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THE RELATIONSHIP BETWEEN EMPLOYEE EMPOWERMENT AND EMPLOYEE EFFECTIVENESS: AN EMPIRICAL STUDY OF KOLHAPUR BASED INDUSTRIES

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ABSTRACT

Employee empowerment means that management recognize the ability of employees, and provides employees with the tools and authority required to continuously improve their performance. Competent workforce with experience will be needed for the organizations to take maximum output. This study mainly highlights the significant relationship between employee empowerment and employee effectiveness. Employee is an important tool for the enrichment of human resource abilities and capabilities of mastering their jobs.

Employee empowerment is helpful to foster employees efficiency.

KEYWORDS :Employee Empowerment and Employee Effectiveness , management recognize , organizations.

INTRODUCTION

Employee empowerment is one of the effective techniques for increasing productivity in employee and optimal use of capacity their individual and group abilities in order to achieve organizational objectives. Empowerment is a process in which through the development and influence expand and the capabilities of individuals and teams will be help to improve and performance continuous improvement. All employees feel that they have the responsibility and authority to participate in decision



making and problem solving in their appropriate operating levels. Kanter (1983) was considered the empowerment is an important technique to motivate employees by delegating power.

CONCEPTUAL AND REVIEW OF LITERATURE

Empowerment of human resources means create collection of required capacity in staff for enable them to creating added value in organization and role playing and responsibilities are responsible in the organization, with efficiency and effectiveness. (Doaei 1998). Grew (1971), empowerment includes delegation of authority, legislation power, mission and power.

Gilaninia (2012) explained some measure to empower the employees

- 1) Demonstrate leadership commitment
- 2) To consider the interests of employees
- 3) Staff training to increase their knowledge, skills and abilities
- 4) Application of quality teams
- 5) Employee participation in planning and performance information sharing
- 6) delegation of authority

S. Thamizhamanni and S. Hasan (2010) explained the importance of employee empowerment in TQM Practice. According to Y.A. Hamburger (2008) empowerment is a concept that links individual strengths and competencies, natural helping systems and proactive behavior to social policy and social change

M. Ripley (1992) and Spatz (2000), employee empowerment will bring the followings:

- a) increase employees' trust and commitment;
- b) increase motivational level to reduce mistakes and individuals take more responsibility for their own actions;
- c) provide a forum through which employees can express their beliefs and innovative ideas about day-to-day activities;
- d) assist the continuous improvement of processes, products, and services;
- e) increase employee loyalty, while at the same time reducing turnover, absenteeism, and illness;
- f) increase productivity by increasing employee pride, self-respect, and self-worth;
- g) use peer pressure and self-managing team methods for employee control and productivity;
- h) increase the bottom line by such methods as reducing waste and building quality, while meeting customer requirements;
- i) maintain and increase competitiveness and achieve long-term competitiveness with an ever increasing market share;
- j) increase trust and cooperation with management;
- k) increase communication among employees and divisions;
- l) enable employees to identify & solve problems so that they can improve their own performance;
- m) increase organizational commitment and organizational effectiveness; and
- n) build a healthy organizational climate and culture.

Kouzes and Posner (2002) defines that leaders ability is empowering the employees and is tested by measuring the sharing power and credit giving ability to their employees. Avolio et al (2004) pointed that one of the important duties of leaders is empowering followers to meet the organizational goals and performance aims. Page and Wong (2000) revealed in his Servant leadership theory, empowering employees, serving them and being committed to cultivating them. Kouzes (2002) also pointed some ways to improve empowerment like developing cooperative relationship, listening the point of views, treating customers with dignity and respect and supporting people's opinions. Rober etal (2000) also strengthened this issue, the role of a leader in empowering others has to be acting as a mentor, coach.

Researcher can summarize Empowerment at the following points

Empowerment encompass on enlargement of an employee’s job duties by giving them the Independence and authority of decision making about their own job without approval of his immediate supervisor.

Empowerment is the level of responsibility and authority given to an employee.

By empowerment, the employees are motivated and enthusiast to utilize their skills, abilities and creativity by accepting accountability for their work.

Empowerment occurs when employees are well trained , provided with all the appropriate and relevant information and the best possible tools, fully involved in key decisions, and are fairly rewarded. Empowerment involve managers and employees working together to create specific goals and expectations within agreed-upon boundaries.

