

Employee Empowerment in the Banking Sector

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Introduction

Employee empowerment is one such tool for building trustful relationship in the work place which also initiates high level performance. In an organization if employees suffer from role ambiguity or role conflicts this can adversely influence the organizational performance and also hinder individual performance resulting in loss of interest among the employees. In order to overcome this, every organization has to implement empowerment techniques which enhance the confidence of the employees and also the interest of employees in their role and contribution. Employee empowerment has always flaunted positive impact on the mindset of the employees which in turn helps in improving their working ability as well as overall performance of the organization. It provides freedom to the employee to share their innovative ideas to improve the organization in the long run.

Review of literature

Obianu et.al., (2015) “Employee empowerment and behavior modification of selected insurance companies in Lagos state, Nigeria” the study has examined the significant relationship between training and turnover and tested the significance between empowerment and organization effectiveness. Article has considered some variables relating to empowerment i.e. innovativeness, motivation, information, autonomy, social interaction which has a positive impact on organization effectiveness and there is a significant relationship between training and turnover.

Manisha et.al., (2016) “A case study of HDFC Bank: Measuring Employee Empowerment Using Demographics” The main aim of the study is to understand the employee empowerment status in respect of various demographic variables such as age, gender, income, qualification, issue of control and positions. For this study, empowerment variables, such as leadership, motivation, participation and satisfaction were associated with the demographic variables. The result reveals that there is a positive support from the bank towards the empowerment practices with respect to demographic variables.

Darrrol (2018) “The impact of empowered employees on corporate value” in this article he stated that in a competitive environment most of the companies fail to identify the most important asset i.e. employees attitudes towards work. To empower the employees there are three important factors which are communication, willingness to serve and common purpose. For this study he analyzed 40 companies and study reveals that the empowered employees positively impact on the financial results of the company.

NEED FOR THE STUDY

Banking sector is one of the important drivers of economic growth especially in developing countries. Recent changes in the business environment such as, world recession, shortage of skilled employees, need for creativity, innovations are becoming the challenges of every business organization. The main aim of every organization is to assist the employees and meeting their needs to promote both the individual as well as organizational goals. Empowerment can be used as a tool to enhance the employee trustworthiness and improve the organization efficiency. Employee empowerment has gained a greater recognition in service oriented sectors as employees of these sectors have frequent contact with their customers when the interactions are not properly handled the outcome is poor service quality which leads to customers dissatisfaction.

OBJECTIVE

The main objective of the present study is

1. To analyze different dimensions of psychological empowerment in banking Sector.

Main hypothesis

H₀: There is no significant relationship between demographic factor (employee gender) and dimensions of psychological empowerment in banking sector.

H₁: There is a significant relationship between demographic factor (employee gender) and dimensions of psychological empowerment in banking sector.

Conceptual framework of the study

PSYCHOLOGICAL EMPOWERMENT

Psychological empowerment refers psychological states that are essential to feel a sense of control in relation to their work and it focuses on how employees feel and experience at their work place. It focuses on the personal attitude of the employees concerning their work role in the organization.

The present study is aimed at examining the following important dimensions of psychological empowerment.

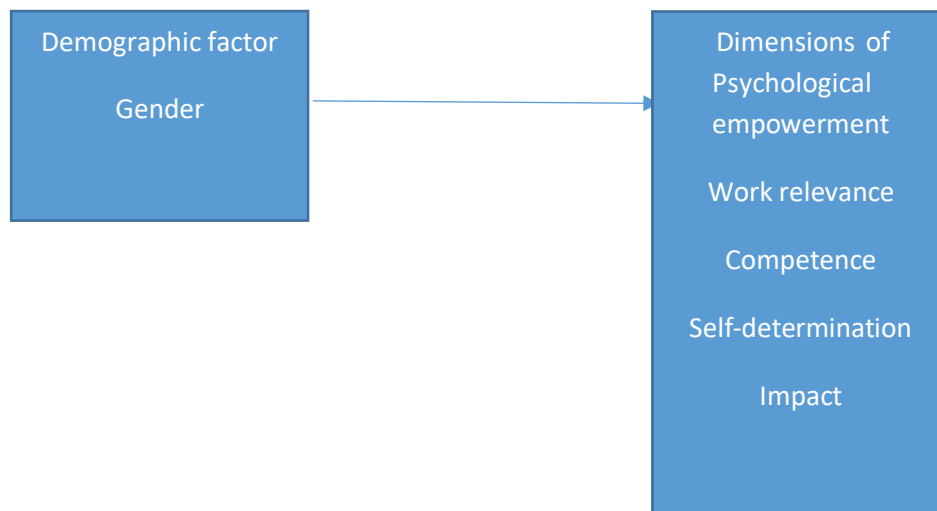


Figure 1.1: Conceptual frame work of the study

RESEARCH METHODOLOGY

The data required for the study was obtained from two sources namely primary and secondary data

Primary Data: Primary data has been collected from the respondents by adopting a well-structured questionnaire and also through interaction, discussion and consulting with the banking employees.

