



EMPLOYEE EMPOWERMENT AND ORGANIZATIONAL COMMITMENT: A SCENARIO IN COOPERATIVE SECTOR

¹Farisa Abdul Azees, ²Dr. K. Sravana

¹Research Scholar, ²Associate Professor & Research Supervisor

¹PG and Research Department of Commerce, ²Department of Commerce & International Business

¹Govt. College Madappally, Vadakara, Kerala, India, ²Central University of Kerala, Kasargode, India

Abstract: Working together to achieve a common goal which is bound to be for one's self and for the whole organization is the core of any cooperative organization. As such, empowering each and every member and binding to democratic principles is one of the principles of cooperation. This paper is an attempt to study the impact such an empowerment (employee empowerment) has on the organizational commitment of the employees of such organization. A regression analysis was conducted using the SPSS package to understand the same. The results found were that the sense of belongingness (involvement culture) and options to choose ones' own work process (discretion to change work process) are significantly impacting the organizational commitment among the employees of cooperative societies in Kerala, while the factors such as rewards and training has less impact on the same.

Index Terms: employee empowerment, organizational commitment, cooperative societies, Involvement Culture, Rewards, Discretion to change work process.

INTRODUCTION:

Human resources an integral part in the success of any business. Man does what machines cannot achieve. The rational and emotional thinking behind any major decisions in a business. Thus, the several layers of human resources need to put up an appropriate behaviour so that the major goals can be achieved in unison. While the major goal that is said here is the profit, it extends to the profit for the employees as well. The profit or achievement in every aspect, whether it may be monetary or intellectually or emotionally. Thus, the behaviour and power that flows towards the employees from the top layer of the organization decides the energy and commitment in the lower layers.

In this era, where the world is trying to unify by joining cooperation with each other, the cooperative sectors are to be put into the light in the aspect of level of employee empowerment and also their organisational commitment. Cooperatives are community-based, rooted in democracy, flexible, and have participatory involvement which makes them well suited for economic development (Md. Ruhul & Mohammed Mahin, 2014). The principles of cooperation itself states equality and democracy. One vote for each member of the cooperative organization is the cooperative agenda. In all the levels of the cooperative organizations, there must be sufficient power to each employee so that they can perform to the best of their abilities. They would grow a sense of freedom and involvement which is the core to commitment to work.

On the other hand, commitment has been one of the most frequently examined constructs in the organizational researches because of the demonstrated impact it has on the outcomes which are important to the individuals as well as the organization (Klein & Park, 2015). Through commitment, the employees will be more active, productive and reduces the employee turnover and absenteeism. A sense of belongingness to the organization must be instilled in the minds of the employees. But this can be only fulfilled if they are included and involved in the business processes. Their tedious works does not provide them with such a strong sense of commitment towards their organization. Apart from the monetary benefits, emotional thirst must also be quenched. Their opinions must matter.

In other words, the hike in productivity and profitability cannot be achieved in an organization by only adjusting the frame of organizations or shifting completely to the new innovative technologies like upgraded machineries and updated software installations, but the real capital, which is the human power that monitors these machineries and operates these software are to be bound to the organizations. (Alipour et al., 2013). Empowerment describes the working arrangements which engage the empowered at an emotional level (Conger & Kanungo, 1988). Employee empowerment is said to be a weapon in the business as it provides a competitive advantage through maximized service quality. The customers are normally eager for highest quality in the services they need or inquire for.

In this study, the effect of employee empowerment on the organizational commitment is studied. It is an attempt to know whether the empowered employees have developed a commitment behaviour towards their organization. This again is studied in the scenario of the

cooperative sector. The employee empowerment is studied using its dimension namely; goals and performances, rewards, job related knowledge and skills, discretion to change work. The main objective of this study is to analyse the effect of employee empowerment on the organizational commitment in the cooperative sector.

REVIEW OF LITERATURE

The needs and requirements of the modern society are ever changing and highly increasing in a substantial rate. As such, if the ever changing needs are not met or fulfilled, they will be dissatisfied and this is a major threat as the dissatisfied people are likely to contribute less to any thing or any purpose (Garg & Kaur, 2015). Cooperatives are formed with an aim of meeting peoples' mutual needs and represent a strong, vibrant and viable economic alternative to improve the tension of powerlessness and to change their lives (Md. Ruhul & Mohammed Mahin, 2014), or in other words, empowering them.

From a managerial view point, employee empowerment is a relational construct that describes how those with power in the organization choose to share their power, information, resources and even rewards itself with those who lack such privileges. Three lines or sources of power was also found, which are- line of supply, line of information and line of support. These three sources enables one to understand how the power is flown from the privileged to the under-privileged (Fernandez, 2013). Empowerment was found to be a construct conceptually distinct from other constructs such as delegation, self- efficacy and intrinsic task motivation (Menon, 1995). It not only helps an organization in achieving their objectives and targets, but also to frame their overall mission (Mohapatra & Mishra, 2018). Creating favorable situations in their respective work place and even in the organization as a whole, for developing self-efficacy in employees, would in turn lead to employee empowerment. Apart from that, the four cognitive variables namely- meaning in work, competence, self-determination and impact will boost the confidence and energize the employees in the organization and in turn will make employees empowered. (Conger & Kanungo, 1988), (Thomas & Velthouse, 1990). Empowerment practices are often implemented with the hopes of overcoming worker dissatisfaction and reducing the costs of absenteeism, turnover, poor quality work, and sabotage (Klein, Ralls, Smith-Major, & Douglas, 1998).

