



A STUDY ON EMPLOYEE EMPOWERMENT IN INDIAN CORPORATE SECTOR

Dr. D. Rajasekar

Professor, AMET Business School, AMET University, Chennai, TN, India

Dr. A. Krishna Sudheer

Professor, Dept. of MBA Sri Sai Ram Engineering College, Chennai, TN, India

Dr. P. Raghunadha Reddy

Professor, Dept. of Management Studies, Sri Venkateswara University, Tirupati, AP, India

ABSTRACT

Many researchers have emphasized the fact that empowerment drives people to put in their best possible efforts to achieve the organizational goals and objectives. It is also clearly established by many researchers that a satisfied worker or employee would be a real productive one. In this age of tough global competition, it becomes imperative for organizations to achieve higher levels of productivity to remain in the race and to outsmart the competitors. This study is taken up against this back drop. It is intended to cover six companies across six industries in India. A structured questionnaire was designed from the review of literature and distributed to 800 junior and middle level employees working in these companies at Chennai by using quota and convenience sampling methods. An analysis was performed on 477 usable responses to determine the impact of empowerment on employee satisfaction.

Key words: Corporate Sector, Employee Empowerment, Indian Corporate Sector.

Cite this Article: Dr. D. Rajasekar, Dr. A. Krishna Sudheer and Dr. P. Raghunadha Reddy, A Study on Employee Empowerment in Indian Corporate Sector. *International Journal of Civil Engineering and Technology*, 8(11), 2017, pp. 268–277.

<http://www.iaeme.com/IJCIET/issues.asp?JType=IJCIET&VType=8&IType=11>

1. INTRODUCTION

The corporate sector in India has been playing the role as the driver of growth and development process of the Indian economy. In particular the huge industrialization effort put in by the numerous organizations' belonging to various sectors accelerated the growth process. This has resulted in a number of institutional changes, especially in the regulatory framework applicable to the sector.

Over the years it is firmly established that the basic contributory factor for employee job satisfaction is employee empowerment. Many a researcher has emphasized the fact that it is job satisfaction which drives people to put in their best possible efforts to achieve the

organizational goals and objectives. It is also clearly established by many researchers that a satisfied worker or employee would be a real productive one. In this age of tough global competition, it becomes imperative for organizations to achieve higher levels of productivity to remain in the race and to outsmart the competitors. This study is taken up against this back drop. It is intended to cover some of the companies across six industries in India.

2. LITERATURE REVIEW

It is claimed that there is not a single or a simple definition of empowerment (Cunningham and Hyman, 1999). For some, empowerment is considered as a recent and advanced manifestation of employee involvement, and a part of management strategy that contributes directly to organizational objectives. However, for others, it is a popular managerial initiative under the shield of employee involvement (Holden, 1999). However, it can be outlined as gaining the power to make employees' voice heard, to contribute to plans and decisions that affect employees and the use of their expertise at work in order to improve both self and organizational performance (Foy, 1994).

Yet, investigating the empowerment from different sectors in depth does not place certain distinctions between terms but shows that there is considerable overlap between employee empowerment and employee involvement (Lashley, 1999). Also, terms are used interchangeably (Collins, 1994). Because of this, quality circles, autonomous work groups, suggestion schemes and various employee share ownership programmes are frequently discussed under these different headings without defining the boundaries between them (Lashley, 1999).

Spreitzer conducted a survey on mid-level employees from Fortune 50 industrial organisations in South California. The sample consisted of 393 managers randomly selected from diverse work units representing all functions, divisions, and geographic locations. A separate scale was used to measure four dimensions of empowerment such as meaning, competence, self-determination and impact. Results found a statistical significant relationship between the variables considered and employee empowerment.

Herrenkohl et al. made an attempt to develop a measure of the employee empowerment, and to examine the measure's validity. The measure was administered to 698 employees of a high technology company located in the Midwest, US. Responses were factor analysed and an eight factor solution was identified as best representing the concepts underlying the responses such as recognition, fairness, goal clarity, risk taking, quality, teams, company success, work processes, and company problems. A validity study examined the ability of the eight dimensions to differentiate among 28 workgroups, identified independently either as more empowered or as less empowered. Two dimensions, fairness of the recognition system and decisions about work process, clearly contributed to discriminating between the two types of groups. A third dimension, clarity of company goals, was found to be somewhat less clear contributor.