Secondary Data: Secondary data has been collected through text books, journals, and annual reports of respective banking reports of RBI and related websites.

A well - structured questionnaire used to collect the responses from the respondents .For this purpose a sample of 700 respondents were selected from 7 public sector banks in Mysore district. All 700 questionnaires were distributed to the respondents but were successfully in collecting 590 completely filled questionnaires. Hence, the Sample size is 590.

Correlation and regression tools were used to examine the association between the demographic factor and dimensions of psychological empowerment.

4.15.2 Sub Hypothesis

H₀: There is no significant relationship between employee gender and dimensions of psychological empowerment in banking sector.

H₁: There is a significant relationship between employee gender and dimensions of Psychological empowerment in banking Sector.

Analysis and interpretation

Table : 1			
Gender of the respondents			
	Frequency	Percent	Cumulative percent
Male	446	75.6	54.7
Female	144	24.4	100.0
Total	590	100.0	

(Source: Primary data)

Table 1.1: Correlation coefficient for employee gender and work relevance

Correlations			
		Employee gender	Work Relevance
Employee gender	Pearson Correlation	1	.172**
	Sig. (2-tailed)		.000
	N	590	590
Work Relevance	Pearson Correlation	.172**	1
	Sig. (2-tailed)	.000	
	N	590	590

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

(Source : Primary data)

Interpretation:

The above table shows, the correlation between employee gender and work relevance. Employees' gender has .172 i. e positive correlation with work relevance and the significance level is .000. The relationship between employee gender and work relevance is significant because p – value is less than 0.05. Hence, the alternative hypothesis is accepted.

Table 1.2:Regression model summary of employee gender and work relevance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.172 ^a	.030	.028	7.11542
a. Predictors: (Constant), Employee gender				

(Source : Primary data)

Table 1.3: ANOVA outcome for employee gender and work relevance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	912.710	1	912.710	18.027	.000 ^b
	Residual	29769.970	588	50.629		
	Total	30682.680	589			
a. Dependent Variable: Work Relevance						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	27.567	.904		30.506	.000
	Employee gender	-2.499	.589	.172	-4.246	.000
a. Dependent Variable: Work Relevance						

(Source : Primary data)

Table 1.4:Analysis of coefficients of the regression model summary of employee gender and work relevance

Interpretation: The analysis is carried out by using linear regression model test, it is found that the R square(.030) which shows weak linear relationship , the Beta value is (.172) shows the positive influence of employee gender on work relevance of employees in IT companies and its associated p value is statistically significant at 5% level of confidence, which is less than 0.05 for work relevance (.000) which shows a significant relationship with gender. Hence, the alternative hypothesis is accepted with the conclusion that there is a significant relationship between employee gender and wok relevance.

Table 1.5: Correlation coefficient for employee gender and competence

Correlations			
		Employee gender	Competence
Employee gender	Pearson Correlation	1	.105*
	Sig. (2-tailed)		.011
	N	590	590
Competence	Pearson Correlation	.105*	1
	Sig. (2-tailed)	.011	
	N	590	590

*. Correlation is significant at the 0.05 level (2-tailed).

(Source : Primary data)

Interpretation:

The above table shows, the correlation between employee gender and competence. Employee gender has .105 i. e positive correlation with competence and the significance level is .011. The relationship between employee gender and competence is significant because p – value is less than 0.05. Hence the alternative hypothesis is accepted.

Table1.6:Regression model summary of employee gender and competence

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.105 ^a	.011	.009	7.85799

a. Predictors: (Constant), Employee gender

(Source : Primary data)

Table 1.7: ANOVA outcome for employee gender and competence

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	402.834	1	402.834	6.524	.011 ^b
	Residual	36307.851	588	61.748		
	Total	36710.685	589			

a. Dependent Variable: Competence

b. Predictors: (Constant), Employee gender

(Source : Primary data)

Table 1.8: Analysis of coefficients of the regression model summary employee gender and competence

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	21.684	.998		21.728	.000
	Gender of employees	1.660	.650	.105	2.554	.011
a. Dependent Variable: Competence						

(Source : Primary data)

Interpretation: The analysis is carried out by using linear regression model test, it is found that the R square (.011) which shows weak linear relationship, the beta value is (.105) shows the positive influence of employee gender on competence of the employees in IT companies and its associated p value is statistically significant at 5% level of confidence, p value is less than 0.05 for competence (.011) showing a significant relationship with gender. Hence, the alternative hypothesis is accepted with the conclusion that there is a significant relationship between employee gender and competence.

