

The Impact of Employee Engagement on Employee Empowerment

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Abstract

Empowerment is a desirable management and organizational style that enables employees to practice autonomy, control their own jobs, and use their skills and abilities to benefit both themselves and their organization. In recessionary economic environment, apart from the compliance based employee contribution, it is essential that employees also come forward to contribute their discretionary efforts enabling organisations to tide over challenging times. In this context this study was conducted among IT professionals in the middle management category to assess their level of engagement and empowerment. The findings of this study shows that there is no correlation between the skill set match and rewards received, there was no correlation between setting of goals and charting career growth and there was no correlation between agreeable attitude and the demonstration of appreciation. There was no significant difference between assertiveness and stress according to the perception of employees. There was a significant difference between the age groups regarding empowerment strategies in organization and there was no significant difference in participative management strategy variables in the organization. It was found that the respondents own responsibilities for negative results. Empowered employees are more committed to the organization than less empowered employees. From the primary data collected and analysed it can be assertively concluded that employee engagement is a strong enabler of employee empowerment.

KEYWORDS: Employee Engagement, Empowerment, Engagement & Empowerment Strategies

1. Introduction

Employee involvement and participative management are often used to mean empowerment. They are not really interchangeable. Empowerment is a desirable management and organizational style that enables employees to practice autonomy, control their own jobs, and use their skills and abilities to benefit both themselves and their organization. In India, the IT industry has been a trail blazer in terms of rapid growth, wealth creation, wealth distribution among employees and trend setting practices. With the slow-down in the global economy, client budgets for IT spending are under strain and the industry is moving from a time and material contract model to an outcome based model. In this scenario, apart from the compliance based employee contribution, it is essential that employees also come forward to contribute their discretionary efforts enabling organisations to tide over challenging times. In this context this study was conducted among IT professionals in the middle management category to assess their level of engagement and empowerment

2. Review of Literature

J.D. Tony Carter, (1954)² recommended that the more that top management wants an internal commitment from its employees, the more it must involve employees in defining work objectives, specifying how to achieve them and setting stretch targets. **Henry Ongori, (2008)** stated that in this era of globalization there is need for employees' empowerment in order to enable organization to respond quickly to any changes in the macro- environment. **Gary A. Yukl, (2006)** opined that Psychological empowerment is the perception that workers can help determine their own work roles, accomplish meaningful work, and influence important decisions. **Antonios K. Klidas, (1995)** looked at employee empowerment from a cross-cultural perspective, considering Hofstede's (1991) work on national cultures and concluded that the empowerment doctrine is the cultural product of American culture. **J. Mike Rayburn, (2007)** elucidated that allowing empowered line employees to make routine decisions free supervisors from responsibilities for less important tasks. For empowerment to be effective, the organization must be committed to the program and be willing to devote both resources and time to its implementation. **Nitin Vazirani, (2009)** in his paper focussed on how employee engagement is an antecedent of job involvement and what company should do to make the employees engaged. **Ike E. Onyishi, (2012)** in his study explored the contribution of psychological empowerment to taking charge at work. Three of the components of psychological empowerment (meaning, self-determination and impact) were found to be related to taking charge. **Joel.N.light (2004)** in his study found that Employee involvement was significantly related to employee empowerment and employee empowerment was found to be significantly related to employee satisfaction.

3.Hypothesis of the study:

- There is no significant difference between assertiveness and stress according to the perception of employees.
- There is no correlation in ranked data between the skill set match and rewards received
- There is no correlation between setting of goals and charting career growth
- There is no significant difference between age groups regarding empowerment strategies in organization
- There is no significant difference in participative management strategy variables in the organization
- Respondents do not take responsibilities for negative results.
- There is no correlation between agreeable attitude and the demonstration of appreciation.

4. Data Analyses:

MANN-WHITNEY U TEST:

Rate competency	Extremely important	Important	Somewhat important	Not at all important	No Opinion
Assertive	31	45	12	8	4
Stress	12	31	40	10	7

H₀: There is no significant difference between these two empowerment factors according to the perception of employees. (**H₀: $\mu_1 = \mu_2$**)

H₁: There is significant difference between these two empowerment factors according to the perception of employees. (**H₁: $\mu_1 \neq \mu_2$**)

