from various sources and rephrased according to the sample of the study, it is necessary to check the reliability of the instrument. Cronbach Alpha measure is applied to check the reliability and the following table depicts the reliability indices which are much satisfactory in comparison to the prescribed limits (>0.70) (Cronbach, 1951) (Cronbach, 1951).

Table 1: Cronbach Alpha scores of the variables

Employee Empowerment (19 items)	0.932
Innovativeness (2 Items)	0.941
Job satisfaction (2 Items)	0.932
Performance (2 Items)	0.946

4.2 Finding the dimensions of Employee empowerment

There are 19 variables on measuring the employee empowerment adapted from (Mehrabani & Shajari, 2013) [5]. Factor analysis is applied to reduce them into various factors. The results of the factor analysis are depicted below:

Table 2: Rotated Component Matrix

		Rotated Component Matrix ^a			
		Component			
		Servicing	mentoring	Monitoring	Developing
1	My leader(s) consistently increase their invested time and energy in helping me to overcome my weaknesses and improve my potentials.	.870			
2	My leader(s) consistently appreciate and validate me for my contributions	.870			
3	My leader(s) focus on developing better ways of serving employees and making them successful	.890			
4	My leader(S) gets satisfaction by helping me to be succeeded	.873			
5	My leader(s) Treat with employees by dignity	.919			
6	My leader(s) focus on irregularities, mistakes, exceptions and deviations from standards			.723	
7	My leader(s) concentrate on employee’s failures and complaints.			.894	
8	My leader(s) keep track of all mistakes			.848	
9	My leader(s) take proactive actions rather than waiting for events to happen.				.623
10	My mentor(s) and supervisor collaborate to assist in my development				.788
11	There are rewards for applying knowledge/skills in the workplace.	.742			
12	My organization openly supports successful mentoring relationships	.857			
13	My mentor(s) helps me define and achieve career goals		.736		
14	My mentor(s) helps me define and achieve personal goals.		.746		
15	My manager provides formal feedback for my efforts				.631
16	The purpose of coaching and its goals are completely clear and carefully determined by coach(s)		.909		
17	My manager use many formal coaching techniques (e.g., assessment, role-playing)		.874		
18	My manager provide an effective coaching relationship by characteristics included empathy, positive regard, authenticity and genuineness		.869		
19	My managers are committed to my development.				.691
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.					
a. Rotation converged in 7 iterations.					

It is found that 19 variables of the construct Employee Empowerment converged into 4 factors namely, ‘Servicing, Mentoring, Monitoring and Developing’. The determinant matrix is positive with KMO and Barlett’s sampling adequacy score of 0.816 which proves the sampling adequacy for the given study.

4.3 Correlation Analysis

Karl Pearson Correlation analysis technique is applied to find out the relationship of the study variables. As the construct ‘Employee Empowerment’ is broken down to four factors viz., Servicing, Mentoring, Monitoring and Developing, these four new variables along with other variables of study like Innovativeness, Performance and Job satisfaction are studied for their relationship between themselves. Following Correlation table depicts the relationship.

Table 3: Karl Pearson Correlation Analysis

Correlations							
	IN	JS	PF	Servicing	Monitoring	Developing	Mentoring
IN	1	.688**	.711**	.708**	.653**	.643**	.457**
JS	.688**	1	.849**	.846**	.656**	.629**	.762**
PF	.711**	.849**	1	.712**	.581**	.630**	.631**
Servicing	.708**	.846**	.712**	1	.681**	.723**	.584**
Monitoring	.653**	.656**	.581**	.681**	1	.775**	.619**
Developing	.643**	.629**	.630**	.723**	.775**	1	.664**
Mentoring	.457**	.762**	.631**	.584**	.619**	.664**	1

** . Correlation is significant at the 0.01 level (2-tailed).

It is inferred from the table Correlation table that, all the variables of the study are significantly and positively correlated with each other at 1% level of significance. Innovativeness is positively correlated with Job satisfaction (0.688), Performance (0.711), Servicing (0.708), Monitoring (0.653), Developing (0.643) and Mentoring (0.457). Job satisfaction is positively correlated with Performance (0.849), servicing (0.846), Monitoring (0.656), Developing

(0.629) and Mentoring (0.762). Performance is positively correlated with Servicing (0.712), Monitoring (0.581), Developing (0.630) and Mentoring (0.631). Servicing is positively correlated with Monitoring (0.681), Developing (0.723) and Mentoring (0.584). Monitoring is positively correlated with Developing (0.775) and Mentoring (0.619). Developing is positively correlated with mentoring (0.664).

