

## THE IMPACT OF EMPLOYEE EMPOWERMENT ON PRIVATE SECTOR COMPANIES IN CHENNAI

**Dr.C.Sathiyamoorthy<sup>1</sup>, Dr. Krishnasamy Srinivasan<sup>2</sup>, Dr.Parveen Banu.S<sup>3</sup>,  
Dr.R.Santhanakrishnan<sup>4</sup>**

Department of Commerce, Associate Professor, Saveetha College of Liberal Arts and Science  
Saveetha Institute of Medical and Technical Sciences (SIMATS), Chennai, Tamilnadu, India

**Abstract:** The major goals of empowerment are to encourage employee participation by fostering a climate of trust between management and staff. It is one of the contemporary ideas that is thought to improve the human component in contemporary organisations so that they can achieve high levels of cooperation, team spirit, self-confidence, innovation, independent thinking, and entrepreneurialism. Empowering workers is one method of maximizing output from workers and putting everyone's talents to good use so that the business can reach its goals. When people are given more control over their work and lives, they are empowered, which leads to increased productivity and innovation.

**Key Words:** Private sector, Empowerment, Job Satisfaction, Motivation and performance etc

### INTRODUCTION

Employee empowerment involves offering a certain degree of authority and responsibility to employees for decision-making on their unique organisational tasks. Decisions can be taken at the department level, where workers often have fresh insights into the company's challenges. The primary goals of empowerment are trust formation between management and staff, and the stimulation of staff engagement. It's one of the cutting-edge ideas that have been shown to boost modern businesses' human resources, allowing them to attract and retain employees who are willing to work together, be supportive of one another, think creatively, and take initiative.

Lawler, 1992, the concept of empowerment is multifaceted and open to several interpretations. To put it another way, it's a collection of management techniques with the stated goal of giving workers more freedom and responsibility in the workplace. The employee's performance and productivity will increase as a result of the empowered worker's proactive orientation toward their task. Self-managed teams, comprehensive quality management, and quality control circles are just a few examples of the employee empowerment tactics adopted by firms in an effort to increase productivity and innovation.

Conger and Kanungo (1988) argued that one's perception of one's own authority, or lack thereof, is important to whether or not they feel empowered. One common method of redistributing power is to give subordinates more say in day-to-day operations.

### THE HUMAN CAPITAL

The rising complexity of employment interactions and the rapid evolution of the conceptual framework are putting human assets and human capital in the spotlight. It is commonly held that an organization's people are its greatest asset. To put it plainly, an organization is just a collection of people working together toward a common goal. Having the proper personnel in a company that exists to generate goods and services is crucial to the company's chances of success. Successful businesses rely on their goal, vision, values, and leadership above all else to recruit and keep talented employees. Most businesses understand that their success depends on their employees' dedication, which in turn generates new customers. "Skilled employees, who are committed to business goals, are a company's most important and only appreciable asset," Ulrich (1998) said about human resources.

### **ACTIONS FOR EMPOWERMENT**

Employee empowerment relies on four pillars - a focus on individuals, on education and training, on the collective effort of the organization, and on the provision of interesting and demanding tasks. These can be accomplished by keeping in mind the following five guidelines. Workers need to gain trust in one another. Employees gain pride and agency in their job when they have a hand in making decisions and crafting solutions. Coaching professionals are essential to the success of any organization. Leaders have a responsibility to inspire and guide their teams to victory. Set firm boundaries and define your strategic goals, aims, and objectives. When you've finished talking to them, you should back off and allow them get to work with their own pace and attitude. Employees benefit from clarity because it helps them make sense of their work and makes it possible for them to put their skills to good use. All levels of staff should be given the autonomy to do their work as they see fit. Leaders are aware that they should draw the lines and step back once they have done so. Trust employees by learning to develop safe spaces where they can explore their finest ideas without fear of retaliation. When employees are trusted and given the authority to make decisions on their own, they are better able to solve issues as they arise.

