

Impact Of Employee Empowerment On Organizational Commitment – An Empirical Study In It Sector

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Abstract

Employee empowerment is granting employees a certain level of autonomy and responsibility to make decisions related to their specific organisational objectives. The present research examined the impact of Employee Empowerment on Organizational Commitment in IT sector. The total number of questionnaires distributed in the self-administered survey was 900 sets. A simple random sampling method is applied in this research for selecting the sample. As a result, 588 (filled questionnaire) valid sets of questionnaires were available and then used for further analysis using SPSS software version 21. A structured questionnaire was used to collect the data, while the multiple regression analysis was used to analyze the data. Hence, the study, therefore, concluded that the coefficient value of 0.726 indicates that the relationship between adjustment and the twelve independent variables is quite strong and positive.

Keywords: Employee, Empowerment, Organizational Commitment.

Introduction

Employee empowerment is a valuable tool for fostering a trustworthy relationship in the workplace, while also promoting exceptional performance. Role ambiguity and role conflict among individuals in an organisation can have a detrimental impact on both organisational performance and individual performance, leading to a loss of employee engagement. To address this issue, it is imperative for every organisation to use empowerment strategies that bolster employees' self-assurance and foster their engagement in their roles and contributions. The practise of employee empowerment consistently yields favourable effects on employees' thinking, hence enhancing their job capacity and overall organisational success. It grants employees the autonomy to express their inventive concepts with the aim of enhancing the organization's long-term performance. Utilising the workforce efficiently is highly advantageous for managers and the organisation. It not only improves the efficiency, effectiveness, and quality of employees' work, but also helps in achieving the organisational objectives. Ensuring employee empowerment is a key priority for every organisation. Trust plays a crucial role in the successful adoption of employee empowerment initiatives. The competition between organisations, sometimes referred to as 'The rat race', indirectly compels employees to incorporate employee empowerment in the organisation. However, mere execution alone is inadequate, as empowerment is an ongoing process that must be consistently pursued throughout the lifespan of the firm. Employee empowerment is a strategic approach and modern management style that enhances the efficiency, effectiveness, and productivity of organisational activities. Managers and supervisors play a crucial role in attaining the objectives of the organisation. They provide clear instructions and guidance to their personnel in order to achieve the objectives of the organisation. By granting employees authority and autonomy, leaders and managers may allocate their time towards tasks that are worthwhile and significant.

Problem Statement

IT has a crucial role in fostering economic progress, particularly in emerging nations. The issues faced

by every corporate organisation include recent changes in the business climate, such as a global recession, a scarcity of skilled people, and the increasing demand for creativity and innovation. The primary objective of every organisation is to support employees and fulfil their needs in order to advance both individual and organisational objectives. Empowerment can serve as a means to improve employee credibility and enhance organisational efficiency. The concept of employee empowerment has been increasingly acknowledged in service-oriented industries. This is because employees in these sectors frequently deal with clients, and when these interactions are not well managed, it results in poor service quality and ultimately leads to client discontent. Skilled labour is seeing a growing demand in India. Managers in service sector undertakings have a crucial responsibility in ensuring consistent staff performance and maintaining their motivation. IT organisations face various obstacles, such as a scarcity of highly skilled personnel and the struggle to retain people for extended periods. Hence, the present research made an attempt to analyze the Impact of Employee Empowerment on Organizational Commitment in IT Sector.

Literature Review

AniechebeNnaemek, Augustain et al. (2019) their purpose of this work is focuses on effect of employee empowerment on the performance of selected manufacturing organisations in Enugu State. Specifically, the study aimed to pursue the following objectives: to determine the effect of training on productivity in manufacturing organisations, to ascertain the nature of the relationship between proper employee compensation and employee performance and to determine the extent at which employee involvement in decision making influence employee commitment. The study has a population size of 2835, out from which a sample size of 351 was realized using Taro Yamane's formula at 5% error of tolerance and 95% level of confidence. Instruments used for data collection were primary questionnaires and interview. The total number of 351 copies of the questionnaire were distributed while 320 copies were returned and 31 copies not returned. Survey research design was adopted for the study. Three hypotheses were tested using Pearson product moment correlation coefficient and simple linear regression tools. It was concluded that empowerment helps to achieve certain culture and an environment in the organization by increasing organizational effectiveness through developing and deploying competent influence in the human resource. The study recommended that organizations should send their employees on training to reduce their skill deficiencies and improve productivity at a profit.