Thus, we can confirm from the literatures that employee empowerment has a positive impact on the organization. But in terms of four aspects that present employee empowerment ie.; serving, coaching, mentoring and monitoring, serving and mentoring others have a positive effect on both employee performance and satisfaction while coaching others only has effect on employee performance. Monitoring others did not show any relationships with employee effectiveness (Mehrabani & Shajari, 2013). Literatures show a positive relation between the components of employee empowerment and organizational commitment in the banking sector in the Lebanese region where the components of employee empowerment that were chosen was job autonomy, motivation, training, and compensation (Zaraket & Gharios, 2018). In this study the researcher tries to understand the impact of employee empowerment over the organizational commitment of the employees in the cooperative sector where there is less importance to profit and the members are bound to help each other and oneself.

OBJECTIVES

The study focuses on– (a) measuring the level of employee empowerment in the cooperative societies in Kerala; (b) analysing the impact of employee empowerment on the organizational commitment among employees of cooperative societies in Kerala.

From the extensive literature review, the following hypotheses were derived-

H₁: involvement culture has an impact on the organizational commitment.

H₁: Rewards have an impact on the organizational commitment.

H₁: Training have an impact on organizational commitment.

H₁: discretion to change work process has an impact on the organizational commitment.

RESEARCH METHODOLOGY:

Theoretical framework:

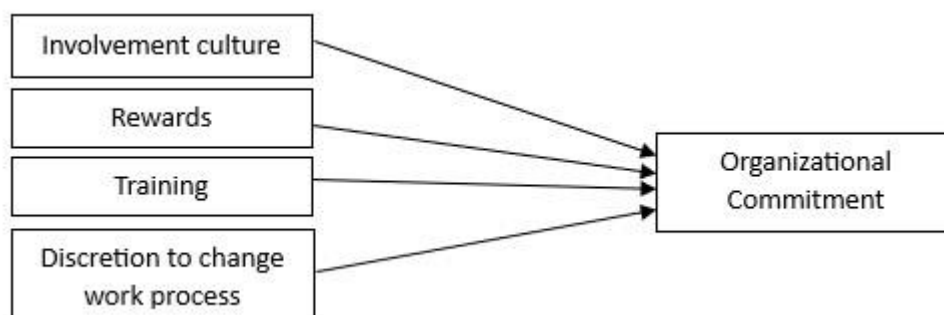


Figure 1: Theoretical Framework

Sampling framework and data collection: The sampling unit in the study is the employee of cooperative sector in Kerala. Sample size is 196 and were collected at random using a structured questionnaire from various cooperative societies in the central Kerala region. The institutions were chosen by considering the researchers accessibility and the participant's discretion to respond.

Data analysis: testing of hypothesis and the analysis of data were completed using the SPSS software. Regression analysis was used to study the impact of employee empowerment on the organizational commitment of employees in cooperative societies in Kerala.

FINDINGS AND ANALYSIS

Descriptive:

Table 1
Descriptive analysis of Employee Empowerment

	Mean	Std. Deviation
Involvement culture	4.66	1.614
Rewards	4.04	3.694
Training	4.32	2.151
Discretion to change work process	4.65	1.258

Source: Authors computation

From the above table 1, we can understand that all the determinants of employee empowerment have a high mean value (above 4), which indicates that employee empowerment prevails at a high level in the cooperative societies in Kerala.

Hypotheses testing:

H₁: involvement culture has an impact on the organizational commitment.

H₁: Rewards have an impact on the organizational commitment.

H₁: Training have an impact on organizational commitment.

H₁: discretion to change work process has an impact on the organizational commitment.

Table 2: Model Fit Summary

Model	R	R Square	Sig
1	.355 ^a	.126	.000

a: Predictors (constant): involvement culture, rewards, training, discretion to change work process

Table 2 shows that coefficient of determination (R square) 0.126, which means 12.6% variation in dependent variable (organizational commitment) is explained by independent variable (Employee empowerment).

Table 3: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	179.995	4	44.999	6.888	.000 ^b
	Residual	1247.822	191	6.533		
	Total	1427.816	195			

a. Dependent Variable: tot_oc
b. Predictors: (Constant), involvement culture, rewards, training, discretion to change work process

Table 3 tries to test overall goodness of fit of fitted regression model. From above table it can be concluded that the fitted model is significant as P-value of F statistics is 0.000 and it is less than level of significance level ($\alpha = 5\%$).