### **EMPLOYEE EMPOWERMENT EFFECTIVENESS FACTORS**

#### **❖ Job contentment**

Employee empowerment is correlated with contentment in one's position of employment. Long-term, it benefits workers by helping them feel more self-reliant and confident, and by encouraging them to take initiative in driving innovation. Over the course of a person's tenure at an organization, employee empowerment grows in importance. For a long-term worker to feel fulfilled in their position, it is essential that they expand upon their sense of autonomy and, potentially, gain more influence over time.

#### **❖ Inspiration**

Regular communication between managers and their subordinates allows workers to provide input on problem-solving and organizational strategy. Employees are more motivated to think strategically about how to enhance performance and make the firm stronger when they know their

manager will listen to their ideas and suggestions. Employees seek employers who foster a culture of self-determination.

#### ❖ **Management Styles**

Empowering workers in the workplace also has unintended consequences. Managers that actively work to increase their staff's sense of agency are held in higher esteem. They are rewarded with hard-working, committed personnel. Managers that employ an authoritarian leadership style and achieve corporate achievements but display unacceptable actions have a terrible reputation as a result of this kind of relationship. Instead of praising them for their achievements, upper-level management should get rid of those who exhibit inappropriate behavior.

#### ❖ **Removes Idiosyms**

Workers taking on greater responsibility and so increasing output are just one benefit of empowering workers. True empowerment alters the character of an organization's culture, impacting long-held assumptions about how business is conducted. For instance, upper-level management must get used to delegating some of their authority to their employees.

### **NEED AND IMPORTANCE OF THE STUDY**

The liberalisation and globalisation of the Indian economy made both industrialization and the emergence of the private sector feasible. At this stage, the growth of the organization will be aided by comprehensive HRD procedures and the empowerment of personnel. Therefore, it is the responsibility of any organization to alter the evolution of the organization through the efficiency of its managers, and the sources of efficiency creation are equally crucial in enabling employees. All organizations will face difficulties and be inspired to take part in the empowerment process due to the strictness, cleanliness, time commitment, and financial burden of this method. As a result, the study is crucial and necessary within the larger field of HR procedures.

### **STATEMENT OF THE PROBLEM**

Global competition offers Indian firms possibilities and problems. In addition to technology advancement, talented, competent, and empowered workers will provide Indian companies an edge. Modern management and organization have replaced bureaucracy and command and control in today's competitive, unpredictable, and ever-changing economic environment. Bureaucratic control strategies including provisions, regulations, instructions, hierarchy, and activity standardization fail to standardize employee behavior. Despite being paid, employees cannot use their expertise at work. This happens because company executives have found new strategies to motivate people. In addition to coordinator and facilitator, managers and senior executives look for staff synergies. Rising customer demands, globalization, processes, and cutting-edge technologies have changed organizational structures in the 21st century.

### **OBJECTIVES OF THE STUDY**

- ❖ To learn what makes private-sector organizations successful at empowering their workers.

- ❖ To examine the interdependencies between the various components of empowerment for employees.
- ❖ To assess the effectiveness of employee empowerment initiatives.

## RESEARCH METHODOLOGY

Methodologies of the analytical and descriptive kinds were utilized during the course of the research project. The study relies heavily on both primary and secondary sources of information.

### Study Area

The survey is being carried out at businesses that are part of Chennai's private sector.

### Sampling Size and Design

A total of 250 employees from private firms in the Chennai were asked to fill out the survey for the research. All of Chennai has been included in the study's sample. A straightforward random sample method is used to select 250 workers. A total of 250 employees filled out and submitted the questionnaires, with 245 valid responses. This means that 245 participants were used for the analysis.

### Questionnaire Design

The survey has three sections. The first section focuses on the demographics and organizational structure of the private sector workforce. There are no open-ended choices here. Part 2 is a series of statements scored on a 5-point Likert scale, from "Strongly Agree" to "Strongly Disagree." The primary intent of these declarations is to assess the level of employee empowerment in for-profit organizations. The third section is a set of Likert-type statements used to gauge the success of employee empowerment programs in for-profit businesses.

### Secondary Data

Secondary sources included: journals, magazines, publications, reports, books, daily, periodicals, articles, research papers, websites, user guides, booklets, and company publications.

### Data Analysis

SPSS (Statistical Package for the Social Sciences) is used to analyse the raw data.