Gunita Arun Chandhok and Saranya.J (2019) study tries to look at motivation beyond the limited frontiers of business and economics by also studying the strong motivation practices amongst and how the factor empowerment is affecting the IT sector. The research tends to come up with such a motivation model to be implicated in the IT sector so as to yield much higher productivity through a highly empowered and motivated workforce. The study clearly shows that there is a positive association between motivation and empowerment in IT sectors. It demonstrates that a satisfied employee will demonstrate greater commitment to the organization.

Vu Minh Hieu (2020) paper reviews the employee empowerment and empowering leadership. The review suggests that empowerment encompasses common attitude organisational support, knowledge and learning and awareness and knowledge of reward system. Further, five characteristics that foster successful employee empowerment were identified; the sense of competence, sense of self-organized, sense of being effective, sense of being meaningful or important and sense of trust others. The review highlights some employee empowerment strategies; management leadership and commitment, communication, employee inclusion, rewarding system, clearly defined goals, managerial strategies, training, delegation of authority, formation of bipartite committees, sense of trusteeship, employee suggestion schemes and interaction with top executives. It was observed that employee empowerment has a positive influence on employee performance, job satisfaction, organisational commitment, customer satisfaction, productivity and business growth. However, employee empowerment may weaken a firm's organisational culture.

Rajender Kumar & Jyoti Sondhi (2022) concluded that employee empowerment is crucial for firms that want to achieve superior performance. The review shows that structural and motivational perspective has been used to examine empowering leadership. Empowering leadership is consisting of delegation and motivation. From the structural stance, empowering leadership has a positive influence on job self-efficacy, creative self-efficacy and career self-efficacy. It was also observed that empowering leadership impact on employee tasks performance through obsession passion and harmonious passion. Employee autonomous motivation is influenced by empowering leadership. Conversely, high empowering behaviour may have a negative effect on employee wellbeing and performance. It is obvious from the review that both employee empowerment and

empowering leadership is needed to drive organizational success. The study, therefore, puts forward the following recommendations; Managers should provide employees with the right mix of information, knowledge, power and rewards to energize them for better performance. Managers should provide employees with training and development opportunities to increase their competence and ability to handle challenging jobs. Training and development opportunities will encourage them to be involved in the organization.

Adel M. Qatawneh (2023) research study was carried out to explore the mediating influence of management awareness on the relationship between employee empowerment and accounting information systems (AIS) outcomes. A quantitative approach was adopted through the distribution of an online questionnaire to (97) financial managers and accounting managers within banks in Jordan. SPSS was used in order to analyze the primary data, and it was seen that management awareness mediates the relationship between employee empowerment and AIS outcomes, which is attributed to the fact that management needs to be aware of organizational goals and the financial information needed to achieve these goals. This includes an understanding of the latest accounting technology that is available to assist in this process. Additionally, management needs to be aware of the costs associated with the implementation of new systems, and any potential risks that could arise. By being actively involved in the implementation and decision-making process, management can ensure that AIS is efficient and produces the desired results. Finally, management should ensure that appropriate user training is available for all users of the information system. This ensures that the system can be utilized in the most efficient manner possible and produces the desired financial results. This study recommended the need to utilize integrated cloud-based systems to increase the availability of information and reduce the need for manual data entry.

Objectives of the study

1. To study the Impact of Employee Empowerment on Organizational Commitment in IT Sector.

Methodology

Totally 588 employees have been chosen for the study. For this study, the researcher used a well-structured questionnaire to collect the data from the respondents. The survey includes variables related to various dimensions of Employee Empowerment and Organizational Commitment. The researcher used a multiple regression analysis to identify the Impact of Employee Empowerment on Organizational Commitment in IT Sector. IBM SPSS 21 version was used for statistical purposes.