ASSERTIVE	RANK1	STRESS	RANK2
31	7.5	12	5.5
45	10	31	7.5
12	5.5	40	9
8	3	10	4
4	1	7	2
n₁ = 5	∑R₁ = 27	n₂ = 5	∑R₂ = 28

12 is repeated twice so, $\frac{5 + 6}{2} = 5.5$

31 is repeated twice so, $\frac{7 + 8}{2} = 7.5$

U statistic is

$$U_1(1) = n_1(1) n_2(2) + (n_1(1) (n_1(1) + 1) - 1) / 2 - R_{11}$$

$$U_1(2) = n_1(1) n_2(2) + (n_2(2) (n_2(2) + 1) - 1) / 2 - R_{12}$$

Max of (U₁, U₂) = U

So U = 13

Mean of sampling distribution of U is $\mu_u = \frac{n_1 (n_2)}{2}$
 $\mu_u = 12.5$

Standard error of U statistic is

$$\sigma_u^2 = \frac{n_1 n_2 (n_1 + n_2 + 1)}{12}$$

$$\sigma_u = 4.78$$

$$Z = \frac{U - \mu_u}{\sigma_u} = 0.1046$$

Since the sample statistic lies within the critical value, H₀ is accepted at 5% level of significance. So there is no significant difference between the assertive and stress empowerment factors according to the perception of employees. (**H₀: μ₁ = μ₂**).

SPEARMAN'S RANK CORRELATION:

H₀: There is no correlation in ranked data between the skill set match and rewards received

H₁: There is correlation in ranked data between the skill set match and rewards received

X	Y	RANK X	RANK Y	d	d ²
5	11	1.5	3	-1.5	2.25
77	58	5	5	0	0
5	29	1.5	4	-2.5	6.25
6	1	3	1.5	1.5	2.25
7	1	4	1.5	2.5	6.25
					∑ d² = 17

$$r_s = 1 - \left[\frac{6 * 17}{5(5^2 - 1)} \right]$$

$$r_s = 0.15$$

Critical value= 0.9000

Calculated value < Critical value

Accept H₀

So there is no correlation in ranked data between the skill set match and rewards received

COEFFICIENT OF CORRELATION:

H₀: There is no correlation between setting of goals and charting career growth

H₁: There is correlation between setting of goals and charting career growth

X	Y	XY	X ²	Y ²
10	7	70	100	49
60	85	5100	3600	7225
28	3	84	784	9
2	5	10	4	25
ΣX = 100	ΣY = 100	ΣXY = 5264	ΣX² = 4488	ΣY² = 7308

$$b = \frac{\Sigma XY - n\bar{X}\bar{Y}}{\Sigma X^2 - n\bar{X}^2}$$

$$b = 1.390$$

$$a = \bar{Y} - b\bar{X}$$

$$a = - 9.75$$

Sample coefficient of determination :