## LIMITATIONS OF THE STUDY

- ❖ The study's foundation is the opinions of workers in Chennai's private sector businesses.
- ❖ Only a restricted number of businesses where notable HR practices are observed are included in the study.
- ❖ Only offices situated in the Vellore District are included in the study. Owing to financial and temporal limitations, the study is limited to Chennai.
- ❖ The study solely looks at significant empowerment variables pertaining to businesses in the private sector.

- ❖ The respondents' answers are predicated on the current work environments in their individual organizations.

## REVIEW OF LITERATURE

Empowerment exists, as noted by **Bowen and Lawler (1995)**, when businesses adopt procedures that equally disperse authority, resources, and recognition. To paraphrase the authors: "if any of the four elements is zero, nothing happens to redistribute that ingredient, and empowerment will be zero." **Singh & Dixit, (2011)** had determined that human resources are the primary resource on which the development and survival of any organization depend. The ability to make prompt decisions and assessments requires this level of human capital. **Gilaninia, et al (2013)** has realized that empowering their employees is a path to growth and organizational success. In this section, we take a pragmatic view on the concept of employee empowerment, explaining its many facets, definitions, hallmarks of a formidable employee in a company, influencing variables, successes, and setbacks.

**Table 1**  
**The Age-based Distribution of the Samples**

Age (years)	Frequency	Valid Percent	Cumulative Percent
20-30	135	55	55
31-40	76	31	86
41-50	27	11	97
50 Years Above	7	3	100
<b>Total</b>	<b>245</b>	<b>100</b>	

Source: Primary data

According to the data in the table above, the majority (55%) of Chennai's workforce is comprised of young adults (ages 20-30), while 31% are between the ages of 31 and 40, and 11% are middle-aged or older (ages 41 to 50). There must be at least 3% of workers who are 50 or older.

**Table 2**  
**The allocation of samples based on Marital Status**

Marital Status	Frequency	Valid Percent	Cumulative Percent
Married	147	60	60
Single	98	40	100
<b>Total</b>	<b>245</b>	<b>100</b>	

Source: Primary data

According to the information that has been presented, it seems that sixty percent of the workforce is married while forty percent of them are single.

**Table 3**  
**The allocation of samples according to family status**

Family Status	Frequency	Valid Percent	Cumulative Percent
Joint	93	38	38
Nuclear	152	62	100

<b>Total</b>	<b>245</b>	<b>100</b>	
--------------	------------	------------	--

Source: Primary data

In the sample of 245 employees in Chennai, the data shows that 38% have nuclear families while 62% prefer joint families. The table's demographic data formed the basis for this decision.

**Table 4**  
**Sample Dispersal According to Level of Education**

<b>Educational Qualification</b>	<b>Frequency</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Under Graduate	103	42	42
Post Graduate	98	40	82
Professional	44	18	100
<b>Total</b>	<b>245</b>	<b>100</b>	

Source: Primary data

When the credentials of the workforce are taken into consideration, it is found that 42 percent of workers hold an undergraduate degree. Postgraduates make up forty percent of the whole sample of two hundred and forty-five employees in Chennai, while professionally qualified workers account for eighteen percent of the total.

**Table 5**  
**Sample Distributions Based on Marriage Age**

<b>Age</b>	<b>Frequency</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Below	15	6	6
20-	123	50	56
25-	102	42	98
Above		2	100
<b>Tota</b>	<b>245</b>	<b>100</b>	

Source: Primary data

About 6% of workers are under 20 years old, and 2% of workers are above 30 years old, when it comes to their age at marriage. Forty-two percent of workers are in the twenty-five to thirty-year-old age range, despite the table showing that fifty percent of workers are in this age range when they marry.

**Table 6**  
**Sample Distribution Depending on Working Hours**

<b>Working Hours</b>	<b>Frequency</b>	<b>Valid Percent</b>	<b>Cumulative percent</b>
General	164	67	67.
Shift	59	24	91
Others	22	9	100
<b>Total</b>	<b>245</b>	<b>100</b>	

Source: Primary data

When looking at the complete sample of employees in Chennai, it was discovered that 67% of them work during normal business hours, while 24% work during shifts. The remaining hours must amount to less than 10% of total work time.