Results and Discussion

Impact of Various Dimensions of Employee Empowerment on Organizational Commitment

Regression is the determination of statistical relationship between two or more variables. In simple regression two variables are used. One variable (independent) is the cause of the behaviour of another one (dependent). When there are more than two independent variables the analysis concerning relationship is known as multiple correlations and the equation describing such relationship is called as the multiple regression equation.

Regression analysis is concerned with the derivation of an appropriate mathematical expression is derived for finding values of a dependent variable on the basis of independent variable. It is thus designed to examine the relationship of a variable Y to a set of other variables $X_1, X_2, X_3, \dots, X_n$. the most commonly used linear equation in $Y = b_1 X_1 + b_2 X_2 + \dots + b_n X_n + b_0$

Here Y is the dependent variable, which is to be found. X_1, X_2, \dots and X_n are the known variables with which predictions are to be made and b_1, b_2, \dots, b_n are coefficient of the variables.

In this study, the dependent variable is Organizational Commitment, Independent variables are Work Relevance, Competence, Self-Determination, Impact, Training and Development, Rewards and Recognition, Participative Management & Interpersonal Relationships, Role of Team Leaders, Career Development, Communication, Job Satisfaction and Stress analysis are discussed as follows:

Dependent Variable	-	Organizational Commitment (y)
Independent Variable	-	Work Relevance (X_1)
		Competence (X_2)
		Self-Determination (X_3)
		Impact (X_4)
		Training and Development (X_5)
		Rewards and Recognition (X_6)
		Participative Management & Interpersonal Relationships (X_7)

Role of Team Leaders (X_8)
 Career Development (X_9)
 Communication (X_{10})
 Job Satisfaction (X_{11})
 Stress (X_{12})

Multiple R value: 0.726
 R Square value: 0.577
 Adjusted R square value: 0.462
 F value: 18.365
 P value: 0.000

Table 1
Variables in the Multiple Regression Analysis

Variables	Unstandardized Coefficients(B)	S.E error of B	Standardized Coefficients Beta	t-value	p-value
Constant	1.969	.278	-----	7.091	0.000**
Work Relevance	.175	.052	.165	3.385	0.001**
Competence	.252	.044	.270	5.671	0.000**
Self-Determination	.285	.049	.311	5.787	0.000**
Impact	.092	.033	.133	2.781	0.006**
Training and Development	.356	.046	.371	7.779	0.000**
Rewards and Recognition	.136	.030	.199	4.613	0.000**
Participative Management & Interpersonal Relationships	.021	.028	.031	.723	0.470
Role of Team Leaders	.015	.045	.015	.330	0.742
Career Development	.370	.055	.293	6.755	0.000**
Communication	.033	.038	.039	.870	0.385
Job Satisfaction	.184	.047	.197	3.951	0.000**
Stress	.043	.043	.047	1.001	0.317

** Denotes significant at 1% level

* Denotes significant at 5% level

The multiple correlation coefficient is 0.726 measures the degree of relationship between the actual values and the predicted values of the Organizational Commitment. Because the predicted values are obtained as a linear combination of Work Relevance (X_1), Competence (X_2), Self-Determination (X_3), Impact (X_4), Training and Development (X_5), Rewards and Recognition (X_6), Participative Management & Interpersonal Relationships (X_7), Role of Team Leaders (X_8), Career Development (X_9), Impact (X_{10}), Impact (X_{11}) and Stress (X_{12}) the coefficient value of 0.726 indicates that the relationship between adjustment and the twelve independent variables

is quite strong and positive.

The Coefficient of Determination R-square measures the goodness-of-fit of the estimated Sample Regression Plane (SRP) in terms of the proportion of the variation in the dependent variables explained by the fitted sample regression equation. Thus, the value of **R square is 0.577** simply means that about 57.7% of the variation in Organizational Commitment is explained by the estimated SRP that uses depression and anxiety as the independent variables and R square value is significant at 1 % level.

