A STUDY ON EMPOWERMENT FACTORS IN ITES/BPO ORGANISATIONS BASED IN CHENNAI REGION

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ABSTRACT

Nowadays many IT firms and BPO firms like are on gaining a competitive advantage in the market and have realised that companies should gain competitive advantage over competition on their industry the most important factors are the empowered employees in the organisation. The Employee empowerment, which is one of the concepts of new management, gaining from different knowledge, skill and talent of the employees at the highest level, plays an important role in internal and external customer satisfaction. In this study, the role and importance of employee empowerment on three factors like organisational factor, individual factor and occupational factors in the empowerment of the employees working in ITES/BPO Sector are concentrated.

Keywords: Employee Empowerment; Organisational Factors; Individual Factors And Occupational Factors

INTRODUCTION

Employee Empowerment is the process of enabling or authorizing an individual to think, behaves, take action, and control work and decision making in autonomous ways. It is the state of feeling self-empowered to take control of one's own destiny. When thinking about empowerment in human relations terms, try to avoid thinking of it as something that one individual does for another. This is one of the problems organizations have experienced with the concept of empowerment. People think that someone, usually the manager, has to bestow empowerment on the people who report to him. Consequently, the reporting staff members wait for the bestowing of empowerment, and the manager asks why people won't act in empowered ways. This led to a general unhappiness, mostly undeserved, with the concept of empowerment in many organizations. This research is Empirical study based on the collection and analysis of responses from 100 employees working in information technology organisations and in BPO companies with the help of structured questionnaire and from the studies, reports, periodicals and books related to the topic of study in order to investigate the different factors of employee empowerment specifically on the factors like individual factors, organisational factors and occupational factors. In this we have tried to find out the most empowering factors for the employees working in the ITES/BPO sector. We have segregated the empowerment factors into three major sections like Organisational factor, Individual factor and Occupational factor.

The organisational factors include the factors which are the environmental related to the organisation. The employees working are affected with many reasons and the organisational factors relating to the
supervision of the employees, safe and secure working environment, Higher education support from
the company, job related training and seminars and the stress management activities are included
which makes a great impact to the empowerment level for the employees. The Individual factors
include the sense of belongingness to the company, satisfaction with the recognition and rewards from
the company; efficiently working with the teams, encouragement and recognition of individual
employees by the superiors are some those factors which empower the employees in an individual
way. The occupational factors are those factors which are work related to the employees which include
the performance appraisals, work distribution, better relations with the superiors, freedom of
expression of thoughts and decisions related to the work.

OBJECTIVES OF THE STUDY

1. To analyze the empowerment levels of employees with the organisational factor, Occupational
   factor and Individual factors.
2. To study the most influencing factors of empowerment which influence employee in
   ITES/BPO sector in Chennai.

REVIEW OF LITERATURE

Mowday, Porter and Steers (1982) explained three components of organizational commitment viz.,
acceptance of organization’s goals and values, extra effort on the organization’s behalf and desire to
stay with the employer.

O’Reilly and Chatman (1986) advocated three dimensions of organizational commitment viz.,
compliance, identification and internalization.

Conger and Kanungo (1988) explained empowerment as a process of enhancing the feelings of self-
expressed empowerment as increased intrinsic task motivation manifested in a set of four cognitions
reflecting an individual’s orientation to his or her work role: meaning, competence, self-determination
and impact.

Spreitzer (1995) defined meaning as individual’s perceived self-worth of the job, competence as the
perceived ability to perform the job, self-determination as the perceived autonomy in one’s work and
impact as the perceived influence that the employee has in his/her department.

Meyer and Allen (1991) defined organizational commitment as a psychological state that would define
the employees’ relation with their organization and propounded that it would impact the employees
intention to stay in the organization. They proposed three components of organizational commitment
viz., affective commitment, normative commitment and continuance commitment. They defined
affective commitment as employees’ emotional attachment with their organization; continuance
commitment as employees’ awareness of costs related to leaving the organization and; normative
commitment as employees’ feeling of obligation to stay longer with an organization.

As per Honold, (1997), the Contents of empowerment can be explained: As the empowerment can be
done at individual level, it can be done at a team level which in size contains all employees in a
process, in a unit or in a company or in an organisation.