Carol proposed a four-dimensional empowerment model which includes empowering culture, leader, employees and practices, in an organizational setting and a matrix that incorporates the four dimensions and the 7S organizational factors such as shared value, strategy, structure, system, style, skills and staff. In addition, he represented an empirical examination of the effects of personal and company characteristics on empowerment. A survey was conducted by choosing three insurance companies that operate in Taiwan, using a questionnaire that consists of three parts devoted to empowerment, job satisfaction and demographic information. A sample size of 300 respondents revealed that personal characteristics namely, age, tenure and position did not show a significant influence on perceived empowerment in

expected directions. Results found empowering practices, empowering employees and empowering culture significantly explained the variance in job satisfaction.

Lynn and Susan conducted a study to explore the relationship between stress, satisfaction and the four dimensions of psychological empowerment (meaning, impact, self-determination and competence) within a call centre. The occupational stress indicator and Spreitzer's empowerment measure were used to collect data from a North West (UK) call centre. The study found the call centre agents were more stressed, less satisfied and reported poorer mental and physical health than the general working population. In addition the sample perceived they as less empowered than other worker in a traditional office environment. Results confirmed that the four dimensions of empowerment such as meaning, impact, and particularly self-determination, had direct influence on job satisfaction, but not on health.

Bordin and Bartram examined the antecedents and consequences of psychological empowerment among Singaporean IT employees. Ninety-nine employees from the Singaporean subsidiary of an American multinational organisation participated in the study. The study primarily investigated the role of access to information, employee participation, supervisory social support and job security on predicting psychosocial empowerment and secondly, examined the role of psychological empowerment on organisational commitment and job satisfaction. The study shown that several factors are antecedents of psychological empowerment and found that empowerment increases organisational commitment and job satisfaction.

Ayupp and Chung examined the empowerment of front-line hotel employees and factors affecting empowerment within the industry. A stratified sampling was used to draw 125 respondents for survey from two and three star hotels in Malaysia. The study considered factors such as communication, coaching, participation, training and reward and tested for significant relationship with employee empowerment. The study found socio-economic factors were not having strong influence on the diffusion of empowerment among employees except gender.

Aziz empirically investigated the relationship of empowerment on both positive and negative emotions, to test whether the empowerment has association on employee's job satisfaction and attempted to examine the relationship of positive and negative emotions on job satisfaction. A survey was conducted on 325 employees of four and five star hotel employees in Malaysia. The findings signified a positive relationship between empowerment and positive emotions whilst indicated a negative relationship with negative emotions. The results also pointed out that both empowerment and positive emotions have a significant impact on employee's job satisfaction.

Judith conducted a study based on the Zimbabwe employee empowerment model that was initiated within the country in the 1980s. The model was meant to address employee empowerment disparities within the country's different industries. The study was carried out in four different companies in the food processing sector of Zimbabwe. The construct of employee empowerment was contextualized to include three areas which are decision-making, information sharing and power sharing. The argument advanced was that involving employees in decision making, information-sharing and power sharing would result into the employees' organizational commitment. The results indicated a positive relationship between decision-making and organizational commitment; and information sharing and organizational commitment. The relationship between power sharing and organizational commitment found negative.

3. RESEARCH METHODOLOGY

The present study examines the relationship between demographic variables (such as gender, age and tenure), employee empowerment and job satisfaction. Further, the hypotheses were framed accordingly to test the significance of the relationship. Further, the study tests the relationship between employee empowerment and job satisfaction. The proposed model of the study connects demographic variables, employee empowerment and job satisfaction. Employee empowerment was measured using the Spreitzer (1995) scales of meaning, competence, impact and choice.