The multiple regression equation is

$$Y = 1.969 + 0.175 X_1 + 0.252 X_2 + 0.285 X_3 + 0.092 X_4 + 0.356 X_5 + 0.136 X_6 + 0.021 X_7 + 0.015 X_8 + 0.370 X_9 \\ + 0.033 X_{10} + 0.184 X_{11} + 0.043 X_{12}$$

Here the coefficient of **X₁** is 0.175 represents the partial effect of Work Relevance on Organizational Commitment, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Organizational Commitment would increase by 0.175 for every unit increase in Work Relevance and this coefficient value is significant at 1% level. The coefficient of **X₂** is 0.252 represents the partial effect of Competence on Organizational Commitment, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Organizational Commitment would increase by 0.252 for every unit increase in Competence and this coefficient value is significant at 1% level. The coefficient of **X₃** is 0.285 represents the partial effect of Self-Determination on Organizational Commitment, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Organizational Commitment would increase by 0.285 for every unit increase in Self-Determination and this coefficient value is significant at 1% level. The coefficient of **X₄** is 0.092 represents the partial effect of Impact on Organizational Commitment, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Organizational Commitment would increase by 0.092 for every unit increase in Impact and this coefficient value is significant at 1% level. The coefficient of **X₅** is 0.356 represents the partial effect of Training and Development on Organizational Commitment, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Organizational Commitment would increase by 0.356 for every unit increase in Training and Development and this coefficient value is significant at 1% level. The coefficient of **X₆** is 0.136 represents the partial effect of Rewards and Recognition on Organizational Commitment, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Organizational Commitment would increase by 0.136 for every unit increase in Rewards and Recognition and this coefficient value is significant at 1% level. The coefficient of **X₇** is 0.021 represents the partial effect of Participative Management & Interpersonal Relationships on Organizational Commitment, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Organizational Commitment would increase by 0.021 for every unit increase in Participative Management & Interpersonal Relationships and this coefficient value is not significant at 1% level. The coefficient of **X₈** is 0.015 represents the partial effect of Role of Team Leaders on Organizational Commitment, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Organizational Commitment would increase by 0.015 for every unit increase in Role of Team Leaders and this coefficient value is not significant at 1% level. The coefficient of **X₉** is 0.370 represents the partial effect of Career Development on Organizational Commitment, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Organizational Commitment would increase by 0.370 for every unit increase in Career Development and this coefficient value is significant at 1% level. The coefficient of **X₁₀** is 0.033 represents the partial effect of Communication on Organizational Commitment, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Organizational Commitment would increase by 0.033 for every unit increase in Communication and this coefficient value is not significant at 1% level. The coefficient of **X₁₁** is 0.184 represents the partial effect of Job Satisfaction on Organizational Commitment, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Organizational Commitment would increase by 0.184 for every unit increase in Job Satisfaction and this coefficient value is significant at 1% level. The coefficient of **X₁₂** is 0.043 represents the partial effect of Stress on Organizational Commitment, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Organizational Commitment would increase by 0.043 for every unit increase in Stress and this coefficient value is not significant at 1% level.

Based on standardized coefficient, Training and Development (0.371), Self-Determination (0.311), Career Development (0.293), Competence (0.270), Rewards and Recognition (0.199), Job Satisfaction (0.197)

and Work Relevance (0.165) is the most important factors to extract Organizational Commitment, followed by Impact (0.133), Participative Management & Interpersonal Relationships (0.031), Role of Team Leaders (0.015), Communication (0.039) and Stress (0.047).

Conclusion

Building organizational commitment among employees is one of the important factors for ensuring organizational effectiveness. This is because committed employees can lead to favourable organizational outcomes. The purpose of this study was to test empirically the impact of Employee Empowerment on Organizational Commitment. Hence, the present study concludes that the coefficient value of 0.726 indicates that the relationship between adjustment and the twelve independent variables is quite strong and positive.

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