

A Study of Empowerment of Employees and Organizational Effectiveness in the J&K Bank Pvt. Ltd.: A Case of Poonch District

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Abstract -The purpose of the study is to analyze the empowerment of the employees and the organizational effectiveness in the organization. The study was done on how they the employees get themselves empowered in the organization with different methods and how these employees get their work for the organizational effectiveness. The study is based on the survey basis. The population of the study is on the J&K Bank employees. Primary data were used for this study. Data were collected through a questionnaire that was administered to the selected respondents. The hypothesis is proved with the interpretation. The conclusion drawn from the study is that the employees get are satisfied with their working conditions and the proper decision making with which they totally committed themselves for the organizational effectiveness. Their performance will also enhance their empowerment in the organization. They are totally involved in the achievement of the goal achievement of the organization.

Keywords- Empowerment of Employees, Methods and Organizational Effectiveness.

I. Introduction

Concept of Empowerment of Employees

Employee empowerment is the process of shifting authority and responsibility to employees at lower level in the organizational hierarchy. It is a transfer of power from the managers to their subordinates. It occurs that when a person works for some years he develops a thorough idea, knowledge, skill, ability over the job and gets everything into his grip. If such person is given overall charge of the work he does, with adequate authority and responsibility he can take decision on his own and can effectively and efficiently accomplish the job. It is the expectation of most human beings that they should have power, authority, recognition, status, responsibility; and when they get all these, they exert drives to utilize their full potential, energy, abilities and competences in an attempt to excel their performance. Empowerment programme is designed to delegate power, authority by managers to their subordinates and share responsibility with them. All this enhances status, recognition of empowered employees. Such employees prepare their mindset to perform, to win and to strive their best to go ahead to achieve individual goals, team goals and organizational goals. Employee empowerment is giving employees a certain degree of autonomy and responsibility for decision-making regarding their specific organizational tasks. It allows decisions to be made at the lower levels of an organization where employees have a unique view of the issues and

problems facing the organization at a certain level. Employee empowerment provides some distinct advantages. Employee empowerment should lead to increased organizational responsiveness to issues and problems and an increase in productivity. It should also lead to a greater degree of employee commitment to organizational goals, since employees can take some degree of ownership in the decisions made towards goal achievement. Employee empowerment creates a working environment in which the employee assumes or shares ownership of specific tasks and projects. Ideally, this empowerment increases the employees' sense of responsibility enhances their morale and improves the quality of the work product. Granting more power creates employees who are more invested in the company and its success.

II. Concept of Organizational Effectiveness

Organizational effectiveness is the concept of how effective an organization is in achieving the outcomes the organization intends to produce. The idea of organizational effectiveness is especially important for non-profit organizations as most people who donate money to nonprofit organizations and charities are interested in knowing whether the organization is effective in accomplishing its goals. Organizational effectiveness acknowledges that the concept has multiple

dimensions and multiple definitions. For example, while most nonprofit leaders define organizational effectiveness as 'outcome accountability,' or the extent to which an organization achieves specified levels of progress toward its own goals, a minority of nonprofit leaders define effectiveness as 'overhead minimization,' or the minimization of fundraising and administrative costs.

According to Richard et al. (2009) organizational effectiveness captures organizational performance plus the myriad internal performance outcomes normally associated with more efficient or effective operations and other external measures that relate to considerations that are broader than those simply associated with economic valuation (either by shareholders, managers, or customers), such as corporate social responsibility.

An organization's effectiveness is also dependent on its communicative competence and ethics. The relationship between these three is simultaneous. Ethics is a foundation found within organizational effectiveness. An organization must exemplify respect, honesty, integrity and equity to allow communicative competence with the participating members. Along with ethics and communicative competence, members in that particular group can finally achieve their intended goals. Organizational effectiveness is defined and conceptualized in different ways and no unanimity is found in different approaches. A large volume of literature is available on the concept and working of organizational effectiveness. Various terms are used interchangeably, such as efficiency productivity profitability organizational growth to denote organizational effectiveness.

Effectiveness may be defined as the degree to which an organization realizes its goals also it can be seen in terms of the survival of the organization. An organization remains effective as long as it uses its Resources in an efficient manner and continues to contribute to large system.

Campbell (1970) has done considerable research on organizational effectiveness has reviewed various studies and found that thirty criteria have been used to measure organizational effectiveness. Based on these reviews he arrived at the conclusion that:

“Since an organization can be effective or ineffective on a number of the different facts that may be relatively independent of one another. Organizational effectiveness has no operational definition.”

