

## **An Empirical Study on Employee Empowerment and Impacts on the Employee Productivity and Job Satisfaction with the IT Firms in Bengaluru**

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### **ABSTRACT**

An organization basically starts on new strategies and tools in order to achieving major objective that is improvement and development. As per kaizen theory there is a need of focusing on critical improvement in employees' performance. According to (Piasecka, 2005) Change in behaviour and accepting the changes required for the performing duties are possible through the changes the employer would wish to bring in. Employees are major and important asset on whom organisational performance relies. The level of efficiency among the employees also increases when such motivation is developed as a policy and a framework in the organisation. Employee empowerment technique implemented in the organisation leads to greater performance as it offers better motivation, authority and responsibility. In this research study attempt has been made to understand and explain the impact of employee empowerment on productivity and employee job satisfaction with respect to IT Firms in Bengaluru. A prompt effort has been made to understand about employee empowerment has been to put forth to find out the organisational policy and framework to focus on organisational development and growth. For the research study the organisational productivity and employee job satisfaction independent variable and employee empowerment as dependent variable. Further to analyse this, the statistical tools and techniques such as descriptive statistics like mean and standard deviation and inferential statistics like chi-square and regression analysis were adopted to perform the test accordingly the findings and conclusions were developed.

**Keywords:** Employee Empowerment, Productivity and Job satisfaction.

### **INTRODUCTION:**

The process of giving authority and responsibility in order to take own proper decisions of the organisational development is considered as empowering employees. This technique is adopted in the firms to identify the potential among employees and also assign responsibilities to those who are designated to take up the job. Employer expectation is to perform the job more effectively and efficiently when powers are given compared to whom the responsibilities are not assigned. Further this is also a tool to motivate others who are non-empowered to perform better to get themselves empowered in the workforce.

Giving recognition in organization building a structure to maintain a proper hierarchy is a key element for the managerial and organisational growth and effectiveness which will increase with the employee contribution through shares power and control. Organisation not only encourages employees but also motivate them for their growth and development.

When employer empowers employees for decision making without their intervention it will create a confidence among employees to make better decision which also gives them a kind of satisfaction. Further job satisfaction is gives and great experiences through good relationship among employer and employees, sense of commitment and fulfillment of the same which is bound with psychological and emotional feeling about the job and so on. Job satisfaction is one of the most

important achievements for the organisation. On the grounds of the commitment, accountability, sincerity among empowered employees it has increased as they are recognised to empower. This in turn aims at organisational productivity and effective performance by employees.

Employee empowerment sometimes is a stressful aspect for the employees as it adds on responsibility and commitment towards the respective job which will result in more mental and physical pressure to prove with the performances. But from the point of view of organisation the responsibility increases the loyalty with their creativity and focuses on quality performance among employees.

## **REVIEW OF LITERATURE:**

**According to Whitman, Van Rooy and Viswesvaran (2010)**, identified the relationship between the employee empowerment at unit-level and performances and job satisfaction Both constructs were done to analyse the significant relationship between employee performance and job satisfaction. Further the study revealed that the significant relationship do exist between the employee empowerment, productivity and job satisfaction

**Tuuli and Rowlinson (2009)** Conducted a research study to find the ability motivation and employee job opportunity to perform better in the organisation. It was also conducted to analyse the relationship between psychological empowerment and job performance. The research study proved that empowerment had a positive correlation with work performance due to motivational factor and also demonstrated performance behaviours changes due to the empowerment results.

**Vogt and Murrell (1990)** explain about empowerment resulting in a positive environment across the organisation where the study focused on identify whether there is a positive influence of employee empowerment on better job performances.

**Canger and Kanungo (1998)** explained that employee empowerment as a motivational tool for improving efficiency among the employees and the study is also proved the same.

