

# Employee Empowerment Practices for Organizational Effectiveness of Selected Private Sector Banks in Thiruvananthapuram District

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**Abstract:** The tremendous geopolitical developments, accompanied by waves of economic reforms and liberalization during the dynamic decade of the 1990s, have had a profound impact on the business scenario not only in India but around the world. The removal of trade barriers and the smooth flow of technology, money and labor have contributed to the globalization of business, creating high demand for quality, range, cost and reliability of products and services. At the same time, they "sent a strong signal to companies." As a result, many companies are undertaking major initiatives to build flatter, leaner, smarter organizations and put people at the center of their organizations. But this is not a matter of choice, but a compulsory management strategy in turbulent times. Achieving excellence is a journey, not a destination. Finding the right answers to current and emerging problems (and challenges) has proven to be a long and complex, yet highly rewarding and enjoyable experience. Organizational Development (OD), People Groups (AWG), self-directed teams (SDT), total quality management (TQM), business process reengineering (BPR), information sharing, and decentralization of power have been tried over the past two decades, but empowerment is clear. emerged as the winner. Confidence in an employee's ability, commitment and contribution to the organization is the central theme of this new mantra. Also, sharing information about emerging issues and opportunities not only helps bridge the large gap that exists between management and employees, but also helps optimize employee engagement, motivation and performance is also helpful.

**Keywords:** empowerment, organizational effectiveness.

## 1. Introduction

Today's increasingly complex and volatile business environment is characterized by liberalization, privatization and globalization. The global reach also ensures that the management team is no longer the same. For us in the 21st century, being competitive in a universal marketplace is the ultimate challenge for policymakers, business leaders and entrepreneurs across all industries, including banking. Challenges such as technology, the need for rapid decision-making, and importance. Frequent change causes organizations to replace traditional management practices (i.e., command and control) with employees by providing them with greater autonomy, trust, and delegation. It has changed to a democratic structure. Such democratic structures are effective only if

employees have a sense of self-determination. Thus, static, permanent and traditional organizations operating in a predictable world are giving way to flexible, adaptable and innovative organizations. Better change and transformation into the new world brings about a fundamental shift in the mindset, vision and perspective of forward-thinking employees.

Employee empowerment begins with the concept of strategic fit between people, tasks, technology, information processes, rewards and organizational structure. All of these must be coordinated before an organization can function effectively. Employees with strong organizational commitment are emotionally connected to the organization and have a strong desire to make a significant contribution to the company's success. This increases competitiveness, accountability, risk-taking, innovation, waste reduction and the desire to improve overall job performance. In addition, increased individual and workgroup or team engagement improves team performance, interpersonal relationships, and increases individual performance and satisfaction. In this way, empowerment drives change and increases engagement in the workplace. This increases individual employee engagement and helps achieve organizational goals.

### A. Statement of the Problem

The gap between demand and supply of HR professionals is widening in India. It can be difficult for HR managers to maintain consistency in performance and maintain higher levels of motivation, especially when the work is monotonous. Despite the large number of students graduating each year, the right skills acquired through the education system are now increasingly scarce, and their quality and relevance are low. The cost of hiring new talent is high due to bottlenecks. Therefore, in order to reduce this kind of environment, banks should provide more flexible, reasonable and rational procedures to overcome the problem.

## 2. Review of Literature

Gurvinder Kaur (2013) in her inquisitive research work entitled "Employee Empowerment and Organizational Effectiveness: A Comparative Study of Public, Private and

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Foreign banks in Some North Indian States” tried to investigate the psychological and structural empowerment of employees and their impact on the organizational effectiveness. She tested an attitudinal model of organizational commitment, attempted to portray a linkage between organizational effectiveness and social structural characteristics. It is found that social structural characteristics like self-esteem, role clarity, autonomy, communication, reward system, organizational climate, skills, and knowledge which constitute a positive factor in influencing empowerment in organization. While the aspects in social structural characteristics received by employees are perceived as capable of fulfilling their needs and desires, they experienced or felt a positive emotional state of being more empowered.

Abbas Ali Raster *et al.*, (2013) in their article titled “Studying and Identifying Affecting Factors on Employees’ Empowerment: A Case Study- Millat Bank” aimed to explore the factors that affecting the employee empowerment in the banking sector and to determine the rate of the impact by each variable (organizational condition, management strategies and self-efficiency resources). Open information channels and information sharing have been found to be key factors in increasing trust in an organization. Strengthen employees’ trust in the organization and management by paying attention to and respecting employee opinions, making it easy for employees to access management, and ensuring that employees have the freedom to make appropriate plans. increase.