Empirical studies on psychological empowerment and organizational commitment suggest a positive
relationship between the two. Liden, Wayne and Sparrowe (2000) suggested empowerment of
individuals results in higher levels of work satisfaction, organizational commitment and job
performance.

Ugboro & Obeng, (2000) explains it in short; the aim of all these activities is to increase the
satisfaction of the internal and external customers.

Chen, Sui and Farh (2002) defined organizational commitment as psychological attachment of
employees to their organization.
According to Koçel, (2003) has defined empowerment from top to bottom or from managers to employee’s means giving power to employee at four dimensions that consists of “authority”, “specialization”, “resource” and “personality”. Authority is the power dimension which makes up the essence of empowerment or the body. The other power dimensions are the characteristic which uses authoritative power effectively, supportively, easily and complementary.

Kocel explained the authority dimension of empowerment, the right to take decision related to the meaning, the environment and content of the work done by employees; the specialization dimension, the knowledge and skill of decision making/application; the resource dimension, being the most important sharing of knowledge, the possibility of attaining and using resources related to their work; the personality dimension, however, are the self-confidence to use the authority and motivation.

According to Chaturvedi, (2008) has defined Empowerment as one of the most effective ways of enabling employees at all levels to use their creative abilities to improve the performance of the organization they work for, and the quality of their own working life.

Chaturvedi, (2008) Employee empowerment is a kind of the risk management process whereby a culture of empowerment is developed information—in the form of a shared vision, clear goals, boundaries for decision making, and the results of efforts and their impact on the whole is shared competency in the form of training and experience is developed; resources, or the competency to obtain them when needed to be effective in their jobs, are provided; and support in the form of mentoring, cultural support, and encouragement of risk-taking is provided. Rawat (2011) in her study of IT, ITES and Banking & Insurance employees concluded that psychological empowerment had a significant impact on organizational commitment.

**RESEARCH METHODOLOGY**

**Research Design**

Descriptive research design was followed in this research. The study is to identify the most influential factors of empowerment on the employees working in IT &BPO Company in Chennai

**Sampling techniques**

For conducting this study the Purposive sampling was adopted in selecting the respondents; the sampling was restricted to only employees working in ITES/BPO companies in Chennai.

**Data collection and sample size**

The study is based on primary data and secondary data and the respondents are employees from IT & BPO Sector working in Chennai. The primary data was collected through structured questionnaires related to the empowerment factors and the Secondary data were collected from books, journals, newspapers and websites.

**Sample Size**

The study was done by 100 respondents, who were working in the IT & BPO Company as Supervisor, Manager, Administrative, Office Support, Professional, Technical Analyst, Trainee and Customer service in Chennai

**Statistical tools:** This data was analyzes through Reliability test, ANOVA, Factor Analysis.

**DATA ANALYSIS AND INTERPRETATION**

**Reliability test**

The questionnaires were tested for their reliability. The following table summarizes the Cronbach’s Coefficient scores
Cronbach’s alpha

Table 1. Case Processing Summary

<table>
<thead>
<tr>
<th>Cases</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>100</td>
<td>100.0</td>
</tr>
<tr>
<td>Excluded*</td>
<td>0</td>
<td>.0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Note: a. Listwise deletion based on all variables in the procedure.

Table 2. Reliability Statistics

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.891</td>
<td>22</td>
</tr>
</tbody>
</table>

Inference: From the above table it is inferred that the value of Cronbach alpha (.891) it shows that the reliability of the questionnaire is valid to for this study.

One way ANOVA

Hypothesis:

Null hypothesis H0- There is no significant difference between Age and Team work

Table 3. Age and team work

<table>
<thead>
<tr>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>47.735</td>
<td>4</td>
<td>11.934</td>
<td>30.390</td>
</tr>
</tbody>
</table>
| Within Groups  | 37.305 | 95 | .393 | \n| Total          | 85.040 | 99 | \n
Inference: Based on the result generated by SPSS, the significant value is .000 and it is lower than 0.05 so reject null Hypothesis. Hence there is a significant difference in the age and in the organization everyone contributes to a team effort to getting their work done.

Factor Analysis

Table 4. Organisational Factor

<table>
<thead>
<tr>
<th>KMO and Bartlett's Test</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</td>
<td>.514</td>
<td></td>
</tr>
<tr>
<td>Bartlett's Test of Sphericity</td>
<td>Approx. Chi-Square</td>
<td>449.599</td>
</tr>
<tr>
<td></td>
<td>df</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>Sig.</td>
<td>.000</td>
</tr>
</tbody>
</table>

Total Variance Explained

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvalues</th>
<th>Extraction Sums of Squared Loadings</th>
<th>Rotation Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% of Variance % Cumulative</td>
<td>Total</td>
</tr>
</tbody>
</table>
Contd….