**According to Menon (2001)** research the empowerment is a decision-making authority which plays an important role in organisational hierarchy. Here employees autonomy is focused through their work and their involvement in decision making process was due to the empowerment focused by the organisation. The research study performed resulted in that empowerment gives an additional responsibility and authority for the better performances among the organisation employees.

**According to (Borman and Motowidlo, 1993; Campbell, 1990) employees** are the main resources who contribute towards the performance and also focus on how it serves the objective. According to (Akai, 1992) performance is also identified as level of activity where the rate of realization was evaluated to see how the performance is relevant with the empowerment of employees.

Some researchers like **Campbell (1995)** explained that the performance alone is not the factor to be focused but even the personality traits of the employees like creativity, problem solving techniques, mental capabilities and outcome from all these resulting in the performances will contribute for the overall development and growth of the organisation.

**Borman and Motowidlo (1993)** recognized two broad categories of employees work authority and performance similarly from the point of view of burke (1986) explain empowerment as “To empower employees it involves the giving way of power-delegation of power” In order to improve the productivity in the organisation.

Empowerment is nothing but a thought or a technique capable of grabbing the opportunity for improvising in performance methods so that the worker morale increases and employee by offering them attains greater control over contributions towards organisational objectives.

(Spector, 1986) is of opinion that Organizations may adopt a technique or strategy to empower employees which is a quality implementation in the organisation in order to attain productivity by avoiding absenteeism and reduce employee turnover further focus on the levels of satisfaction that organisation needs to achieve.

**Conger and Kanungo (1988)**, defined empowerment as a process of enhancing the employees' efficiency in an organisation through providing relevant and timely information about the performances and rewards that they are entitled to. Further it also identifies the conditions of not offering powers to employees and how they feel in the organisation.

**Cornwall (1990)** identified employee empowerment as offering powers and giving them directions in order to motivate them in each and every work to that they are satisfied enough to perform better towards organisational goals and achievements.

**Bowen and Lawler (1992, 1995)** argued that for employee job satisfaction empowerment plays a major role and giving a sense of control to employees always makes them to contribute meaningfully towards the objectives of the organisation. An empirical investigation and its evidence confirm that granting powers will lead to job satisfaction and proved there is a positive relationship between employee empowerment and job satisfaction.

**Hickey and Casner-Lotto (1998:58)** states that empowerment is all about delegating authority directly to employees to render significant amount of decision-making which are commonly reserved for managers and management. They further argue that the structure by the management has to be carefully done to engage employees in organisational performance.

**Ripley and Ripley (1992)** stated that employee empowerment enhances the employee's responsibility as well as employee motivation in their job performances on a routine basis. Work environment, improved satisfaction, quality performance, loyalty towards organisation, efficient work through empowerment increased their self-respect and performance and decreased the employee turnover.

**Mandeep Dhillon 12 Dec 2012:** According to the research author the employee empowerment is classified into various categories under psychology as this is based on the psychological empowerment which is like cognitive aspects at various stage of individual life and the other aspect is some of the mediating factors in the organisation based on certain context.

**John Petter, Patricia Byrnes, Do-Lim Choi, Frank Fegan, Randy Miller (July 2002):** Employee empowerment as an important mediation in the organisation development process and also acts mediation between employer and employee ever a value driven system is adopted for achieving the better results at the end of the performance is opinion of the author.

**K. Arun Prasad (October 2016):** Empirical research was conducted to find the beneficial process of empowerment in the industry. Here the author developed the conceptual framework that explains the advances of the employee empowerment processes but the beneficial process for the employees and the entire team and the superiors in the organisation feels secured when the company is investing more on employees where they expect more return on it. employee responsibility and initiation are going to increase in the organisation is through the granting of the powers and delegation of decision making and make employees to be very empowered also increases the full potentiality of the employees in any industry. These results in various achievements in the organisation to focus more and more on any kind of developments and success of business can be achieved through empowerment. These aspects of the organisation play a major role in decision making processes and helps in the achievement of higher goals.

