

The Impact of Employee Empowerment on Organizational Performance

(To empower means to give power to Power)

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ABSTRACT: The purpose of this paper is to contribute towards the important aspects of Employee empowerment and Organisational performance. It shows the relationship between Employee empowerment and its effects on Organisational performance in North Indian firms. This paper tries to make the Employee leaders and top management realize the importance of Employee empowerment as a means enhancing performance. The ultimate objective is to determine the impact of Employee empowerment on Organisational performance.

KEYWORDS: *Employees, Empowerment, Business Performances, Motivation*

INTRODUCTION:

Empowerment has a broad context and it can be viewed through various dimensions and perspectives. It can be viewed as a set of managerial practices aimed at increasing an employee's autonomy and responsibilities thereby enabling them to discharge their job or tasks more effectively and efficiently. **G.M** Empowerment can also be viewed as an individual's approach to proactive work orientation, thereby increasing the employee's performance and efficiency. Employee empowerment is a crucial Human Resource Management practice since it leads to the organization's competitiveness, success, uniqueness and most importantly its growth. It is based on the idea that giving employees skills, resources, authority, opportunity, motivation as well as holding them responsible and accountable for outcomes of their actions, will contribute to their competence and satisfaction. **(Abbas Ali Rastegar et al)**

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Employee empowerment is creating a working environment where an employee is allowed to make his own decisions in specific work-related situations. The decisions can be big or small, and the size and effect of the decision is up to the employer (**David**). The logic behind employee empowerment is to increase the employee's responsibility, to build employee morale and to improve the quality of your employee's work life. Ideally, when an employee feels vested in an organization, he will be more productive, loyal and more. **Gbalaham** Empowerment is the belief that an employee has the ability to make decisions and to take action. For both individuals and teams, empowerment drives both employee behaviours and attitudes. Empowered employees are more satisfied and committed at work and are less likely to experience stress and to think about leaving the organization.

LITERATURE REVIEW

Rohollah Ahmadi et al., (2012) in their research article tried to identify the factors that facilitating and limiting empowerment of bank managers in a psychological approach. Based on the study results, educational factors and job empowerment were recognized as the major facilitators and lack of occupational skills and stress revealed to be limits of employee empowerment.

Kirti Rajhans (2012) in her research article "Effective Organizational Communication: A Key to Employee Motivation and Performance" explored the interrelationship between communication and motivation and its overall impact on employee and organizational performance. From the analysis of the information received, it was found that effective communication makes decision making more effective by creating trust, better relations, productivity and fewer chances of rumours and miscommunication.

Mohammad Safari Kahreh et al., (2011) in their article "Achieving competitive advantage through empowering employees: An empirical study" aimed to illustrate the role of empowering employees in gaining competitive advantage. Results of data analysis showed that employee empowerment is highly positive affected on the competitive advantage activated in the services sector. They strongly felt and suggested, especially for those organizations that activated in the financial services sector to enable both their employees and managers to gain updated knowledge to increase sustainable competitive advantage in appropriate form.