Gilaninia (2012) explained some measure to empower the employees

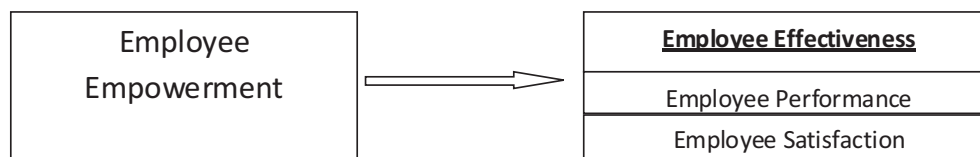
- 1) Demonstrate leadership commitment
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Chamberlin (1997) defined empowerment as multidimensional concept including decision power, information and resource access, availability of choices assertiveness, ability to make a difference , think critically, positive self image and ability to change and develop the self and others.

MODEL OF THE STUDY

Employee empowerment approaches enhancing the responsibility, authority, and making jobs challenging and interesting to employees based on their abilities and needs of the organization. Many research has demonstrated statistically significant relationships between measures of Employee empowerment and employee performance Gilaninia (2012), S. Thamizhmanii et al (2010). There are limited studies conducted in this in India particularly in Kolhapur based industries.

The model developed in this study identifies two main variables and dimensions related to Employee empowerment and Employee effectiveness. Empowering employees led to high employee effectiveness. Employee satisfaction and Employee performance are the two variables considered to measure employee effectiveness.



OBJECTIVES OF THE STUDY

- To identify the existence of empowerment mechanism in manufacturing and service sector.
- To measure the institutional dimensions of empowerment.
- To find out the relationship between employee empowerment and employee effectiveness.

HYPOTHESIS OF THE STUDY

Hypothesis No.1:- Employee empowerment and employee performance are positively and significantly correlated.

Hypothesis No.2:- Employee empowerment and employee satisfaction are positively and significantly correlated.

RESEARCH METHODOLOGY

This study employs descriptive analytical approach to achieve its objectives. This study mainly focus on primary data by using questionnaire. Secondary data also collected from the periodicals, magazines and journals.

SCOPE OF THE STUDY

This study is mainly concentrated on employee empowerment among employees of different manufacturing and service industries at Kolhapur. Kolhapur is a city situated in the southwest corner of Maharashtra, India. Kolhapur serves as the headquarters of the Kolhapur district. Kolhapur is situated on the banks of the river Panchganga. It has an elevation of 569 metres (1867 ft) which is higher than that of Pune. According to legend it was settled by Kolhasur, a demon who was later killed by Mahalakshmi to relieve the local populace. However, honouring the demon's dying wish, the city was named after him. Kolhapur is famous for being a centre of Art, education, industry as well as sports, food, headwear, footwear and jewellery.

Ten manufacturing industries and ten service industries from Kolhapur considered for study.

SCALE

A five point Likert scale was used to measure the employee empowerment and employee effectiveness. Point No.1 means least agreeable and five means most agreeable. This Scale was originally developed by Avolio and Bass (2004) and it is re used by Shadi Ebrahimi Mehrabani (2015).

SAMPLE

Ten manufacturing industries and ten service industries from Kolhapur considered for study. From each industry ten employees were selected randomly. Therefore total number of sample size is 200 employees.

STATISTICAL ANALYSIS

Correlation is used to evaluate the relationship between employee empowerment and employee effectiveness viz employee performance and employee satisfaction.

Cronbach alpha and KMO test have conducted to check the reliability and validity of the data.

The Cronbach Alpha score related to employee empowerment is 0.89 and employee effectiveness is 0.83. The Cronbach's Alpha scores were found to be well above the acceptable value of 0.70.

Kaiser- Meyer Olkin (KMO) test was conducted to find out the validity, the score is 0.76, here KMO score is greater than 0.6,

By considering these test instruments were confirmed reliability and validity.