Table 4: Coefficient table

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
(Constant)	10.688	2.674		3.998	.000
Involvement culture	.443	.124	.264	3.567	.000
Rewards	-.071	.053	-.097	-1.334	.184
Training	.153	.092	.121	1.659	.099
Discretion to change work process	.309	.146	.144	2.119	.035

Dependent variable: Organizational Commitment

Coefficient table (table 4) helps to determine the regression equation. Hence the regression equation using coefficient table is $Y = 10.688 + (0.443 + -0.71 + 0.153 + 0.309) X$. The regression coefficient of Organizational Commitment on Employee Empowerment is found to be 0.443 for involvement culture, -.071 for rewards, 0.153 for training and 0.309 for discretion to change work process, which implies that any employee which is has a single point of empowerment raised is subsequently and accordingly committed to the organization than before. Also, the regression coefficient is significant as p-value (0.00) is less than level of significance level ($\alpha = 5\%$) in all the cases except the rewards (.184) and training (.099), which is insignificant and thus concluded as no effect on the organizational commitment.

CONCLUSION AND RECOMMENDATIONS

In the modern era of competition, irrespective of the scale of business or the type of business, every organization is indulged in a marathon run for attaining competitive advantage so as to hold up in the market or field. They are always searching for some kind of weapon so as to stand out among the competitors. Organizational commitment is one such weapon. It is not easy to achieve a committed work force. Many factors contribute to a loyal and committed human resource in an organization. This study was an attempt to find if employee empowerment factor had any effect or impact on the organizational commitment of the employees in the cooperative sector in Kerala.

The results showed that apart from the rewards and training, the other two factors namely- involvement culture and discretion to change work process indeed have an impact on the organizational commitment. This may be because the feeling of involvement and indulgence in a team and the options that one can make according to their rationale about their area of work has more importance in the cooperative sector. An organization with a non-profit motive will most probably be less concerned about the rewards. Updating the knowledge and skills necessary for the job has also less impact on the organizational commitment.

As such, we can conclude that feeling of belongingness and the sense of freedom to opinion or decision making are the predominant factors that affect a person's commitment to an organization, just as it is for any other circumstances. The social being is prone to lose faith and loyalty when there is no sense of belongingness or feeling of wanted. Similarly, lack of freedom for opinion and decision making will make the people rebellious or discontented with the environment. So, the organizations must look into the involvement culture and delegate the decision-making power accordingly to attain a satisfied workforce which will in turn improve the organizational commitment of the workforce.

SUGGESTION FOR FUTURE RESEARCHES

This study is limited to only one factor that affects the organizational commitment, i.e.; employee empowerment. There are numerous other factors that contribute to enforcing a Faithfull and committed workforce. Again, the area of cooperative sector in Kerala was chosen for the study. Other areas such as industrial, marketing, etc. can be studied as the employee's perception about the variables may differ among various sectors.

REFERENCES

- Alipour, H. R., Nodehi, F. P., Malvany, M. A., Nemati, M. M. S., Nia, F. H., & Zadeh, S. A. H. (2013). Study and Impact of Manager's Role in Improving Employees' Empowerment Process. *Kuwait Chapter of Arabian Journal of Business and Management Review*, 2(10), 30–37. <https://doi.org/10.12816/0001245>
- Fernandez, S. (2013). Employee Empowerment_Testing Causal Model. *The American Society for Public Administration*, 73(3), 490. <https://doi.org/10.1111/puar.12049>
- Garg, G., & Kaur, R. (2015). Job Satisfaction Level Of Employees: A Study Of Central Cooperative Banks In Punjab. *Journal of Commerce and Management Thought*, 6(3), 418. <https://doi.org/10.5958/0976-478x.2015.00025.7>
- Klein, howard j., & Park, H. (2015). organizational commitment. *International Encyclopedia of the Social & Behavioural Sciences: Second Edition*, 334–340. <https://doi.org/https://doi.org/10.1016/B978-0-08-097086-8.22032-1>
- Lashley. (1999). Employee empowerment in services: A framework for analysis. *Personnel Review*, 28(3), 169.
- Md. Ruhul, A., & Mohammed Mahin, U. (2014). Socio-Economic Impacts of Co operative Societies: An Empirical Study. *Socrates*, 2(2), 179–193.
- Mehrabani, S. E., & Shajari, M. (2013). *Relationship between Employee Empowerment and Employee Effectiveness*. 2(4), 60–68.
- Menon, sanjay t. (1995). *Employee Empowerment: Definition, Measurement and Construct Validation Sanjay*.
- Mohapatra, M., & Mishra, S. (2018). The employee empowerment as a key factor defining organizational performance in emerging market. *International Journal of Business Insights and Transformation*, 12(1), 48–52.
- Zaraket, W. S., & Gharios, R. (2018). The Impact of Employee Empowerment on the Organizational Commitment. *Journal of Human Resource Costing & Accounting*, 8(3)(August). <https://doi.org/10.5296/ijhrs.v8i3.13528>