**Table 7**  
**Sample Distribution based on Job Security**

Post	Frequency	Valid Percent	Cumulative Percent
Temporary	96	39	39
Permanent	149	61	100
<b>Total</b>	<b>245</b>	<b>100</b>	

Source: Primary data

Taking into account the type of position, according to the sample, roughly 39% of Chennai employees have temporary jobs, while the remaining 61% have permanent jobs in the company.

**Table 8**  
**One-Sample Statistics for Management Policies**

Variables	N	Mean	Std. Deviation	Std. Error Mean
<b>Mpowe1</b>	245	3.948	.9925	.0446
<b>Mpowe2</b>	245	3.952	.9404	.0423
<b>Mpowe3</b>	245	3.642	.9751	.0438
<b>Mpowe4</b>	245	3.837	.8095	.0364
<b>Mpowe5</b>	245	3.808	.9699	.0436
<b>Mpowe6</b>	245	3.851	.8060	.0362
<b>Mpowe7</b>	245	3.847	.8177	.0368
<b>Mpowe8</b>	245	3.687	.8566	.0385
<b>Mpowe9</b>	245	3.689	.9838	.0442
<b>Mowe10</b>	245	3.711	.9391	.0422

Source: Computed Data

All of the mean values in the table above, which range from 3.64 to 3.95 with matching standard deviations, are greater than three. Additionally, it demonstrates that these ten variables' standard deviations are all strictly less than one, indicating that employee opinions are constant.

**Table 9**  
**One-Sample Statistics for Impact on Individuals**

Variables	N	Mean	Std. Deviation	Std. Error Mean
<b>IOI1</b>	245	4.366	.7431	.0334
<b>IOI2</b>	245	4.305	.7621	.0343

<b>IOI3</b>	245	4.210	.7088	.0319
<b>IOI4</b>	245	4.160	.8612	.0387
<b>IOI5</b>	245	4.174	.8037	.0361
<b>IOI6</b>	245	3.911	.8394	.0377
<b>IOI7</b>	245	4.143	.8780	.0395
<b>IOI8</b>	245	4.212	.7619	.0342
<b>IOI9</b>	245	4.210	.8025	.0361
<b>IOI10</b>	245	4.113	.7578	.0341
<b>IOI11</b>	245	4.141	.8443	.0379
<b>IOI12</b>	245	4.247	.7844	.0353
<b>IOI13</b>	245	4.236	.8576	.0386
<b>IOI14</b>	245	4.192	.8733	.0393

Source: Computed Data

According to the data presented above, the means and standard deviations are all greater than 3. All 14 variables have standard deviations that are exactly below 1. This suggests that workers share a common viewpoint.

**Table 10**

Relationship between Employee Empowerment and Organisation Development  
Factors and Impact on Individuals and Organisation

<b>Factors</b>	<b>Sources</b>	<b>IOI</b>	<b>JIOE</b>	<b>IC</b>	<b>OTM</b>
<b>IOI</b>	Pearson Correlation	1	.115	-.163	-.105
	Sig.(2-tailed)	.	.010	.000	.020
	N	245	245	245	245
<b>JIOE</b>	Pearson Correlation	.115	1	-.060	.026
	Sig.(2-tailed)	.010	.	.179	.566
	N	245	245	245	245
<b>IC</b>	Pearson Correlation	-.163	-.060	1	.682
	Sig.(2-tailed)	.000	.179	.	.000
	N	245	245	245	245
	Pearson Correlation	-.105	.026	.682	1
	Sig.(2-tailed)	.020	.566	.000	.000



<b>OTM</b>	N	245	245	245	245
------------	---	-----	-----	-----	-----

Source: Computed Data

The aforementioned table makes it abundantly evident that creative work environments and upbeat team leadership have a substantial unfavourable correlation with the personal effects of employees. This suggests that creative organisational changes do not expose workers' technological aptitude, which does not create an environment that is favourable to their professional growth. The staff had a troubling belief that the business does not take a constructive and upbeat stance towards them. Additionally, the staffs believe that the organisation does not adequately support their teams. As a result, the workers do not sense their own empowerment.