Barnard (1968) views that organizational effectiveness is the degree to which operative goals have been attained while the concept of efficiency represents the cost/benefit rate incurred in the pursuits of these goals. This effectiveness is related to goals which are extremely focused. Efficiency is used in engineering way and it refers to the relationship between input and output. Organizational effectiveness can be therefore defined in

terms of bargaining position as reflected in the ability of the organization in either absolute or relative terms, to exploit its environment in the acquisition of scarce and valued Resources.

The Resources getting ability of the organization not the only aspect of organizational performances because the input of the Resources is only one of the two major cyclic phases in the system model of organization, the other one being output.

III. Review of Literature

Konooni 2005, concluded from his study that the employee versus a manager conceptual model of employee empowerment program and examine this issue in light of the relevant theories of leadership, motivational theories and cognitive sciences. Here in this study the barriers to employee involvement are removed these obstacles. Venkateswarao,(2013), said that more education programs, let employees to involved with decision making and have adequate reward systems. This new type of management style is called employee empowerment. Empowering of employees is top-down change that must begin with management. Companies are using to tackle their greater asset to its highest potential and in return are become more competitive in the global economy. Swarnalatha, prasonna,(2012), said that empowerment of employee involve in the organization by the involvement of the employees in the decision making and the full involvement of the employees in the organization along with their employees. Employees are the important assets of the organization so they should be utilized in a proper manner to achieve the goal and mission of the organization. Kotelnikov V, (2007), Employee empowerment through the flat organization model can be successful, only when you issue employees personal responsibility, get an injection of new and innovative ideas, and communicate will the process work for the company. Keeping a watch over all the tools and employees that are put into place will help ensure a smooth transition to this type of model. In general terms, organisational Effectiveness may be defined as a judgment made by an individual or a group upon the organization. And more specifically, on its expected activities, products, results, or effects (Morin, 1989). In order to better understand such tendencies we must bear in mind that the choice of the components of organizational effectiveness is based on social representation (Doise, 1985; Morin, 1989; Morin, Savoie&Beaudin, 1994). These components have therefore been selected among a number of different possibilities. As representations, they reflect a value system, as well as a set of beliefs and practices. Hence, they lead to the adoption of specific position (such as attitude and judgments) and to the organization of a number of actions (such as behaviour and strategies). Needless to say, the operationalisation of organisational

performance along criteria indicated leads to consequent action and strategies (Chanlat & Seguin, 1987).

This being said, it is indeed quite surprising that the current representations of organisational effectiveness are still totally similar to what were at the beginning of the century! The results of our field study with experts in the evaluation of organizational performance are very similar to the concepts presented by several authors such as Bass (1985). The organization is perceived as a set of internal and external constituencies that negotiate a complex set of constraints goals and referents (Goodman et al 1977). Owners employees customers' suppliers creditors community and government represent groups that must be satisfied in order to ensure that effective and survival of the organization.

Objectives

1. To study different methods which are involved in the empowerment the employees.
2. To study the impact of the empowerment of employees on the organizational effectiveness.

IV. Research Methodology

The design of the study is based on the survey. The study was done on the banking associate and the banking officer in the Jammu and Kashmir Bank. The bank is widely spread all over the country so it is very difficult to study all the banks. So the researcher has selected the Poonch Dist. for the study. The researcher has used Stratified random sampling technique was used to select the particular banks. In total 50 respondent are selected both banking associate and banking officers. In conducting the study the researcher ensured that data collection method matched the researcher objective-to explore the job satisfaction of employees in the bank. Primary data were used for the study. Our data were collected through the questionnaire that was administered to the selected respondents. Out of 50 questionnaires only 38 responses filled in by the respondents and data analysis is done only by the number of questionnaire returned. The gathered information is presented in the tabular form by using the SPSS (20.0) version. The hypothesis was testing by using the regression analysis.

V. Hypothesis

1. There is a positive relation between empowerment of employees and the organizational effectiveness.

Different methods which are involved in the empowerment the employees.

Improve Productivity - Reduce Costs

Employees have great ideas about how to improve productivity and reduce costs, but companies need to know how to ask for these ideas and listen. Employees who feel confident that their input will be valued, listened to and acted upon will be more likely to share those ideas, benefiting employee and employer.

Better Customer Service

The Empowered Employee provides exceptional service to the organization. Empowered employees have the power to make decisions without a supervisor. They are entitled to go off script, bend the rules, do what they see fit if they believe it is the right thing to do for the customer. More than any other kind of employee, the empowered employee is able to create a feeling of true customer service that ultimately yields much greater customer loyalty.