Such a positive relationship between the variables indicate that higher the facets of Employee empowerment, higher shall be the employee innovativeness, his performance in the job and ultimately leads to high job satisfaction. Thus proving the ‘Employee empowerment’ as an aid for better HR practices.

4.4 Regression Analysis

As the study involves multiple variables in ascertaining their impact on a dependent variable, multiple regressions with ‘Enter’ method is applied. Job satisfaction is taken as the dependent variable and all other variables such as Servicing, Mentoring, Monitoring, Developing, Innovativeness and Performance as independent variables. The impact of all the independent variables on the Job satisfaction is analyzed through the Multiple Regression analysis. Following are the results of the regression analysis.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.955 ^a	.911	.907	.609

a. Predictors: (Constant), mentoring, IN, monitoring, servicing, PF, developing

It is inferred from the above Table 4: Model summary that the Adjusted R square for the model developed is 0.907, which means that about 90.7% of the variance of Job satisfaction is explained by Mentoring, Innovativeness,

Monitoring, Servicing, Performance and Developing. Such a high R square indicates that the selected variables of the study predict the ultimate Job satisfaction.

Table 5: ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.	
1	Regression	430.894	6	71.816	193.652	.000 ^b
	Residual	41.906	113	.371		
	Total	472.800	119			

a. Dependent Variable: JS

b. Predictors: (Constant), mentoring, IN, monitoring, servicing, PF, developing

It is inferred from the above Anova table that the model is significant with F value of 193.652. Hence is model is fit for further analysis.

Table 6: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
1	(Constant)	.012	.343		.036	.971		
	IN	.041	.045	.043	.910	.365	.358	2.795
	PF	.539	.068	.377	7.890	.000	.344	2.910
	servicing	.120	.012	.498	10.215	.000	.330	3.034
	monitoring	.039	.027	.071	1.455	.148	.334	2.993
	developing	-.167	.029	-.294	-5.700	.000	.296	3.381
	mentoring	.125	.014	.366	8.708	.000	.445	2.247

a. Dependent Variable: JS

It is inferred from the above Table 6 that, the VIF indices which shows the collinearity scores are less than 4, which means the variables of the study does not have multi-collinearity problem. Further, it is observed from the table that, out of all the selected variables of the study, Performance (t value 7.890 significant <1%), Servicing (t value 0.215 significant <1%), Developing (t value -5.70 significant <1%) and Mentoring (t value 8.708 significant <1%) have impact on the dependent variable Job satisfaction. It is also inferred that Innovativeness and Monitoring do not have significant impact on Job satisfaction. Hence, the Job satisfaction can be predicted with the significant variables of intercept (0.012), Performance (0.539), servicing (0.120), Developing (-0.167) and Mentoring (0.125). The regression equation in predicting the Job satisfaction is:

$$\text{Job satisfaction} = 0.012 + 0.539 (\text{Performance}) + 0.120(\text{Servicing}) + 0.125(\text{Mentoring}) - 0.167(\text{Developing})$$

5. Discussion

The results of the current study indicate that the ‘Employee Empowerment’ as an approach for good Human resource practices is indeed a commendable one. It is found from the factor analysis that the Employee empowerment has four dimensions whereby the employee is serviced through various HR practices; the leader plays a mentoring role in guiding the employee towards better productivity. The leader takes proactive steps in monitoring the regular performance of the employee. Also, the organization takes necessary steps in developing the skills of the employee through various measures. Such a multi-facet autonomy given to the employee reflects in his performance at job and the employee shows and implements new ideas and innovativeness in his job. This increases the productivity of the employee from his personal front and increases the credibility of the organization in front of the clients and on-shore team. Such a innovation and ideas from the employee is welcomed by the organization with proper and timely rewards and recognitions shall boost up the basic morale of

the employee. With such a boosted up morale imbibed in him, reflects in his satisfaction that he arrives from his job. Higher job satisfaction once again leads to better performance and thereby increases the employee's commitment towards his job and towards the organization. This ultimately benefits both the employee as well as the organization. Thus, the employee empowerment is an aid for better HR practices.

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