

EFFECTIVE FACTORS IN EMPOWERING THE MANAGERS OF KESHAVARZI BANK

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Abstract: *With the advent of the third millennium, organizations need more capabilities and higher flexibility to meet the pressures and threats inside and outside the organization; managers have to review and rethink the styles, methods and practices of their management. Human resource empowerment has been recognized as one the strategies for survival of the organization and increasing performance against these threats. Empowerment is the process of strengthening individuals' competencies by identifying and eliminating conditions producing sense of powerlessness in them. According to the cognitive approach, empowerment is the process of enhancing intrinsic motivation and promoting individual's ability to perform the duties. In a survey conducted through interviews with a selection of managers and experts in the Keshavarzi Bank, 6 dimensions of managers' ability have been identified; they are (1) management practices, (2) information and communication technology (ICT), (3) development and participation, (4) transparency, (5) common discernment, (6) values. The researchers adopted a questionnaire about dimensions of empowerment. The questionnaires' validity was confirmed by academic and banking experts and its reliability was confirmed by Cronbach's alpha coefficients (All coefficients were higher than 0.7). The questionnaire was distributed among 130 senior, junior, and operation managers in Keshavarzi Bank. The results of the questionnaire were analyzed by spss software; the findings show that variable of development and participation has the most impact on empowering the managers of Keshavarzi Bank. In addition, the variable of values has the least impact on empowering the managers of Keshavarzi Bank.*

Keywords: *The concept of empowerment, empowerment objectives, dimensions of empowerment.*

INTRODUCTION

Life and survival of any organization depends on the abilities, skills, knowledge, and expertise of human resources, particularly its managers. The more skillful are the individuals, the better will participate in improving organizational

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efficiency. Empowerment has been one of the most promising concepts in the business world, which was considered less, but it has become a matter of days. Empowerment enables managers to use knowledge, skills and experience of everyone in the organization; but few managers and groups know the ways of creating empowerment culture (Blanchard *et al.*, 1999). Studies indicate that organizations gain many benefits from empowerment process including increasing members' job satisfaction, improving the quality of working life, improving the quality of goods and services, increasing organizational efficiency and preparation for competition (Bowen and Lawler). Moreover, empowerment will increase motivation of employees. Daft proved that individuals need self-efficacy. Increase in individuals' power will lead to their self-efficacy because they will be able to improve their effectiveness, employ their imaginations and choose their own style of working in the light of obtained power (Daft, 2010). In this regard, this research has been conducted to identify dimensions and components of empowerment in the managers of Keshavarzi Bank in order to present an appropriate framework for bank managers.

THE DEFINITION OF EMPOWERMENT

Empowerment refers to increase in employees' authority to decide; it is the process of enhancing the ability of staff through training, information sharing and teamwork. Empowerment enhances employees' commitment, working quality, innovation, job satisfaction and productivity (Cetin Bektas, 2012). It is providing employees' freedom, work independency, responsibility for decision-making and self-control in doing duties (Mullins, 2010).

EMPOWERMENT LITERATURE

This concept has endured many changes. In 2001, Lee describes empowerment as ground for increasing discourses, critical thinking and activity of small groups; he introduces allowing activities to move toward exchange, distribution, refining the experience, thinking, seeing and talks as the main components of empowerment. Quinn and Spreitzer (1997) classified empowerment in two perspectives.

- A. **Mechanistic Perspective:** Managers and researchers believe that empowerment is delegation of authority to make decisions within certain boundaries as well as delegation of responsibility to individuals to assess their works.
- B. **Organic Perspective:** Managers and researchers believe that empowerment is the ability to take risks, development and making changes, understanding the employees' needs, building team to encourage individuals to work collaboratively and performance verification.

Conger and Conengo state that every strategy or management technique leading to increase in employees' self-determination and self-efficacy will bring their empowerment. For Conger and Conengo, empowerment is a process that promotes employees' self-satisfaction in the organization. This process identifies conditions that empower individuals' abilities to provide helpful information using organizational operations and informal techniques (Ivancevich and *et al.*, 2005).

Employee empowerment is an important principle in organizations and effective management; it can increase organizational productivity by giving more power and control to subordinates. In addition, empowerment is associated with innovative practices, management and effective leadership (Morrison, 1997). Empowerment occurs when the employees are trained adequately, all related information to work is provided, possible instruments are available, individuals are fully engaged in work, individuals participate in decisions, and appropriate rewards are predicted for good results (Kreitner, 2007).

Savich believes that empowerment is not merely giving power to employees, but it causes them to improve their performance with the acquisition of knowledge, skills and motivation. Empowerment is a process that extends from the top management of the organization to the lowest level.

Classical perspectives of empowerment introduced two approaches:

- A. **Socio-Structural Approach:** The base of socio-structural approach is the idea of power-sharing between the upstream and downstream with the aim of sharing in the levels of the organization decision-making.
- B. **Psychological Approach:** This approach refers to a set of psychological states required for employees to create a sense of responsibility and control in them. This approach focuses on the way employees experience their work and examines the place of their beliefs about their roles in the organization (Grechen, 2007).