However, it also discovered that the creative environment and upbeat team leadership are unaffected by work involvement or organisational effectiveness. Positive team management is favourably connected with an innovative climate. Positive modern change, then, supports leadership and team development for a positive organisational strategy.

**Table 11**

**The connection between external empowerment-influencing factors and factors that affect individuals and organisations**

<b>Factors</b>	<b>Sources</b>	<b>IOI</b>	<b>JIOE</b>	<b>PAP</b>	<b>EOI</b>	<b>EI</b>
<b>IOI</b>	Pearson Correlation	1	.115	-.172	.475	.335
	Sig. (2-tailed)	.000	.010	.000	.000	.000
	N	245	245	245	245	245
<b>JIOE</b>	Pearson Correlation	.115	1	.034	.214	.151
	Sig. (2-tailed)	.010	.000	.455	.000	.001
	N	245	245	245	245	245
<b>PAP</b>	Pearson Correlation	-.172	.034	1	-.457	-.153
	Sig. (2-tailed)	.000	.455	.000	.000	.001
	N	245	245	245	245	245
<b>EOI</b>	Pearson Correlation	.475	.214	-.457	1	.369
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	245	245	245	245	245
<b>EI</b>	Pearson Correlation	.335	.151	-.153	.369	1
	Sig. (2-tailed)	.000	.001	.001	.000	.000
	N	245	245	245	245	245

Source: Computed Data

According to the above table, there is a considerable positive correlation between the removal of obstacles and economic independence and the impact on employees' individual well-being and their participation and portrayal in the workplace. This suggests that the workers think there isn't a fair representation of workers in their company or in society at large. Additionally, the staff found it satisfying to believe that reservations had also freed society from social constraints and that government regulations have rejected male domination. The democratic structure in place has also aided in the growth of the workforce, giving them financial independence. The removal of obstacles

and financial freedom are significantly positively correlated with job involvement and organisational effectiveness. Employee independence increases as government policies remove barriers to their professional growth, encouraging employees to take an active role in their own development and thereby boost productivity. Eventually resulting in the organization's reputation. However, employee participation and portrayal are unaffected by work involvement or organisational effectiveness.

### TESTING OF HYPOTHESIS: 1

Ho: There is no association between clusters of organisation and clusters of Individual impact.

**Table 12**

#### Chi-Square Tests for Organisation empowerment and Individual Impact

Sources	Value	DF	Asymp. (2- sided)
<b>Pearson Chi-Square</b>	4.493	2	0.106
<b>Likelihood Ratio</b>	4.535	2	0.104
<b>Linear-by-Linear Association</b>	3.462	1	0.063
<b>N of Valid Cases</b>	245		

The P value is 0.106 with two degrees of freedom, and the chi-square value is 4.493, according to the chi-square table above. Based on this, the likelihood value seems to be quite little. The null hypothesis, that is, that there is no relationship between employee empowerment within an organisation and the employees themselves, is accepted at the 5% level of significance. This indicates that HRD is not being applied with a view towards employee empowerment, but rather by organisations to achieve their own objectives.

### TESTING OF HYPOTHESIS: 2

Ho: There is no association between clusters of organisation empowerment of employees and clusters of organisational impact.

**Table 13**

#### Chi-Square Tests for Organisation Empowerment and Organisation Impact

Sources	Value	DF	Asymp. Sig. (2- sided)
<b>Pearson Chi-Square</b>	5.034	2	.041
<b>Likelihood Ratio</b>	5.259	2	.072
<b>Linear-by-Linear Association</b>	4.204	1	.040

<b>N of Valid Cases</b>	245		
-------------------------	-----	--	--

Source: Computed Data

The chi-square value is 5.034 and the P value is 0.041 with two degrees of freedom, according to the chi-square table above. This suggests that there is significance in the probability value. At the 5% level of significance, the null hypothesis is thus rejected. The relationship between organisational empowerment clusters and their effects on organisations is concluded. This demonstrates that increasing an organization's production and efficiency is the main goal of organisational empowerment.

### TESTING OF HYPOTHESIS: 3

**Ho:** There is no association between clusters of external factors influencing empowerment of employees and clusters of individual impact.