Nail AHK Awamleh (2013) sought to assess the relationship between employee empowerment and performance in a study titled *Improving Employee Performance Through Empowerment: A Field Survey*. The study also showed that empowerment faces significant real obstacles, including: However, despite these obstacles, empowerment is a very important tool for promoting individual performance and improving overall organizational performance. This research will also undertake more academic and practical activities related to empowerment, update laws and regulations to strengthen empowerment practices, and change organizational cultures and structures to create an empowerment-friendly environment. A rebuild is recommended.

Chandra Mohan Patnaik and Ashok Kumar Sahoo (2013) found a positive relationship between training and employee empowerment in an exploratory study. Analysis showed that training improved employee performance. According to him, empowered employees are more motivated than those who follow the dashed line. Ultimately, employee empowerment created a sense of belonging and ownership of the parent organization among employees.

### 3. Objectives of the Study

- 1) Examine the impact of job autonomy on organizational effectiveness at selected banks. Namely, SBI and ICICI Bank.
- 2) Examine the role of employee communication systems in organizational effectiveness.

### 4. Scope of the Study

The scope of the study was to examine the degree of correlation between selected variables and organizational effectiveness among banking professionals in relation to SBI Bank and ICICI Bank in Thiruvananthapuram Region, Kerala. The identification and selection of sample banks surveyed for research purposes is based on employee size, operations and revenue. Based on this rationale, banks with high performance in each public and private sector were selected. The scope of the study will be further expanded to carry out in-depth comparative studies between public and private sector banks. This is because empowerment policies, practices and environments are different and diverse in both sectors. It is therefore of great interest and value to conduct comparative studies.

### 5. Research Methodology

*Data sources:* In this study, data were collected from both primary and secondary sources. Primary data were collected through the administration of structured questionnaires from selected public and private bank non-senior staff (officers: assistants, senior assistants, special assistants, senior special assistants). Secondary data were collected from the internet, books, research articles, previous research reports, research reports, newsletters, magazines, journals, etc.

*Sample Size and Design:* All branches and all part-time employees of two banks were selected for the current study. To collect primary data, a structured questionnaire was designed and sent to all non-managerial employees by e-mail in MS Word Doc format. His 350 employees selected as a sample for this study.

*Statistical Tools and Techniques:* The gathered data is analyzed and interpreted by using Frequencies, Weighted Averages, Correlation Coefficient Analysis and Independent t-test with the help of Microsoft Office Excel software and Statistical Package for Social Sciences (SPSS-20 Version). Reliability test also used for ensuring validity of the primary data.

### 6. Analysis and Discussion

Table 1 shows that significant value of  $p(0.000) < 0.01$ . Therefore, it means that there is a significant positive relationship between employee training and employee productivity in the banking industry. It means, if employees got successive training, unconsciously it works as a tool for better employee productivity. Success of employee training basically depends upon the learning environment, various training techniques, employees’ participation, and trainer’s support. According to Richardson, effective training programmes help the staff to become more efficient and effective in daily operations. A well-trained staff will have higher morale and productivity. Glance *et al.*, opine training help to clarify an individual’s position and responsibilities within an organization in terms of the duties, which employee is responsible to perform and the relevance of the job position within the organization. Kotler *et al.*, say that employees who are adequately trained can

Table 1  
Correlation Coefficient b/w Employee Training - Productivity

		Employee Performance Quality	Employee communication
Employee Performance Quality	Pearson Correlation	1	.842(**)
	Sig. (2-tailed)		.000
	N	350	350
Employee communication	Pearson Correlation	.842(**)	1
	Sig. (2-tailed)	.000	
	N	350	350

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

Table 2  
Correlation Coefficient b/w Organizational Culture – Employee Job Satisfaction

		Employee Job Satisfaction	Organizational culture
Employee Job Satisfaction	Pearson Correlation	1	.788(**)
	Sig. (2-tailed)		.000
	N	350	350
Organizational Culture	Pearson Correlation	.7882(**)	1
	Sig. (2-tailed)	.000	
	N	350	350

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

Table 3  
Correlation Coefficient b/w Employee Rewards -Work Motivation

		Work Motivation	Employee Reward
Work Motivation	Pearson Correlation	1	.745(**)
	Sig. (2-tailed)		.000
	N	350	350
Employee Reward	Pearson Correlation	.7745(**)	1
	Sig. (2-tailed)	.000	
	N	350	350

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

deliver high quality service, which will improve the image of the firm and attract more customers and employees to the organization. Chandra Mohan Patnaik et al., found that training enables an employee to perform up to the best of their ability. Asiya Gul et al., found a positive correlation among training, employee competency and organizational performance.