$$r^2 = \frac{a \Sigma Y + b \Sigma XY - n\bar{Y}^2}{\Sigma Y^2 - n\bar{Y}^2}$$

$r^2 = 0.7990, r = 0.89.$ r lies between ± 1, **Accept H₀**

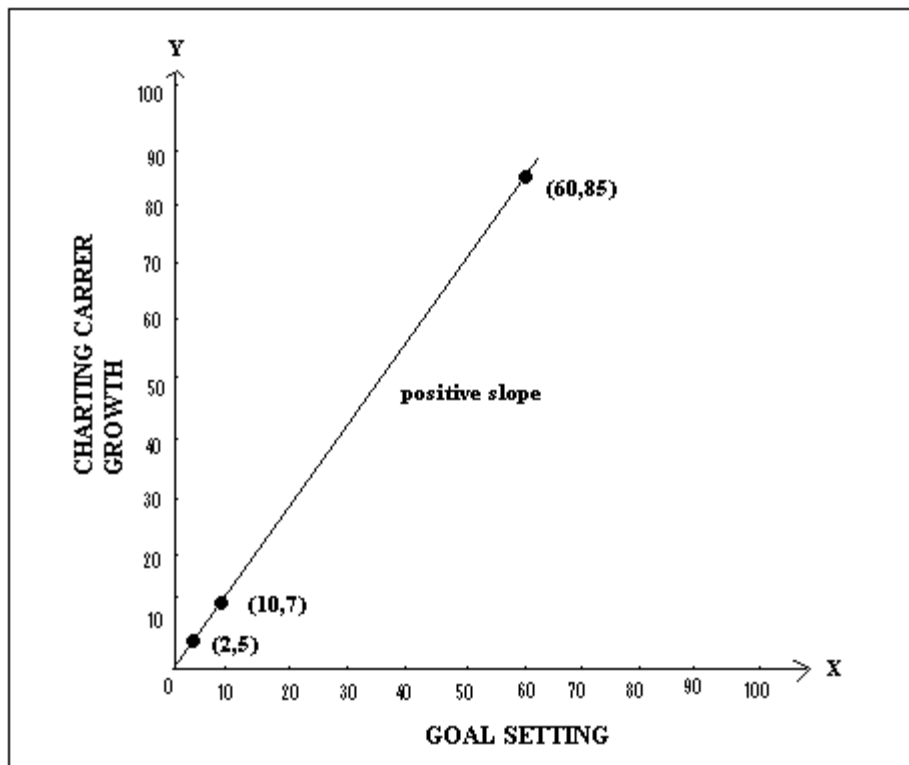


Figure 2 : Graph showing direct relationship between the variables
The value of r is positive because the slope is positive. The value lies between ± 1, H₀ is accepted. So there is no correlation between setting of goals and charting career growth.

KRUSKAL – WALLIS TEST

AGE	EMPOWERMENT			TOTAL
	EXTENSIVELY	MODERATELY	POORLY	
22 – 25	5	25	23	53
26 – 30	14	10	5	29
31 - 40	11	4	3	18
	30	39	31	100

H₀: There is no significant difference between three age group regarding empowerment strategies in organization (**H₀: μ₁=μ₂=μ₃**)

H₁: There is significant difference between three age group regarding empowerment strategies in organization. (**H₁: μ₁≠μ₂≠μ₃**)

22 - 25	RANK 1	26 – 30	RANK2	31 – 40	RANK3
5	3.5	14	7	11	6
25	9	10	5	4	2
23	8	5	3.5	3	1
n₁ = 3	∑R₁ = 20.5	n₂ = 3	∑R₂ = 15.5	n₃ = 3	∑R₃ = 9

$$n = n_1 + n_2 + n_3, n = 9$$

The 'K' statistic is

$$K = \frac{12}{n(n+1)} \left[\frac{R_1^2}{n_1} + \frac{R_2^2}{n_2} + \frac{R_3^2}{n_3} \right] - 3(n-1)$$

$$= \frac{12}{9(9+1)} \left[\frac{20.5^2}{3} + \frac{15.5^2}{3} + \frac{9^2}{3} \right] - 3(9-1)$$

Calculated value = 8.947

Degree of freedom D.F = 2

Critical value = 5.991

Calculated value > Critical value

Reject H₀. So there is significant difference between three age group regarding empowerment strategies in organization.

WEIGHTED AVERAGE:

	WEIGHTED TOTAL	WEIGHTED AVERAGE	RANK
Decision making teams	354	71	2
Staff wide meeting	446	89	1
Suggestion box	310	62	3
Flexitime policies	249	50	4
Casual dresscode	141	28	5

Staff wide meeting is given more importance in the organization and the other priorities are decision making teams, suggestion box, flexitime policies. Casual dresscode is given least importance.

2-WAY ANOVA:

To large extent = 10, To some extent = 82, To no extent = 8

PARTICIPATIVE MANAGEMENT	BEHAVIORAL COMPETENCY			TOTAL
	Y1	Y2	Y3	
X1	5	58	2	65
X2	3	23	3	29
X3	2	1	3	6
TOTAL	10	82	8	100

H₀: There is no significant difference in participative management strategy variables in the organization (**H₀: μ₁=μ₂=μ₃**)

H₀¹: There is no significant difference in behavioural competency variables in the organization. (**H₁: μ₁≠μ₂≠μ₃**)

We apply “coding method “by subtracting 1 from all the observations

	X1	X2	X3	R _i	R _i ²	n _i	$\frac{R_i^2}{n_i}$
Y1	4	2	1	7	49	3	16.33
Y2	57	22	0	79	6241	3	2080.33
Y3	1	2	2	5	25	3	8.33
							$\sum \frac{R_i^2}{n_i} = 2104.99$
T_i	62	26	3	$\sum R_i = \sum T_i = 91$			
T_i²	3844	676	9				
n_i	3	3	3				
$\frac{T_i^2}{n_i}$	1281.33	225.33	3	$\sum \frac{T_i^2}{n_i} = 1509.66$			