3.1. CONCEPTS OF EMPOWERMENT

On the one hand, the challenges of leadership, culture and economic issues as well as the elements of strategic development of human resources including organizational learning, innovation, staff development and customer success on the other hand, have led organizations to strategic orientation of employee empowerment. Empowerment is described as one of the implications of the development of human resources (Yaghoubi *et al.*, 2010).

The history of using the term empowerment dates to industrial democracy and the employees' involvement in organizational decision-making entitled team

building, partnership management and total quality management. Here empowerment is defined as delegation in one’s own organizational role; the autonomy is attributed to a person or seen in his organizational role.

In fact, empowerment is a permanent process analyzed in a dynamic environment at different levels. Employees should obtain necessary information to make decisions; change programs can be used for the development of skills, abilities and changing environment if they have proper feedbacks.

Harari believes that empowerment is a tool to give more freedom to employees so that they perform their tasks freely without fear of being vetoed by boss.

In empowerment of teams, individuals have a sense of ownership, they commit to their responsibilities and duties. It addresses their best thinking and creativity. They are proud of their work and are motivated. They have a sense of progress and see their own job satisfaction and witnesses the results of their efforts.

3.2. EMPOWERMENT APPROACHES

In short, empowerment approaches include approaches to communication, motivation and cognition.

In communicative approach, empowerment is a process by which a manager shares his power with his subordinates; in other words, communicative approach is delegation of authority (Tabarsa and Ahangar, 2008).

In motivational approach, any strategy resulting in employees’ “right to increase business activities,” “self-decision-making,” and “self- efficacy” will bring empowerment. Therefore, empowerment is the process of strengthening individuals’ competencies by identifying and eliminating conditions producing sense of powerlessness in them.

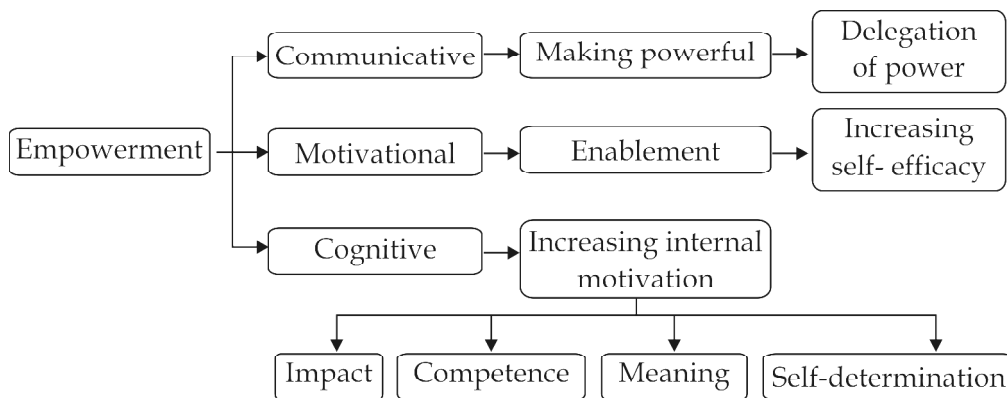


Figure 1: Blanchard; Conger and Kanungo; Thomas and Velthouse; Robbins.

In cognitive approach, empowerment is the process of increasing internal motivation to perform duties.

Thomas and Velthouse (1990) added psychological dimension to empowerment and defined it as a set of cognitive-motivational fields; it covers three other fields including autonomy or the right to choose, meaningfulness and effectiveness).

3.3. THE TENDENCY OF ORGANIZATIONS TO EMPOWERMENT

Several internal and external motivations have encouraged organizations to empower employees.

Most important internal motivations are:

A. Productivity

Employee empowerment is one of the most effective techniques to increase employee productivity and optimal use of their individual and collective capacities and capabilities in line with organizational goals.

The relationship between empowerment and organizational productivity is a two-way relationship so that analysis of responsibility, assignment of tasks and authorities, and improving the level of staffs' specialized knowledge to carry out responsibilities will not only lead to enhancement of organizational capabilities and productivity but also gives employees a flexible and dynamic mental model always welcoming new solutions and perspectives.

B. The Transformation of the Organization

Empowerment for comprehensive measures in the field of transformation requires organizational change.

Increased participation and empowerment have been main goals and lofty values of development. For empowerment, people should gain power. This is met by individuals' authorization for participation, decision-making, expression, manipulation and giving responsibility to them. Therefore, participation increases empowerment.

Most important external motivations are:

A. Impact of Technology on Work Environments

Today, technology is replacing repetitive jobs. New tools drastic changes in the type of skills required for individuals and members of organizations. Staff should be empowered to deal with this challenge and grow in all directions.