### Total Variance Explained

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvalues</th>
<th>Extraction Sums of Squared Loadings</th>
<th>Rotation Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% of Variance</td>
<td>Cumulative %</td>
</tr>
<tr>
<td>2.</td>
<td>Getting Continuous explanation about the task I have to perform</td>
<td>2.081</td>
<td>23.118</td>
</tr>
<tr>
<td>3.</td>
<td>I have a great deal of control over my Work</td>
<td>1.591</td>
<td>17.678</td>
</tr>
<tr>
<td>4.</td>
<td>The Atmosphere in facilities Service Helps me to perform a good job</td>
<td>1.092</td>
<td>12.136</td>
</tr>
</tbody>
</table>

**Inference:** High value of KMO (0.514 > 0.5) indicates that a factor analysis is useful for the present data. The significant for Bartlett’s test of Sphericity is 0.000 and it is less than 0.05. Which indicates that there exists significant relationship among the variables. The resultant value of KMO test and Bartlett’s Test indicates that the present data is useful for factor analysis. The total variance accounted for by the two factors with Eigen value is greater than 1 is 83.545 % among the four factors the first factor for around 24% of variance which is the prime criteria in organisational factor.

**Table 5.** Individual factors

<table>
<thead>
<tr>
<th>Component</th>
<th>KMO and Bartlett's Test</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</td>
<td>.588</td>
</tr>
<tr>
<td></td>
<td>Bartlett's Test of Sphericity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Approx. Chi-Square</td>
<td>321.890</td>
</tr>
<tr>
<td></td>
<td>df</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Sig.</td>
<td>.000</td>
</tr>
</tbody>
</table>

### Total Variance Explained

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvalues</th>
<th>Extraction Sums of Squared Loadings</th>
<th>Rotation Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% of Variance</td>
<td>Cumulative %</td>
</tr>
<tr>
<td>1.</td>
<td>Everyone in my department contributes to a team effort in getting our work done.</td>
<td>2.729</td>
<td>45.479</td>
</tr>
<tr>
<td>2.</td>
<td>I feel a sense of belonging to my organisation.</td>
<td>1.489</td>
<td>24.813</td>
</tr>
</tbody>
</table>

**Inference:** High value of KMO (0.588 > 0.5) indicates that a factor analysis is useful for the present data. The significant for Bartlett’s test of Sphericity is 0.000 and it is less than 0.05. Which indicates that there exists significant relationship among the variables. The resultant value of KMO test and
Bartlett’s Test indicates that the present data is useful for factor analysis. The total variance accounted for by the two factors with Eigen value is greater than 1 is 70.292 % among the two factors the first factor for around 35% of variance which is the prime criteria in individual factor.

**FINDINGS**

- The value of Cronbach alpha (.891) it shows that the reliability of the questionnaire is valid for this study.
- The significant value is .000 and it is lower than 0.05 so reject null Hypothesis. Hence there is a significant difference in the age and in the organization everyone contributes to a team effort to getting their work done
- The factor analysis reveals that out of 9 factors, 4 factors have been highlighted based upon survey report by IT employees. In that aware of expected from work has high value 2.755 when compare to other factors.
- The factor analysis reveals that out of 6 factors, 2 factors have been highlighted based upon survey report by IT employees. In that everyone in department contributes to a team effort in getting their work done has high value 2.729 when compare to other factors.

**CONCLUSION**

The present research identified the relationship between an employee’s empowerment with his/her level of organizational commitment. The study attempted to explain the comparison of different empowerment factors on the various dimensions of organizational commitment, individual factor (the ‘wants to’ feeling), occupational factor (the ‘has to’ feeling). The study was determined on interaction of these three variables of empowerment (organisation, occupational and individual) in context of an IT & BPO companies set up in Chennai. The study concluded that empowerment of the employees has a positive impact of the three factors. An interesting observation however, in this case is that empowerment has a positive significant relationship with organisational factors and individual factors while it is not having that much strong and significant relation with the occupational factors like work distribution, verbal praise from superior.

**REFERENCES**