$$\sum \sum X_{ij}^2 = 4^2 + 57^2 + 1^2 + 2^2 + 22^2 + 2^2 + 1^2 + 2^2 = 3763$$

$$\text{II } C.F = \frac{T^2}{n} = 920.11$$

$$\text{III } TSS = \sum \sum X_{ij}^2 - C.F$$

$$\text{IV } CSS = \sum \frac{T_i^2}{n} - C.F = 589.55$$

$$\text{V } RSS = \sum \frac{R_i^2}{n} - C.F$$

$$RSS = 1184.88$$

$$\text{VI } ESS = TSS - CSS - RSS$$

$$ESS = 1068.46$$

ANOVA TABLE

SOURCE OF VARIATION	SUM OF SQUARE	DEGREE OF FREEDOM	MEAN SUM OF SQUARE	F-RATIO
BETWEEN COLUMN	CSS=589.55	c-1= 2	M ₁ = CSS/c-1 = 294.7	F _C = M ₁ / M ₃ =1.103
BETWEEN ROWS	RSS=1184.88	r-1 = 2	M ₂ =RSS/r-1 = 592.44	F _R =M ₂ =M ₃ =2.217

RESIDUAL	ESS=1068.46	$(c-1)(r-1) = 4$	$M_3 = ESS/(c-1)(r-1) = 267.115$	
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H_0 : Calculated $F_c = 1.103$

Degree of freedom = (2,4)

Calculated value < table value

Accept H_0 . There is no significant difference between the participative management strategy

H_0^1 : Calculated $F_R = 2.217$

Degree of freedom = (2,4)

Calculated value < Table value

Accept H_0^1 . So there is no significant difference in the behavioural competency level and participative management strategy in the organization.

CHI-SQUARE TEST:

H_0 : Respondents do not take responsibilities for negative results.

H_1 : Respondents take responsibilities for negative results.,

Degree of freedom D.F = 4, Critical value= 9.488

Calculated value of $\phi^2 >$ Critical value

87 > 9.488. Reject H_0

So the respondents take responsibilities for negative results.

KARL PEARSON'S COEFFICIENT OF CORRELATION:

H_0 : There is no correlation between agreeable attitude and the demonstration of appreciation.

H_1 : There is correlation between agreeable attitude and the demonstration of appreciation.

X	Y	XY	X ²	Y ²
65	80	5200	4225	6400
33	12	396	1089	144
2	8	16	4	64
$\Sigma X = 100$	$\Sigma Y = 100$	$\Sigma XY = 5612$	$\Sigma X^2 = 5318$	$\Sigma Y^2 = 6608$

$$\rho = \frac{N \Sigma XY - \Sigma X \Sigma Y}{\sqrt{[N \Sigma X^2 - (\Sigma X)^2] * [N \Sigma Y^2 - (\Sigma Y)^2]}}$$

$\rho = 0.9$

ρ lies between ± 1 , i.e) $-1 \leq \rho \leq 1$

Accept H_0 . So there is no correlation between agreeable attitude and the demonstration of appreciation.

5. Major Findings

- It was found that 64% of employees were aware about the mission & goals of the organization and 24% of employees were unaware.
- 77% agreed that their skill set matched with job profile and 13% disagreed that their skill & job do not correlate.
- 60% of employees had set up their goals very often, 38% of employees set goals sometimes and 2% of employees never set their goals.
- 67% agreed that their talents were optimally utilized, 11% neither agreed nor disagreed and 22% disagreed about their talents utilized well.

- 89% had received appreciation from management to some extent while 11% of employees had said that they have not been appreciated.
- 69% were satisfied for the reward & recognition they received for doing a good job, whereas 29% had neutral opinion and 2% were not satisfied with the rewards they received.
- 68% of employees were given timely feedback based on their performance, whereas others were not noticed by the management.
- 95% of the respondents think it is not necessary to go beyond the call of duty.
- 82% of employees were motivated when they were empowered to lead a team.
- 90% of employees agreed that they had the support and authority to make decisions
- 88% of employees have said that there is no open avenue of communication in the organization
- 88% of employees felt that their decisions saved the company resources & time.

6. Conclusion

Statistical analyses show that there is no correlation between the skill set match and rewards received, there was no correlation between setting of goals and charting career growth and there was no correlation between agreeable attitude and the demonstration of appreciation. There was no significant difference between assertiveness and stress according to the perception of employees. There was a significant difference between the age groups regarding empowerment strategies in organization and there was no significant difference in participative management strategy variables in the organization. It was found that the respondents own responsibilities for negative results. Empowered employees are more committed to the organization than less empowered employees. From the primary data collected and analysed it can be assertively concluded that employee engagement is a strong enabler of employee empowerment.

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