Embracing Change

Empowered employees feel free to challenge the status quo, which is critical for companies in today's fast-changing, technology-driven environment. Employees and the companies they work for can become too complacent, doing things the way they've always done them.

Be a role model. Leaders must demonstrate the calculated risk-taking behavior they want their teams to emulate and hold their fellow managers accountable. The best leaders don't just give orders, they inspire.

Authorize teams to make decisions. Good managers give employees the authority to take the initiative on certain things without prior approval. For example, employees at the Ritz-Carlton know they can spend up to \$2,000 to ensure a guest is satisfied.

Provide a positive, encouraging environment. People are most creative when they enjoy their work. There's a reason Google allows its engineers to spend 20 percent of their time working on projects of their choosing. Many of the company's most successful products were developed during this time, including AdSense for Content and Gmail.

Recognize efforts even if they fail: As Bill Gates once said, "How a company deals with mistakes suggests how well it will wring the best ideas and talents out of its people." Employees need to know there will not be any repercussions when they screw up. Managers should recognize them for taking risks even if it didn't work out.

Reward success. Some of the best rewards provide recognition. For example, employees who demonstrate initiative may be given the opportunity to have lunch with the CEO or other senior leaders. This can be an exciting and motivating experience. Extra vacation days, showing appreciation for a person’s ideas in front of senior leadership or presenting the person with some sort of award during the weekly staff meeting are all good ways to recognize employees who take initiative.

Study the impact of the empowerment of employees on the organizational effectiveness.

Table 1 Data Presentation and Analysis

Response	Number of Respondents	Percentage (%)
Returned	38	76%
Not Returned	12	24%
Total Distributed	50	100%

Source: Field Survey, 2014

Table1. A total number of 50 copies of the questionnaires were administered selected respondents. Out of 38 copies were adequately filled returned which is used in the analysis while 12 copies of the questionnaire representing 24% were not returned.

Table 2 There is a positive relation between empowerment of employees and organizational effectiveness.

	Frequency	Percent	Valid percent
Valid Strongly Agree	23	47.5	47.5
Agree	12	29.3	29.3
Indifferent	08	10.6	10.6
Strongly Disagree	05	8.2	8.2
Disagree	02	4.4	4.4
Total	50	100.0	100.0

Sources: Field Survey, 2014

In the table 2 there reveals that the 47.5% of the respondents are strongly agree, another 29.3% of the respondents agree to the assertion. 10.6% of the respondents are indifferent to the statement. 8.2% are strongly and the last one 4.4% disagree with the statement. The interference which is drawn here is that there is a positive relation between the empowerment of the employees and the organizational effectiveness.

Table 3 The Regression Analysis

	Co nst ant	Beta Coefficient (Work Culture)	R	R-squ are d	P-va lu e	Verbal Interpr etation
Empowerment of Employees	3.656	0.292	0.172	0.097	0.364	Significant
Organizational Effectiveness	3.138	0.193	0.147	0.076	0.345	Significant

Table 3 presents the impact of employee’s empowerment on organizational effectiveness. R is the correlation between the employees empowerment and Organizational effectiveness as well as its degree of association while R-squared is use to measure the amount of variance or predicting ability of empowerment of employees on Organizational effectiveness. P-values enable us to determine the impact of the empowerment of employees on the organizational effectiveness. Here the Null hypothesis is rejected at 0.05α-level of significance.

The model above presents the impact of empowerment of the employees on the organizational effectiveness. In this model R presents the value of 0.172 and 0.147 which means that there are very close and can be tolerable i.e. it is in close association between employees empowerment on the organizational effectiveness. The R-square value presents 0.097 which means that empowerment of employees’ amount of variance to Organizational effectiveness is very in close association. The p-value of this model is 0.364 and 0.345 which means that there is significant impact of the empowerment of employees on the Organizational effectiveness.

VI. Conclusion

In this study, the researcher examines the impact of empowerment of employees on organizational effectiveness. Questionnaire was administered to respondents who were randomly selected from the study population to find out their opinions and view on whether employees are empowered in the organization and they play an important role in the organizational effectiveness. Judging from the various computations analysis and findings, resulting from the data collected for this study, the result revealed some facts which our conclusion is based. One of the main things which come forward after the data analysis is that the employee’s of J&K Bank are satisfied. They are empowered to achieve the organizational effectiveness. Their efficiency and effectiveness also enhanced in the organization. The researcher also revealed that there is a positive relation between the employee’s empowerment and organizational effectiveness.

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