4. RESEARCH OBJECTIVES

The present study was based on the following objectives:

- To examine the influence of demographic characteristics on employee empowerment and job satisfaction.
- To identify the relationship between employee empowerment and job satisfaction.
- To suggest a comprehensive model combining the various factors of employee empowerment on job satisfaction to the Indian corporate sector.

5. RESEARCH HYPOTHESES

Based on extensive review of literature in the area of employee empowerment and job satisfaction, the following hypotheses have been formulated.

H1: There is a significant difference between male and female employees in their perception toward employee empowerment.

H2: There is significant difference among employees of varied age in their perception towards empowerment.

H3: Employees' empowerment differs significantly based on their job tenure.

H4: There is significant relationship between employee empowerment and job satisfaction.

6. PILOT STUDY

A pilot study with a sample size of **60 responses** was conducted before arriving at the final questionnaire. Reliability analysis (**Cronbach's alpha**) was applied to check the reliability of items used in initial questionnaire which is shown in Table 1. Based on reliability analysis and feedback from respondents, the final questionnaire was prepared.

Table 1 Reliability Analysis

EMPLOYEE EMPOWERMENT	12	0.860
Meaning	3	0.606
Competence	3	0.679
Impact	3	0.706
Choice	3	0.671
JOB SATISFACTION	3	0.753

7. QUESTIONNAIRE SURVEY

The study is being conducted in the industrial city of Chennai, Tamilnadu, because it is an Industrial hub of the country. Six progressive industries are being considered for the study and from each industry one organization was picked as respondent organizations, and middle levels of employees (i.e. E3 or M3) were chosen as the sample for the study. The secondary

data was collected from the company records and manuals while the primary data was collected by administering a structured questionnaire to a group of respondents from the selected organizations. Quota and Convenience sampling methods are being used to pick the respondents. The study aimed to cover a group of 600 respondents from the selected organizations and received 520 responses of which usable responses are 477.

8. VARIABLES OF EMPLOYEE EMPOWERMENT

Empowerment conveys many advantages to workers. It improves them feel about their commitments to the association, it upgrades representatives' psyches to discover better approaches to execute their occupations and it gives workers the sentiment trust in themselves and their associations (Bourke, 1998). Four mental components were considered in the present investigation, for example, Meaningfulness, Competence, Impact, and Choice (Thomas and Velthouse, 1990).

Meaning is the point at which somebody feels that his work is critical to him and he enjoys what he is doing. As indicated by Thomas and Velthouse (1990) importance includes the person's characteristic thinking about a given errand. Also, Spreitzer (1995) characterizes significance as the estimation of a work objective or reason, judged in connection to a person's own goals or measures. Significance can be upgraded by giving data about the mission of the association and through sharing this data all through.

Competence is the certainty somebody has about his capacity to do his function admirably. Thomas and Velthouse (1990) characterize it as "how much a man can perform undertaking exercises skilfully when he or she tries. Spreitzer (1995) characterizes fitness as a person's confidence in his or her ability to perform exercises with expertise. To survey the fitness of the respondent, three scale things were considered.

Impact is the point at which somebody trusts he can impact his work and that others will react to his thoughts. As per Thomas and Velthouse (1990), affect is how much conduct is viewed as having any kind of effect as far as finishing the reason for the assignment. Likewise, Spreitzer (1995) characterizes "affect" as how much an individual can impact key, managerial, or working results at work. Giving data about hierarchical mission is the way to molding the Impact.

Choice is the opportunity to pick how to do function and not to be nearly overseen. As indicated by Thomas and Velthouse (1990), decision includes easygoing obligation regarding a man's activities." Spreitzer (1995) alludes to decision as self-assurance and she characterizes it as self-governance in the start and continuation of work practices and process. Decision can be controlled by measuring the degree to which people have a feeling of independence in connection to work pace, request and quality.

