

# EMPLOYEE EMPOWERMENT AND EMPLOYEE JOB ENGAGEMENT, CASE STUDY OF BANKS IN LAHORE

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**ABSTRACT:** *The purpose of this research is to assess the relationship of employee empowerment and employee engagement. For this purpose current research has been selected the banking sector of Lahore, Pakistan. To testify the unidirectional relationship of these variables, this study has proposed that employee empowerment has positive impact on employee job engagement. For the best of author knowledge this relationship is not yet checks in any study. Findings of the current research have confirmed that there is positive significant impact of employee empowerment on employee job engagement. Primary has been collected with the help of structured questionnaire. This questionnaire was consisted of 20 items. In future researches some important predictors of employee engagement like OBSE (organizational based self-esteem), and other variables like leadership styles i.e. charismatic leadership, servant leadership, transactional leadership and transformational leadership must be included. This study will also be conducted on other sectors like hoteling industry, NGOs, transport industry, service sectors for more generalizing the results.*

**Keywords:** *Employee Empowerment, Employee Job Engagement, Banking Sector, Lahore, Pakistan*

## 1-INTRODUCTION

Employee empowerment is most popular method for which is used to foster the process of efficiency in employees [1]. Due to effective use of it, organizations can increase the tendencies and capacity of employees who are working in group or at individual basis [1]. Empowerment can foster the process of continuous improvement by improving the skills of employees. We can say that empowerment is a tool of enhancement the growth strategy and success of organizations [1]. Due to effective use of employee empowerment concept, organizations can achieve the competitive advantage on others organizations. Effective use of this technique organizations can enhance their performance [2,3], employee's job satisfaction and customer satisfaction [4], and attaining the competitive advantage [5]. Employee empowerment can also enhance continues improvement and effectiveness of work process [6]. Above discussion has showed the importance of employee empowerment. There is also another important variable named as employee job engagement. Employee engagement is visualized as the prominent factor for the success of organizations. However there is a huge gap of empirical studies regarding employee engagement. But despite of this reality, the investigations of employee engagement are conducted from consulting firms like Tower Perrin and Gallup. But firms of other industries are lacked behind about empirical researches regarding employee engagement. That's why [7] has argued that "there is a surprising dearth of research on employee engagement in the academic literature". The researchers [8] also concluded that "there has been surprisingly little academic and empirical studies on one of most popular concept i.e. employee engagement" Furthermore, The researcher [7] proposed that there had

been little investigation on the dimensions and predictors of the term employee engagement. Human resource practices might have impact on employee engagement [7]. On the basis of this discussion, this study wants to check the relationship of employee empowerment with employee job engagement.

## 2-LITERATURE REVIEW

### Employee Empowerment

The exact sense of empowerment has been described as to "authorize or give power to" [9]. Researchers [10] describes that power is the base of empowerment. Researchers [10] describe the difference among the relational and motivational meaning of empowerment. Researchers [11], argue that empowerment is the blend of the emotional condition of worker. It is affected by the good manners of managers. According to [12] and [13] empowerment is defined as, the sense of personal power and control in one's life and the ability to interact effectively with the environment to affect personal and social change. In the beginning of 1980, the term empowerment was brought into use in the field of psychological community [14,15,16]. And later on it was used in different fields like "organizational management, anthropology, health care, education, and nursing" [17,18,19,20,21,22,23]. Empowerment is a wider term and has different dimensions [13,18,24,25,26]. This term also gives the different meanings in the same field [23]. On the basis of literature, researchers [27] classified the empowerment in 3 main kinds. These scientists had proposed their work on the basis of important societal theory, organizational theory, and societal psychological theory. Researchers [17,28] and [13] concluded that societal psychological theory had a main source of describing the term empowerment. This theory mainly focused on

betterment of living standards of exploited groups like national minority and women. In the prospect of organizational theory, researcher [29] concludes that empowerment is closely related to power and its delegation to the member of the organization. And this power is very essential for performing the job. Researcher [13] concludes that societal psychological theory explain empowerment is a main source of employees’ job and about surrounding atmosphere This scientist has also described the 6 aspects of empowerment. These dimensions are named as “potency, independence, relatedness, motivation, values, and joy of life”. Empowerment is focused on employees’ personal growth in the process of development and self-awareness [30,31,32,33]. Three levels of analysis of empowerment have been described by researchers [34]. These levels are interrelated and contain analysis of individual (psychological), organizational, and community empowerment.

**Employee Job Engagement**

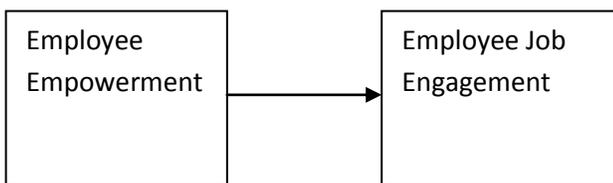
Kahn’s define employee engagement as the “harnessing of organizational members themselves to their work roles” [35]. Researcher [35] describes the term employee engagement on the basis of researcher [36] role behavior speculation. This theory proposes that employee attitudes are formed by the demands and regulations of other employees [37]. Thus, employee’s attitudes can be calculated by investigation about their roles [3]. The term “role” is taken from the theatrical world [37]. William [35] recommends that employees can perform the responsibilities that are not mentioned in their job descriptions. Researcher [35] also asserts that employees are likely to attach themselves according to their roles or improving their individual personality with these roles. A substitute concept of employee engagement is introduced by Dutch researcher [38]. Researcher, [38] classify employee engagement as a “positive, fulfilling, work-related state of mind”.