Table 1.9: Correlation coefficient for employee gender and self – determination

Correlations			
		Gender of employees	Self Determination
Gender of employees	Pearson Correlation	1	.148**
	Sig. (2-tailed)		.000
	N	590	590
Self Determination	Pearson Correlation	.148**	1
	Sig. (2-tailed)	.000	
	N	590	590
**. Correlation is significant at the 0.01 level (2-tailed).			

(Source : Primary data)

Interpretation: The above table shows, the correlation between employee gender and self – determination. Employee gender has .148 i. e positive correlation with self - determination and the significance level is .000. The relationship between employee gender and Self- determination is significant because p – value is less than 0.05. Hence the alternative hypothesis is accepted.

Table 1.10: Regression model summary of employee gender and self-determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.148 ^a	.022	.020	6.99437
a. Predictors: (Constant), Employee gender				

(Source : Primary data)

Table 1.11: ANOVA outcome for employee gender and self-determination

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	648.421	1	648.421	13.254	.000 ^b
	Residual	28765.647	588	48.921		
	Total	29414.068	589			
a. Dependent Variable: Self Determination						
B . Predictors: (Constant), Employee gender						

(Source : Primary data)

Table 1.12: Analysis of coefficients of the regression model summary of employee gender and self –determination

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	21.364	.888		24.051	.000
	Employee gender	2.106	.579	.148	3.641	.000
a. Dependent Variable: Self Determination						

(Source : Primary data)

Interpretation: The analysis is carried out by using linear regression model test, it is found that the R square(.022) which shows weak linear relationship, the Beta value is (.148) shows the positive influence of employee gender on self-determination of employees in IT companies and its associated p value is statistically significant at 5% level of confidence, p value is less than 0.05 for self-determination (.000) which shows a significant relationship with gender. Hence, the alternative hypothesis is accepted with the conclusion that there is a significant relationship between employee gender and self-determination.

Table 1.13: Correlation coefficient for employee gender and impact

Correlations			
		Employee gender	Impact
Employee gender	Pearson Correlation	1	.093*
	Sig. (2-tailed)		.024
	N	590	590
Impact	Pearson Correlation	.093*	1
	Sig. (2-tailed)	.024	
	N	590	590
*. Correlation is significant at the 0.05 level (2-tailed).			

(Source : Primary data)

Interpretation: The above table shows, the correlation between employee gender and impact. employee gender has .093 i. e positive correlation with impact and the significance level is .024. The relationship between employee gender and impact is significant because p – value is less than 0.05. Hence the alternative hypothesis is accepted.

Table 1.14: Regression model summary of employee gender and impact

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.093 ^a	.009	.007	7.15379
a. Predictors: (Constant), Employee gender				

(Source : Primary data)

Table 1.15: ANOVA outcome for employee gender and impact

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	263.930	1	263.930	5.157	.024 ^b
	Residual	30091.909	588	51.177		
	Total	30355.839	589			
a. Dependent Variable: Impact						
b. Predictors: (Constant), Employee gender						

(Source : Primary data)

Table 1.16: Analysis of coefficients of the regression model summary of employee gender and impact

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	22.938	.909		25.247	.000
	Employee gender	1.344	.592	.093	2.271	.024
a. Dependent Variable: Impact						

(Source : Primary data)

Interpretation: The analysis is carried out by using linear regression model test, it is subsequently found that that the R square(.009) which shows weak linear relationship , the Beta value is (.093) shows the positive influence of employees gender on impact dimension and its associated values are statistically significant at 5% level of confidence, p value is less than 0.05 for impact (.024) which shows a significant relationship with gender. Hence, the alternative hypothesis is accepted with the conclusion that there is a significant relationship between employee gender and impact.

Results

Gender and dimensions of psychological empowerment.

Banking employees' views that all the dimensions of psychological empowerment are necessary to discharge their work roles and they have positively correlated with gender. The study finds that in banking sector both male and female employees would do the work which is most relevant to them and equal opportunities is given to all the employees irrespective of gender. Both male and female employees are competent to adapt the changes and cop up with the stress so that they can decide their own work procedures to complete the project and effective feedback system helps them to solve their grievances about their work role. Banking sector gives opportunities to implement their creativity to discharge their duties irrespective of their gender.

Conclusion

Empowerment is a new form employee engagement, which is implemented by the management to enhance employee belongings and to increase the quality of product and services. Employee empowerment has received appreciation in management circles because it has become

the primary elements of managerial and organizational effectiveness which improves the organizational performance. Today's most of the organization has implemented the empowerment practices as a part of human resource management practices. In the last decade employment became an important concept, aiming to enhance the quality and customer satisfaction in service industries.

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