Table 2 discovers that significant value of  $p(0.000) < 0.01$ . Therefore, it means, that there is a significant positive relationship between organizational culture and employee job satisfaction in the banking sector. It means, if the management preserves resourceful organizational culture reflexively employees' job satisfaction becomes better. Job satisfaction purely depends upon employees' attitude, work environment and cultural practices. According to Robert Water man organizational culture turns to the critical and psychological state of "experienced environment", this in turn leads to outcomes such as high internal employee motivation and employee job satisfaction. Gellatly and Irving found positive effects of organizational culture on contextual performance. Kennedy et al., have found an association between organizational culture and an organizational effectiveness. They opine strong organizational culture generates high employee performance (effectiveness). Quinn and Spreitzer also found a link between organizational culture and organizational effectiveness. Van der Post et al., examined the relationship between organizational culture and financial performance of organizations in South Africa. The results showed that organizational culture has a positive relationship with the financial performance of the firms.

Table 3 shows significant value of  $p(0.000) < 0.05$ . Therefore, it means that there is a significant positive

relationship between employee reward and work motivation in the banking industry. It means, if the management practice fair and equitable reward system in their organization automatically it works as drive for employee performance. Employee work motivation critically depends on the quality and quantity of reward and recognition and fulfillment of social need. According to Broad, "tangible incentives are effective in increasing performance for tasks not done before, to encourage "thinking smarter", and to support both quality and quantity of goals to be achieved. Incentives, rewards and recognition are the prime factors that impact employee motivation". Lawler states that the prosperity and survival of organizations is determined by how their human resources are treated. The prose opines that the motivation of employees and their productivity can be enhanced through providing them effective recognition, which ultimately results in improved performance of organizations. Aniruddha et al., in their study has observed significant and positive relation among the rewards and employee motivation and performance.

## 7. Suggestions

The following suggestions are offered to increase employee effectiveness through job autonomy Both banks should provide more professional autonomy to reduce reliance and make certain urgent decisions without recourse to upper management. Guide and support employees in handling, participating, and solving work-related issues. Take full advantage of the branch-level corporate proposal system. It also provides employees with the opportunity to submit proposals and ideas and participate in the preparation of industry strategies. ICICI Bank

needs to mentor and train frontline staff so that they can effectively provide customer security. Use job rotation techniques as regularly as possible to ensure that employees are fully aware of the various management functions and improve personal efficiency

ICICI Bank must redesign and implement new training methods suitable to support all employees, fill existing employee shortages and increase productivity

SBI must continuously provide its employees with up-to-date training programs to adopt new technologies that can improve their skills, advance their careers and prepare them for the challenges of the unseen future I have.

Employees should not only participate in the program, but also fully participate in training to overcome inferiority complexes and increase their potential

Create a better environment for sharing training experiences with other employees to eliminate employees' negative feelings about training.

### 8. Conclusion

Today, with dynamic working conditions and the growing importance of human resources, employee empowerment practices play an important role in all kinds of service organizations, especially banks. Since bank employees are in frequent contact with customers, they usually act as representatives of the organization and its services to customers. Service interactions, service quality, and customer satisfaction or dissatisfaction depend solely on employee involvement, engagement, and involvement. The present study confirms that there are significant associations between employee empowerment and selected study variables and their impact on organizational effectiveness. Autonomy, communication, training, compensation, and organizational culture are also recognized as key success factors for employee empowerment practices. In the current scenario, both SBI Bank and ICICI Bank are working on staff empowerment, but each is effective in their given areas. ICICI Bank is at the forefront of implementing an effective work autonomy environment where employees can work independently. Creativity, decision-making, encouragement, participation and engagement are critical to the effective functioning of employee work authority. Optimal use of employee suggestions, managing work schedules, job stability, prioritization of opinions, good support and healthy relationships ensure employees have a clear understanding of their roles and perform tasks effectively. Yes, you can. Communication is an essential element for employees to understand their role in the organizational system. Employee participation and engagement depend on communication and

how it influences actions and decisions that affect work. At SBI, employees are happy with their current communication system. Responsibility for prompt information, appropriate direction, factual feedback, and maintenance of sound relationships between superiors and subordinates was fully fulfilled by SBI management. However, some employees point to a lack of open feedback, hierarchy and cross-cultural communication as their main obstacles. An effective training program helps staff perform their daily tasks more efficiently and effectively. A well-trained workforce is more disciplined, motivated, and productive. In this regard, SBI's management is ahead of ICICI's in meeting the training needs of its employees.

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