**Esam Mustafa Athabasca University Abdul Talib Bon University Tun Hussein Onn Malaysia (Jan 2012):** The importance of employee empowerment is also can be delineated from the role of the soft side of TQM on firms' competitive advantage. The soft side of TQM is related to the human resource management practices. In other words, the soft side of TQM is the practices that connected to concepts, process and practices of people management such as employee empowerment and leadership (Fotopoulos & Psomas, 2009). Employee empower as a soft TQM practices found to be has a significant positive impact on organization performance (Brah, Tee, & Rao, 2002; Samat, Ramayah, & Saad, 2006), on customer satisfaction and job satisfaction (Ugboro & Obeng, 2000), on creating and strengthening the competitive advantage(Powell, 1995), on gathering, measuring and analyzing information and data effectively in order to enhance the work process and support continues improvement (Kaynak, 2003).

**Ioan Moise Achim, Larisa Dragolea, George Bălan are of opinion that Yerkes-Dodson's law should not be forgotten:** the performance grows through increasing the motivation, but only to a limit. Exceeding that limit can lead to a decrease of efficiency. The proper employees' motivation is considered to be a philosophical management problem, regarding the relationships with the subordinates. Business must take into account that there can be a better HR management through an efficient motivation and recognition system. There should be a standard to evaluate the performances and how to allocate of the rewards. The promotion opportunities should be more open by increasing employees' skills through courses. Also, there must be better performance dissemination.

**Conrad Lashley:** According to him, Employee empowerment is said to benefit all organisations. The fast moving global economy requires that organisations learn and adapt to change quickly, and employees have a key role to play here. This is particularly true in modern service organisations. The empowered employee is said to respond more quickly to customer service requests, act to rectify complaints and be more engaged in service encounters. A more reflective approach suggests there are different managerial perceptions of empowerment, resulting in empowerment being introduced in different service organisations in different ways, and presenting different benefits to managers and working experiences for the empowered.

**Victor Wood dell Wayne (2012):** The comparison of the project design to criteria associated with employee empowerment programs and action research models was considered in the research study. Finally, there was a comparison with the outcomes of the project with important components of employee empowerment. The project was implemented in a field setting, and review what was learned by the participants regarding how management and employees can work more effectively together on issues of strategic importance to the organization when employee empowerment was implemented.

**Vu Minh Hieu Văn Lang University (2020):** Empowerment fosters employee's creativity, quality of work-life, spirit of teamwork and organisational effectiveness. Organizations' do not only need to empower employees but should also encourage empowering leadership. Empowering leadership connotes the sharing of power and motivating employees to crave for superior performance. Empowering leadership have been examined from the structural and motivational theoretical perspective. Several studies lend credence to the positive influence of empowering leadership on employees' psychological empowerment. The author proposed some recommendations for managers to implement.

**Dr. S. Raghunatha Reddy, M.M. Suraj Ud Dowla (2012)** evaluated that the effect of empowerment can be achieved through overall development by offering required skills and capabilities and providing them proper training.

## RESEARCH GAP

After conducting a thorough survey and reviews this study has found some research gaps which is taken into consideration for the research study. The previous reviews failed to concentrate on the Employee employment concentrating of the productivity and performance of the employees in IT firms in Bengaluru which is considered for the present research study. When it comes to job satisfaction some authors focused on the level of the satisfaction that employees have achieved. In Indian context and specifically Bengaluru IT firms were not focused by the previous authors. and the research lacks sufficient data in this context. Since the diversified locations of industrial hub exist there is a need to understand and perform research to analyse how the human development is going on.