9. DATA ANALYSIS & HYPOTHESES TESTING

This study was designed to explore the relations of gender, age, tenure with employee empowerment and the role of employee empowerment on job satisfaction. A total of 477 employees participated in the study. The frequencies, percentages and Means of valid responses recorded were summarized in table 2 as follows:

Demographic characteristics		Frequency	Percent
Gender	Male	387	81.1
	Female	90	18.9
	Total	477	100.0
Age (in years)	< 25	57	11.9
	25 - 30	134	28.1
	30 - 35	139	29.1
	35 - 40	108	22.6
	> 40	39	8.2
	Total	477	100.0
Marital Status	Single	159	33.3
	Recently Married	63	13.2
	Married & having children	255	53.5
	Total	477	100.0
Spouse Occupation	Business	21	4.4
	Home Maker	150	31.4
	Unmarried	159	33.3
	Working	147	30.8
	Total	477	100.0
Job Tenure (in years)	< 1	21	4.4
	1 - 3	168	35.2
	3 - 6	129	27.0
	6 - 9	87	18.2
	> 10	72	15.1
	Total	477	100.0

The present study has considered four hypotheses by extensive review of relevant literature in the area of employee empowerment.

H1: There is a significant relationship between gender and employee empowerment.

The objective of this hypothesis is to examine the influence of gender on employee empowerment. To examine this, t-test was employed between gender and employee empowerment and the test result was shown in Table 3.

Table 3 t – test result between Gender and Employee Empowerment

	t	df	Sig.
Meaning	-5.374	168.525	.000*
Competence	-4.854	164.258	.000*
Impact	-9.045	192.140	.000*
Choice	-4.679	157.597	.000*
Employee Empowerment	-7.543	161.137	.000*

* Significant at 0.05 level

The four dimensions considered in the study i.e., Meaning, Competence, Impact and Choice, exhibited p values less than 0.05 under 'equal variances not assumed', which demonstrates that there is a significant differences between male and female employees in their perception towards employee empowerment. The mean values of female exhibits higher score of employee empowerment compared to males which is contrary to the general belief of men hold more power in organizations. This result is consistent with Spreitzer (1996), Zoe (2003) and Ayupp and Chung (2010). Hence ***H1 is accepted.***

H2: There is a significant relationship between age and employee empowerment

To test this hypothesis, analysis of variance was employed by taking age as independent variable and meaning, competence, impact, choice and employee empowerment were considered as dependent variables.

		Sum of Squares	df	Mean Square	F	Sig.
Meaning	Between Groups	19.672	4	4.918	10.869	.000*
	Within Groups	213.585	472	.453		
	Total	233.257	476			
Competence	Between Groups	34.543	4	8.636	13.291	.000*
	Within Groups	306.687	472	.650		
	Total	341.230	476			
Impact	Between Groups	33.520	4	8.380	17.659	.000*
	Within Groups	223.987	472	.475		
	Total	257.507	476			
Choice	Between Groups	23.738	4	5.935	15.140	.000*
	Within Groups	185.017	472	.392		
	Total	208.756	476			
Employee Empowerment	Between Groups	24.649	4	6.162	17.860	.000*
	Within Groups	162.856	472	.345		
	Total	187.505	476			

* Significant at 0.05 level

From the ANOVA table 4, a statistical significant relationship was established between age and variables of employee empowerment namely meaning, competence, impact and choice. Overall employee empowerment found to be statistically significant. Hence, **H2 is accepted.**

H3: Employees' empowerment differs significantly based on their job tenure.

To test the significant relationship between job tenure and employee empowerment, Analysis of variances (ANOVA) has been employed with job tenure as independent variable and employee empowerment as dependent variable by covering all its variables such as meaning, competence, impact and choice.

Table 5 portrays the ANOVA test results which shows a significant value of p (<0.05) for employee empowerment and all its variables such as meaning, competence, impact and choice, considered in the present study. The employee empowerment has proved to have a statistical significant relationship with job tenure. **Thus H3 is accepted.**

		Sum of Squares	df	Mean Square	F	Sig.
Meaning * Job Tenure in yrs	Between Groups	11.388	4	2.847	4.975	.001*
	Within Groups	270.088	472	.572		
	Total	281.476	476			
Competence * Job Tenure in yrs	Between Groups	8.220	4	2.055	3.058	.017*
	Within Groups	317.189	472	.672		
	Total	325.409	476			
Impact * Job Tenure in yrs	Between Groups	8.426	4	2.106	3.120	.015*
	Within Groups	318.686	472	.675		
	Total	327.111	476			
Choice * Job Tenure in yrs	Between Groups	7.847	4	1.962	2.883	.022*
	Within Groups	321.126	472	.680		
	Total	328.973	476			
EMPLOYEE	Between Groups	4.780	4	1.195	3.077	.016*

EMPOWERMENT *	Within Groups	183.321	472	.388		
Job Tenure in yrs	Total	188.101	476			

* Significant at 0.05 level

H4: There is significant relationship between employee empowerment and job satisfaction.