Data Analysis and Interpretation

Table No.1 Institutional Dimensions of Empowerment

Dimension		Mean Score	
		Manufacturing Industries	Service Industries
1	Empowerment is part of our organization policy	3.3	2.6
2	My Superior always tries to empower me in many ways	3.4	2.4
3	Top management encourage empowerment of employees	3.7	2.6
4	Laws and regulations allow employees empowerment	3.0	2.6
5	Empowerment is part of training and development activities	3.2	2.5
6	Empowerment is an integral part of motivation and promotion	3.3	2.7
7	Employees seek and accept empowerment and its challenges	3.8	3.0

It shows that respondents in manufacturing industries have higher positive attitude (range varies from 3.0 to 3.8) than service industries (range varies from 2.4 to 3.0) towards the different dimensions.

Table No.2 Empowerment Mechanism

Dimension		Mean Score	
		Manufacturing Industries	Service Industries
1	Empowerment level, means and forms are sufficient	3.8	2.6
2	Empowerment includes job enlargement (work quantity)	3.6	2.9
3	Empowerment includes job enrichment (work quality)	3.4	3.1
4	Empowerment includes delegation of authority	3.9	3.2
5	Empowerment includes employees participation and involvement	4.0	3.2
6	Empowerment includes enough and easy access to information	3.6	2.9
7	Empowerment includes sufficient funds for carrying out jobs	4.2	3.0

Empowerment mechanism better in the manufacturing sector (ranging from 3.4 to 4.2) than service sector (ranging from 2.6 to 3.2) as per the respondents.

Table No.3 Factors improving empowerment

Dimension		Mean Score	
		Manufacturing Industries	Service Industries
1	Top management support enhance empowerment	4.6	4.7
2	The use of the state-of-the art technology enhance empowerment	4.4	4.1
3	Training & development activities enhance empowerment	4.5	4.5
4	Adoption of merit system and competition enhance empowerment	4.1	4.3
5	Mutual trust among employees enhance empowerment	4.7	4.3
6	Linking empowerment into motivation enhance empowerment	4.6	4.6
7	Updating structures and laws enhance empowerment	4.4	4.4

Factors promoting empowerment regardless of sector consideration strongly agreed by the respondents is reflected in the above table (range varies from 4.1 to 4.7)

Table No.4 Correlation between employee empowerment and employee effectiveness viz employee performance and employee satisfaction

Dimensions	M		SD		empowerment	
	Manufacturing	Service	Manufacturing	Service	Manufacturing	Service
Employee empowerment	4.12	3.87	0.412	0.413	1.00	1.00
Employee satisfaction	4.3	3.76	0.401	0.421	0.862	0.763
Employee Performance	4.5	3.90	0.432	0.431	0.864	0.767

H₀ :- There is no relationship between employee empowerment and employee performance

H₁ :- employee empowerment are positively and significantly correlated to employee performance

The correlation between the empowerment and performance is 0.864 related to manufacturing sector and 0.767 related to service sector which is significant at .05 level of significance . The calculated value r is highly correlated each other (r<.700). It indicates that employee empowerment and employee performance are positively and significantly correlated.

H₀⁰ :- There is no relationship between employee empowerment and employee satisfaction

H₁¹ :- employee empowerment are positively and significantly correlated to employee satisfaction

The correlation between the empowerment and employee satisfaction is 0.862 related to manufacturing sector and 0.763 related to service sector which is significant at .05 level of significance

The calculated value r is highly correlated each other (r<.700). It indicates that employee

empowerment and employee satisfaction are positively and significantly correlated.

Chen (2011) noticed that employees performance improves significantly when they are empowered with autonomy, freedom and opportunities to influence decision making in their jobs or organization.

THEORETICAL IMPLICATIONS AND CONCLUSION

There are many studies that support the positive effect of empowerment on employee performance (Shadi Ebrahimi et al (2015 Krikman and Rosen (1999)) and Seibert et al 2004 on employee satisfaction. This study highlights significant relationship between employee empowerment and employee effectiveness viz employee performance and employee satisfaction. Linking empowerment to leadership and encourage empowerment practices by providing rewards Redesign of organization structure helps to make the organization more friendly. Trust should be developed this will lead to effectiveness. Management should take the proper steps to delegating power by adopting proper motivational techniques. Stress free environment helps the employee to improve job satisfaction. Training should be done in such a way that all the members should understand their responsibilities, maintain good relations with other members in the team and to develop motivational attitude. The team members should try to solve their problems within the organizational frame work.

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