**Table 14**

#### **Chi-Square Tests for External Influence and Individual Impact**

<b>Sources</b>	<b>Value</b>	<b>DF</b>	<b>Asymp. Sig. (2-sided)</b>
<b>Pearson Chi-Square</b>	1.707	2	.426
<b>Likelihood Ratio</b>	1.708	2	.426
<b>Linear-by-Linear Association</b>	.012	1	.915
<b>N of Valid Cases</b>	245		

Source: Computed Data

The chi-square value is 1.707 and the P value is 0.426 with two degrees of freedom, according to the chi-square table above. This suggests that the value of probability is negligible. The conclusion is that there is no correlation between clusters of external factors influencing employee empowerment and clusters of individual effect, leading to the acceptance of the null hypothesis at the 5% level of significance. This suggests that outside forces, primarily the government, focus primarily on empowering rural workers who fall below the poverty line. The empowerment of the workers in the organisation is not given much attention.

### FINDINGS

- ❖ Workers in Chennai benefit from a strong management policy designed to increase their agency within the company. They now realize their full potential and the vital responsibilities they play thanks to the management's efforts.
- ❖ Trust and openness strategy and development plans are two of the identified aspects in the management policies.
- ❖ Employees have faith that the company would help them realize their full potential by pinpointing their unique set of skills.

- ❖ The staff has a constructive outlook on the company's efforts to provide them autonomy by fostering an environment of strong leadership and cohesive teams.
- ❖ Organizational growth and staff autonomy have been linked to an environment that encourages creativity and a positive team dynamic. Many workers feel strongly that the organization's supportive and creative culture contributed to their personal growth through the empowerment process.
- ❖ Staff members believe they have a better understanding of the importance of their work as a whole now that they have access to information about the organization's long-term vision.
- ❖ Employees are typically inspired by the perks and benefits they receive at work.
- ❖ By focusing their abilities, employees play crucial roles in the success of their company. When people are encouraged in their work, they feel more invested in the company as a whole.
- ❖ In order to realize their full potential, workers learn to maximize their time at work. Employees who see their careers progress inside the company are more likely to feel confident about their abilities in any given role.
- ❖ Employees feel valued and appreciated by the company, which they believe plays a significant part in helping them advance in their careers.
- ❖ An overwhelming majority of workers agree that the government's strategy on employee empowerment is exceptional.
- ❖ Employees' sense of agency, competence, and self-assurance has all risen as a result of the organization's and government's commitment to their professional growth.
- ❖ When employees are given responsibility, they feel more invested in the company and its success. The workers think that empowerment makes a difference in their workplace.

## CONCLUSION

Employee empowerment directly affects organizational efficiency and production. HRD policies and practices have considerably increased worker agency. Most companies' policies help employees develop their skills and careers. Some firms use human resource development (HRD) to boost productivity at the expense of employee growth. Employees' adaptability and devotion to the organization tempt management to give them more input in their work. Companies focus employee empowerment in two areas. The first approach places a strong emphasis on job growth, a creative workplace culture, development policies, upbeat team leadership, prospect enhancement, technology training, ongoing evaluation, employee roles, and a flexible, trust-based training approach. The second technique boosts worker incentives, infrastructure, and output. The study found eight elements that indicate employee empowerment: an open-minded culture, development chances, supportive management, good incentives, strong teams, bright futures, and regular reviews. The study found that reducing barriers is the most crucial external factor in employee empowerment. Financial autonomy, representation, and agency accurately assess how external variables may affect an employee's feeling of agency.

**References:**

- ❖ Gilaninia, Shahram; Sharami, Reza PoorAli Motlagh. (2013) Arabian Journal of Business and Management Review (Oman Chapter); Sohar 3 pp. 38-43.
- ❖ Lawler, Edward E (1992). The Ultimate Advantage: Creating the High Involvement Organization. San Francisco : Jossey-Bass
- ❖ Singh, S., & Dixit, P., Kant (2011). Employee Empowerment: A Light on the Real Meaning of the Philosophy. International Journal of Business & Management Research, 1(9), 588-593.
- ❖ Tschohl, J. (2010). Empowerment: A Way of Life. Minnesota: Best Sellers Publishing