## OBJECTIVES OF THE STUDY

1. To study about the impact of employee empowerment on productivity
2. To analyze whether the employee empowerment has resulted in job satisfaction

## STATEMENT OF PROBLEM:

Many of the organizations in today's scenarios is facing lot of difficulties in case of managing human resources, again the risk involved in business and return what the business is expecting is purely based on proper decision making and require in depth evaluation of business. In case of employees who are very important in terms of their competitive

advantage requires lot of attention from the business organisation. Since the human resources are termed as soft core of industry aspect which has lot of dimensions to be addressed and managed there is need to look into knowledge sharing resources sharing and empowering employees in every sense to attain the effectiveness in overall performance of the organisation. There is a need of applying certain strategies to have better control and better performance in the organisation. The performance here becomes very important to achieve the objectives of the organisation. But whether such empowerment is provided are matters a lot.

## **HYPOTHESIS**

H1: There is a significant influence of employee empowerment on productivity

H2: Employee empowerment will influence the job satisfaction of employees.

## **RESEARCH METHODOLOGY**

### **1.Data Collection:**

#### **a. Sources of Data:**

##### **Primary Data:**

The primary data will be collected through the preparation of structured questionnaire and scheduled method. The structured questionnaire will be prepared using the Likert's scale techniques. The schedule method is implemented to collect accurate responses from the experts of the respondents group.

##### **Secondary Data:**

The Secondary data will be collected through various sources to supplement the primary data sources. It will be collected through Journals, research articles, newspapers, magazines, online sources; websites and IT company records and other documents.

#### **b. Tools and Techniques of Analysis:**

The data collected through questionnaire and schedule method is compiled for data analysis under two methods of analysis. The two methods of analysis are: Descriptive statistics and inferential statistics which are employed for analysis. Descriptive statistics includes mean, median, standard deviation, frequency, percentages, tables and charts. Inferential statistics includes Linear regression analysis were considered and others whichever is suitable for analysis of data.

Since the study is descriptive and explanatory in nature qualitative research is conducted to establish the relationship between variables such as factor influencing employee productivity and job satisfaction. Hence to conduct this research study a well-structured questionnaire were distributed in order to gather the required data. The questionnaire used in the study aimed at collecting data about employees, their expectations and positions acquired, emotions towards the job and level of job satisfaction achieved. The sampling frame for this study was the city of Bengaluru and Simple random sampling technique was selected as it is the most simplest of all the technique which provides an unbiased responses for the study. The sample size of the population considered for the study is 450 as per the scientific calculation. The study adopted various statistical tools for analysis such as, analysis of variance, correlation and regression analysis to interpret the data.

**VARIABLE CONSIDERED FOR THE STUDY:**

<i>Independent variables</i>	<i>Dependent variables</i>
<b>Employee empowerment</b>	Employee productivity
	Employee Job satisfaction.

**DATA ANALYSIS****I. H1: There is a significant influence of employee empowerment on productivity**

The linear regression analysis was conducted to study about employee empowerment have significant influence on organisational productivity. The regression analysis reveals a highly significant relationship between investment pattern and investment decision with  $F(1, 448) = 580.865, p < 0.01$ . Therefore the hypothesis is accepted.

**Descriptive Statistics for employee empowerment influencing Productivity**

	<b>Mean</b>	<b>Std. Deviation</b>
<b>Productivity</b>	<b>4.348</b>	<b>0.494</b>
<b>Employee Empowerment</b>	<b>4.375</b>	<b>0.469</b>

**Model Summary for employee empowerment influencing Productivity**

<b>R</b>	<b>R Square</b>	<b>Adjusted Square</b>	<b>R</b>	<b>Std. Error of the Estimate</b>	<b>Change Statistics</b>				
					<b>R Square Change</b>	<b>F Change</b>	<b>df1</b>	<b>df2</b>	<b>Sig.F Change</b>
<b>.844<sup>a</sup></b>	<b>0.712</b>	<b>0.713</b>		<b>0.1305</b>	<b>0.712</b>	<b>580.865</b>	<b>1</b>	<b>448</b>	<b>0.000</b>