**3-HYPOTHESIS DEVELOPMENT**

Human resource practices might have impact on employee engagement [7]. Employee empowerment is an important human resource practice. On the basis of this statement , this study has proposed the following hypothesis.

H: Employee empowerment has positive and significant effect on employee job engagement.

**Research Model**



**4-ANALYSIS**

**Data Collection and Reliability Analysis**

Primary was gathered with the help of questionnaire. Famous technique of simple random sampling was utilized. Target population was the officer’s rank employees of banks. Total 423 questionnaires were distributed. 322 questionnaires were regained. The response rate of this study is 76%. Some of the questionnaires were uncompleted. 312

questionnaires were utilized to do the final analysis. The scale of current research is consisted of 20 statements. It is developed with the help of previous articles published in the same area of research. **Table No1: Validity of scale and reliability of data**

Item Statement	Factor Loading	Cronbach Alpha
EE1	1.000	0.544
EE2	1.094	
EE3	1.141	
EE4	1.054	
EE5	.938	
EE6	.999	
EE7	1.000	
EE8	1.348	
EE9	1.444	
EE10	1.353	
EE11	1.427	
EE12	1.403	
EE13	1.000	
EE14	.957	
EE15	.953	
EE16	.883	
EE17	.909	
EE18	0.78	
Employee empowerment1	.670	
Employee empowerment 2	.906	

Employee job engagement scale was constructed by Rich, 2006 during the completion of his thesis from the University of Florida. This scale is actually based on William Kahn’s concept of employee engagement. Kahn’s model of employee engagement was consisted of three pillars i.e. physical, cognitive and emotional engagement [35]. This scale is consisted of 18 statements. Employee empowerment is tested with the help of two item scale. This scale is proposed by the researchers [39]. Reliability of these statements is more than 0.8 [40]. Validity of the scale is checked with the help of factor loading. Factor loading of all 18 items of employee job engagement is more than 0.50. And value of two statements of employee empowerment is also greater than 0.50. Reliability of data is being checked with the help Value of Cronbach alpha. This test is being performed with the help of SPSS 17. Data is reliable if value of Cronbach alpha is greater than 0.50 [41]. In the propose study value of Cronbach alpha 0.544. This shows that data is reliable. We can perform the further tests.

**Correlation Analysis**

Table 2 explains correlation of employee job engagement and organizational employee empowerment. The value of coefficient of correlation is 0.379. This value indicates that employee empowerment is positively correlates with employee job engagement. The positive value indicates that employee empowerment has positive relationship with employee job engagement.

**Table No1: Correlation Analysis**

	Employee Engagement	Employee Empowerment
Employee Engagement	-	0.379**
Employee Empowerment		-

\*\* Correlation is significant at the 0.01 level,

\* Correlation is significant at the 0.05 level

**Regression Analysis**

Tables No 3 explains the regression analyses. Regression analysis describes the impact of independent variables on dependent variable. R Square shows the degree of effect of predictors on criterion.

**Table No3: Regression Analysis**

	B	't	p'
(Constant)	2.459	14.930	0.000
Employee Empowerment	0.321	7.216	0.000
R Square	0.344		
F	52.068		0.000
Durbin-Watson	1.573		

Dependent Variable is Employee Job Engagement

\*\*\*Significant at the 0.01 level.

\*\*Significant at the 0.05 level.

\* Significant at the 0.10 level.

The value of R square is acknowledged when this is more than 25 percent. The value of p explains the level of occurrence of association. There are three level of acceptance about value of p i.e. it is < 0.05, < 0.01 or < 0.10. F explains degree of association among independent and dependent variables. If the value of F is greater, then there will be strong relationship between these variables. In Last, β shows the intensity of effect of predictors on criterion. Table No.3 indicates the relationship of employee empowerment and employee job engagement. Value of β is equal to 0.344 and also the value of p is 0.00. This indicates that employee empowerment has prominent effect on employee job engagement. Moreover, employee empowerment cause 34.4 % change in employee job engagement. This results shows that employee empowerment is the strong predictor of employee job engagement in banking sector of Pakistan.

**5. CONCLUSION**

Results of this research have proved that employee empowerment is important predictors of employee job engagement and employee empowerment can cause 34.4 % change in employee job engagement. This result has also confirmed the proposed hypothesis of this research. This guides us that banking sector of Pakistan must formulate the smooth policies regarding these variables. Future researches will be done by including other variables like leadership styles i.e. charismatic leadership, servant leadership, transactional leadership, transformational leadership. This can unfold the other dimensions of research. This study will also be conducted on other sectors like hoteling industry, NGOs, transport industry, service sectors for more generalizing the results.

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