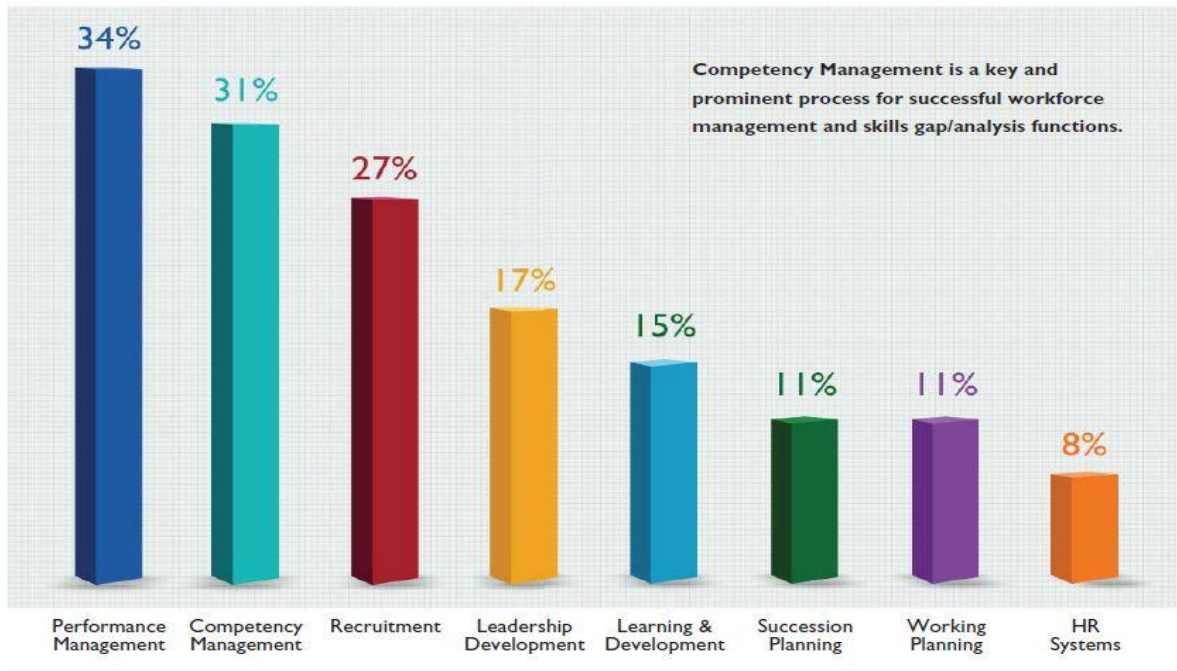
Susanti Saragih (2011) in her article “The effects of job autonomy on work outcomes: self-efficacy as an intervening variable” examined the relationship between job autonomy and work outcomes (job performance, job satisfaction and job stress). Results showed that there is a structural relationship in job autonomy significantly related to job satisfaction and performance but not significant with job stress. It also showed that self-efficacy partially mediated the relationship between job autonomy and job satisfaction, and job performance.

OBJECTIVE OF THE STUDY:

- ❖ Understand and explore the effect of the core dimensions of employee empowerment
- ❖ on organizational commitment.
- ❖ To find out whether the employees are satisfied with the current working Environment.
- ❖ To suggest the ways to improve the Employee Empowerment
- ❖ The sole objective of the study is to find out the effect of employee empowerment on the work performance.

EMPOWERMENT PROCESS STRATEGIES:

- Offer authority and ownership by handing out responsibility. Let an employee take on a new project and run with it. When you delegate different (even small) tasks to an employee, it empowers her to get the job done, and done well.
- Make guidelines and best practices clear. When employees understand the guidelines they should work within and which boundaries they can push, they're able to do their job more effectively and feel more supported.
- Encourage communication to increase levels of trust and show that all ideas are welcome and valued.
- Offer individual or team coaching to identify roadblocks, find solutions and then take action.
- Allow opportunities for growth. Foster internal development and growth across departments with cross-department job shadows and transitions.
- Provide organizational support for employees to create and drive their own development plans with their managers.



Empowerment of employees requires a culture of trust in the organization and an appropriate information and communication system. The aim of these activities is to save control costs, that become redundant when employees act independently and in a self-motivated fashion.

IMPORTANCE OF EMPLOYEE EMPOWERMENT IN ORGANIZATIONAL PERFORMANCE:

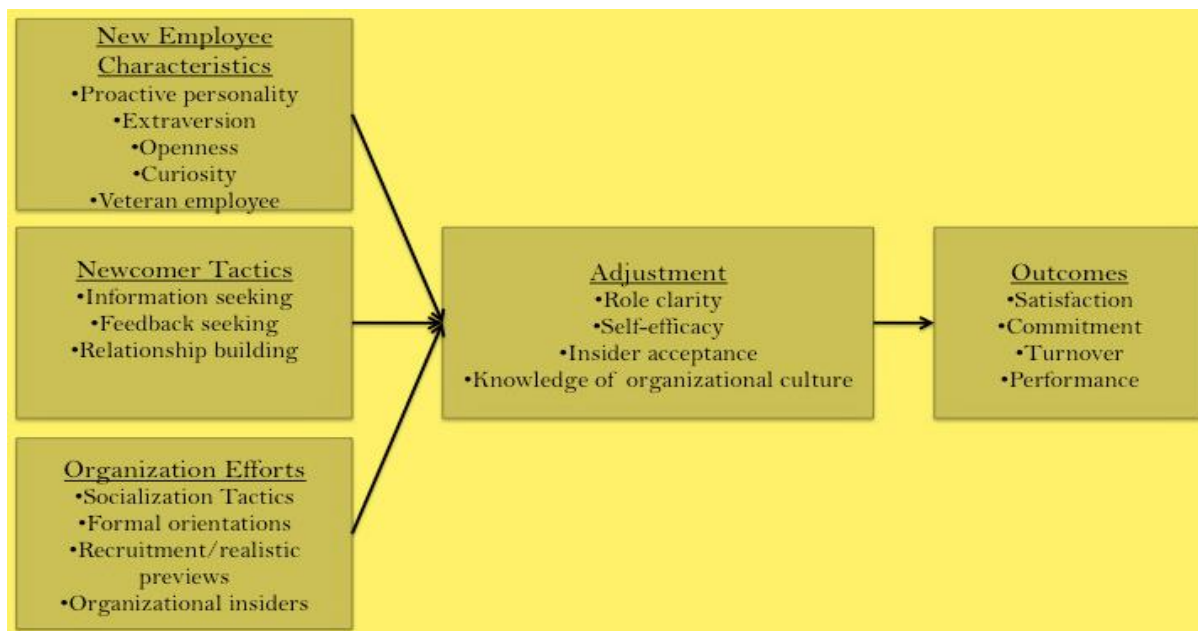
Empowered employees are loyal, committed and potentially more productive. When employees are given the tools and resources needed to successfully manage or lead their own projects, work toward their goals and drive their own career, the benefits are endless.

- The organization has the responsibility to create a work environment which helps foster the ability and desire of employees to act in empowered ways. The work organization has the responsibility to remove barriers that limit the ability of staff to act in empowered ways
- Organizational culture refers to the ethical atmosphere that prevails in an organization i.e., it is an existence of proper organizational policies (employees favourable), organizational support and conducive work atmosphere.

Empowered employees are more likely to:

- Go the extra mile

- Follow best practices
- Be more productive
- Have good communication
- Embrace change
- Have a “can do” attitude
- Provide better customer service.



The Impact of Employee Empowerment on Organizational Performance is important.

	Frequency	Percent	Valid Percent	Cumulative Percent
YES	64	62.1	62.1	62.1
NO	39	37.9	37.9	100.0
Total	103	100.0	100.0	

Empowerment is the belief that an employee has the ability to make decisions and to take action. For both individuals and teams, empowerment drives both employee behaviours and attitudes. The above question was asked through questioner to 103 respondents and data collected, summarised and then analysed proves that 62.1% respondents in selected organisations thinks that its quit important to empower employees to perform better.

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
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The Impact of Employee Empowerment on Organizational Performance is important.	103	1.3786	.48742	.04803
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Empowered employees are more satisfied and committed at work and are less likely to experience stress and to think about leaving the organization has been proven through SPSS testing. Thus from above analysis its quit enough evident to conclude that The Impact of Employee Empowerment on Organizational Performance is important.

CONCLUSION:

The study concludes that employee empowerment is a kind of motivational strategy which gives the employees a sense of satisfaction towards their job and organization. From the study, the researcher has analysed that the employees are satisfied with the various factors such as employee trainings, self-development programmers, employee meetings, employee participation in the various activities and consideration of their ideas and opinion. By this, the researcher concludes that employee empowerment in the organization is at fair level. But at the same time, the study stresses that empowering the employees at the fair level is not at all enough for yielding expected profit and improving the productivity.

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