The core objective of the study is to empirically investigate the relationship between employee empowerment and job satisfaction. The linear regression analysis was performed to examine the statistical significant relationship between employee empowerment and job satisfaction by 'Enter' method. The results were displayed in Table 6 (Model Summary) & Table 7 (ANOVA & Coefficients).

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.636 ^a	.405	.400	.436

a. Predictors: (Constant), Choice, Competence, Meaning, Impact

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	60.952	4	15.238	80.271	.000 ^b
	Residual	89.601	472	.190		
	Total	150.553	476			

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.689	.125		13.501	.000
	Meaning	.002	.032	.003	.076	.940
	Competence	.151	.029	.222	5.226	.000*
	Impact	.182	.033	.269	5.541	.000*
	Choice	.202	.030	.299	6.765	.000*

a. Dependent Variable: Job_Satisfaction

b. Predictors: (Constant), Choice, Competence, Meaning, Impact

Table 6 shows that 40.5% of variance in job satisfaction is explained by employee empowerment, which is quite a respectable result when compared with some of the previous studies.

The table 7 depicts variables such as Competence, Impact and Choice has a statistical significant relationship with job satisfaction ($p < 0.05$). On the other side, meaning is not significant ($p > 0.05$). Overall, the present study found a significant relationship between employee empowerment and job satisfaction. The model was found to be statistically fit infers that employee involvement and employee empowerment explains 40.5 % ($R^2 = 0.405$, $R = 0.636$) of variance of job satisfaction. Thus **Hypothesis 4 is accepted**.

10. LIMITATIONS OF THE STUDY

- The sample collected in the study may be small compared to the population and moreover the sample drawn was non-probabilistic.
- Only few industries were considered and within each industry only one organization was taken in the study.
- The study did not take into cognizance the proportion of male and female employees employed in these organizations'.

- The expected response was not materialized due to non-cooperation of the employees.
- An element of bias in responding to the questions cannot be ruled out as well.

11. FUTURE RESEARCH DIRECTIONS

There are several directions for future research that can be suggested from the present study. One important direction would be to consider the analysis of firm size, firm type, and firm's performance and their influence on job satisfaction in decision making. These might be relevant and imperative in making policy decisions for the firm to promote employee empowerment.

From the findings of the present study, it can be inferred that employee empowerment is different based on the type of organization. So, future research can be conducted by comparing specifically between services and manufacturing companies.

Though the present study found significant relationship of gender, age, and job tenure with empowerment, the present study failed to conduct a survey with proportionate gender, age and job tenure samples. So, a study considering proportionate sample of male and female, different age groups and various experience levels are needed to study the demographic influence in a complete manner.

Finally, the study will be extended to other geographical areas and other industries to provide a further analysis of results derived from responses received from respondents at different hierarchical levels. Future research should also explore the extent of variables such as leadership, culture, competence, motivation, self-efficacy, etc., on employee empowerment and job satisfaction.

12. CONCLUSIONS

Today, many firms are waking up to the realization that employees must be viewed as long-term investments as important as the capital necessary to finance and sustain the business. In this context, a study focusing on employee empowerment would definitely make a sense to the corporate sector. This study emphasizes on four variables; meaning, competence, impact and choice as the ones part of an empowerment process. In real sense if the empowerment happens then employees would work to deliver under all circumstances and loyalty becomes a natural choice thereby avoiding problems of employee turnover.