**Coefficients for employee empowerment influencing the productivity**

	<b>Unstandardized Coefficients</b>		<b>Standardized Coefficients</b>	<b>T</b>	<b>Sig.</b>
	<b>B</b>	<b>Std. Error</b>	<b>Beta</b>		
<b>(Constant)</b>	<b>0.702</b>	<b>0.102</b>		<b>6.859</b>	<b>0.000</b>

<b>Productivity</b>	<b>0.784</b>	<b>0.030</b>	<b>0.744</b>	<b>26.093</b>	<b>0.000</b>
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## II. Hypothesis- H2: Employee empowerment will influence the job satisfaction of employees

Employee Empowerment in an IT firms will have significantly impacted the employee job satisfaction which increases the morale and their contribution towards organisational growth and development are considered for the research study.

The research study performed linear regression analysis to study the influence of the employee empowerment and employee job satisfaction. The regression analysis showed a significant and positive correlation between empowerment and job satisfaction with  $F(1, 448) = 612.874$ ,  $p < 0.01$ . Therefore, the hypothesis is accepted.

### Descriptive Analysis for employee empowerment influencing employee job satisfaction

	<b>Mean</b>	<b>Std. Deviation</b>
<b>Job Satisfaction</b>	<b>4.575</b>	<b>0.269</b>
<b>Employee Empowerment</b>	<b>4.524</b>	<b>0.227</b>

### Model Summary for employee empowerment and employee job satisfaction

<b>R</b>	<b>R Square</b>	<b>Adjusted Square</b>	<b>R</b>	<b>Std. Error of the Estimate</b>	<b>Change Statistics</b>				
					<b>R Square Change</b>	<b>F Change</b>	<b>df1</b>	<b>df2</b>	<b>Sig.F Change</b>
<b>0.852</b>	<b>0.726</b>	<b>0.726</b>		<b>0.210</b>	<b>0.726</b>	<b>812.874</b>	<b>1</b>	<b>448</b>	<b>0.000</b>

### Coefficients for Employee empowerment and employee job satisfaction

	<b>Unstandardized Coefficients</b>		<b>Standardized Coefficients</b>	<b>T</b>	<b>Sig.</b>
	<b>B</b>	<b>Std. Error</b>	<b>Beta</b>		
<b>(Constant)</b>	<b>1.216</b>	<b>0.082</b>		<b>14.839</b>	<b>.000</b>
<b>Job Satisfaction</b>	<b>0.670</b>	<b>0.025</b>	<b>0.752</b>	<b>26.700</b>	<b>.000</b>

## FINDINGS AND CONCLUSION:

The development and growth of the organisation is always based on the human assets who contribute towards the objectives of the organisation. Any organisation can embrace its achievements through the focus on benchmarks and targets of the organisation which can be performed by the competitive advantage of the employees. This dependency directly reflects on the sector growth and economic growth which in turn increases the overall growth of the respective sector contributing towards growth of the country and achieving at the targets at international level too.

Thus, the development of IT sector on a healthier manner is a vital factor for the national rapid economic growth. This in turn requires the individual employee performance in achieving the goals of the organisation which always depends on the various levels of employee empowerment like institutional level, departmental level, individual level and the technical implementation with strategic procedures to contribute towards the overall performance of the IT sector.

The present research study had considered about productivity and job satisfaction of employees based on the adoption of empowerment in the firms. The research study reveals that the empowerment influences productivity and job satisfaction of employees as employees contribute towards the organisational goals as they are motivated because of the decision making authority. The study constructs influencing on the variables has strongly proved that the said hypotheses of the study is accepted that empowerment influences productivity and job satisfaction.

#### LIMITATIONS:

- The first and foremost limitation of this research study is based on the data available (respondents) and there is a lack of sufficient data to conduct research for depth analysis.
- This research study is limited to Bengaluru City only and only IT firm employees are considered for the research study.
- Since there was a cost and time constraint for this research study the limited data and convenient respondent population is considered.

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