REFERENCES

- [1] **Ayupp Kartinah, and Chung T.H. (2010)**, "Empowerment: Hotel Employees' Perspective", *Journal of Industrial Engineering and Management*, Vol. 3, No. 3, pp. 561-575.
- [2] **Aziz, Y.A. (2011)**, "Assessing the Effects of Empowerment and Emotions on Job Satisfaction in Hotel Service Environments", *The 2nd International Research Symposium in Service Management*, Yogyakarta, Indonesia, 26-30 July, pp. 467-470.
- [3] **Bordin Carina and Bartram Timothy (2007)**, "The antecedents and consequences of psychological empowerment among Singaporean IT employees", *Management Research News*, Vol. 13, No. 1, pp. 34-46.
- [4] **Bourke, J.F., (1998)**, "Employee Empowerment," *Dallas Business Journal*, Vol. 21, No. 46, pp. 24-32.
- [5] **Carol Yeh – Yun Lin (2002)**, "Empowerment in the Service Industry: An Empirical Study in Taiwan", *The Journal of Psychology*, Vol. 136, No. 5, pp. 533-554.

- [6] **Collins, D. (1994)**, "The Disempowering Logic of Empowerment", Empowerment in Organizations, Vol. 2, pp. 1-18.
- [7] **Cunningham Ian, and Hyman Jeff (1999)**, "Devolving human resource responsibilities to the line: Beginning of the end or a new beginning for personnel?", Personnel Review, Vol. 28, No. 1/2, pp. 9 – 27.
- [8] **Foy, N. (1994)**. "Empowering People at Work", Gower, London.
- [9] **Herrenkohl, R.C., Judson, G.T., and Heffner, J.A., (1999)**, "Defining and Measuring Employee Empowerment", The Journal of Applied Behavioral Science, Vol. 35, No. 3, pp. 373-389.
- [10] **Holden, Len (1999)**, "Human resource management: a contemporary approach", Editors Beardswell, Ian and Holden, Len, Pearson Education Limited, Harlow, pp. 559-597. (Accessed on 13.07.2015 from <https://ulib.derby.ac.uk/ecdu/CourseRes/dbs/manpeopl/hold.pdf>)
- [11] **Judith, M.Z. (2012)**, "Employee empowerment and organizational commitment: A study of the food manufacturing sector in Zimbabwe", African Journal of Business Management Vol. 6, No. 38, pp. 10332-10339. Accessed from <http://www.academicjournals.org/ajbm/PDF/pdf2012/26Sept/Judith.pdf> (02/02/2017)
- [12] **Lashley, C. (1999)**, "Employee Empowerment in Services: A Framework for Analysis", Personnel Review, Vol. 3, pp. 169-191.
- [13] **Lynn, H. and Susan, C. (2003)**, "Empowerment, Stress and Satisfaction: An Exploratory Study of a Call Centre", Leadership & Organization Development Journal, Vol. 24, No. 3, pp. 131-140.
- [14] **Spreitzer, G.M. (1995)**, "Psychological Empowerment in the Workplace: Dimensions, Measurement, and Validation", Academy of Management Journal, Vol. 38, No. 5, pp. 1442-1465.
- [15] **Thomas, K. B., & Velthouse, B. A. (1990)**, "Cognition elements of empowerment: an "interpretive" model of intrinsic task motivation", Academy of Management Review, Vol. 15, pp. 666-681.
- [16] Dr. Aditi Jain and Ms. Shivani Gambhir. Socio - Economic Women Empowerment: Sharp Focus. International Journal of Advanced Research in Management, 6 (1), 2015, pp. 38 - 49 .
- [17] Mrs. Porinita Banerjee, Mr. Vasimraja Sayed, and Mrs. Sheena Abraham. Self Help Group: A Pathway Towards Credit & Economic Empowerment of Women. International Journal of Advanced Research in Management, 7 (1), 2016, pp. 13 - 19 .
- [18] Dr.Y.Lokeswara Choudary & S.Chitra, "Women Empowerment Thorough Self Help Groups A Case Study of Kancheepuram District In Tamilnadu" International Journal of Management (IJM), Volume 3, Issue 2, 2012, pp. 309 - 318,