B. The Need for Organizational Flexibility

In an environment of intense global competition and new technologies emergence, giving up centralized control will increase organizational flexibility. In this regard, employee empowerment is the best philosophy of decentralization.

C. Increase in Customer Expectations

If organizations do not meet the expectations of customers, they will lose market share and customers will get a better product and service from rival organizations. Knowledge of tastes, a variety of clients and compliance with their demands require employment of powerful human resources.

D. Governmental Regulations

Articles 58 and 62 of in the Section nine of Iranian law for Civil Service Management emphasize on empowering employees. Article 62 stipulates that employees shall always take actions to empower and increase their job skills and abilities. State apparatuses will put into effect necessary practices and patterns prepared and notified by the organization to increase their employees' abilities continuously.

3.4. THE OBJECTIVES OF HUMAN RESOURCE EMPOWERMENT

Facilitating the achievement of organizational goals is the purpose of empowerment. Empowerment aims to present the best intellectual resources of each area to an organization. Moreover, it will implement greatest influence by the best practices.

Empowerment does not decide to engage more people in decision-making process but to use employees' ideas in order to find better approaches and make the best possible decisions. It seeks to increase competency for creation of new ideas and solution of problems using interaction and synergy of team members. Long-term goal of empowerment is continuous improvement of the organization's performance; its short-term goal is utilizing existing capabilities in members of the organization. Indeed, empowerment will certainly lead to more freedom of choice and action.

Briefly, specific objectives of empowerment are:

1. Giving the responsibility for ongoing analysis of jobs to all employees in order to develop effective ways of working in relation to the clients and stakeholders.
2. Delegating responsibilities for establishing performance goals, performance strategies and performance measurement to work teams.

3. Contributing all parts of organization in important decisions, such as the development of strategic plans.
4. Direct involving of employees in work processes along with continuous improvement of the processes (Kinla, 1383).
5. Providing job satisfaction and reducing mental stress. (Shirley and swathi, 2007: 2)
6. Creating a sense of usefulness in members by recognizing and eliminating the conditions that will weaken their power.
7. Upgrading skills, cooperation spirit, and organizational performance (Benzian, 2001, 1).
8. Increasing staff feelings of worthiness (Kane, 2006).

3.5 DIMENSIONS OF EMPOWERMENT

According to Spreitzer (1992; 1995), four psychological dimensions of empowerment are:

3.5.1 Competence

Competence or self-efficacy is created when people are empowered and when they have necessary capabilities and expertise for successful completion of a task. They feel self-excellence and believe that they can learn to deal with new challenges and grow up. Sense of competence that determines whether people will try to do hard work and have perseverance or not. Bendora argues that three conditions are necessary in sense of competence:

1. They should believe that they have the ability to perform the task.
2. They should believe that they have the capability to employ all their efforts.
3. They should believe that no external obstacle could prevent them from performing the intended task.

3.5.2 Self-Determination

Powerful people participate voluntary and deliberately in the duties. The feeling of having the right to choose in work results in freedom and autonomy. Powerful persons have sense of responsibility and a sense of ownership in their works. They are able to initiate new innovative actions, make independent decisions, and test nes ideas. Self-determinant people are the center of internal control; in other words, they feel that they can control all events around them. Studies show that competence is associated with less alienation in the workplace, more job satisfaction, higher performance, creative entrepreneurial activity, higher level of job involvement, and less work pressure.

3.5.3 Impact

Powerful persons believe that they can change the place by impressing the environment in which they work or the results they produce. Green Burger believe that sense of effectiveness is 'A person's belief in a specific period about his abilities to create positive changes. People who feel effectiveness try to maintain their mastery over environment instead of reactive behavior against the environment. Therefore, a sense of personal control is essential to health and empowerment. Empowerment helps people to increase the number of activities they can control.

3.5.4 Meaning

Empowered people feel meaningfulness; they admire the goals and objectives of their works; they feel a sense of security by their involvement and participation; therefore, they experience personal connection and solidarity by engaging the job.

Absurdity results from lack of meaning; strength and motivation result from meaningful work.

Individuals will engage in their works with passion when their works are important as well as sense of self-value.

3.5.4 Sense of Confidence to Others

Powerful people have a sense called confidence. They are sure that they are behaved fairly and just. Confidence means sense of self-security. Powerful people believe that their confidence will never harm them.

3.6 LITERATURE REVIEW

Arnold *et al* (2015) studied the empowering behaviors of leadership. Using a questionnaire to assess effective and empowering leader's behavior in a team environment, they identified and classified eight leadership features and behaviors; then, they test five leadership characteristics to assess the effectiveness of empowering leadership teams through qualitative interviews. These five characteristics are

1. leadership by scales and patterns,
2. coaching,
3. participatory decision-making,
4. informing,
5. Attention to employees.

The results showed that empowerment is inversely related with the consent in India but it has a direct relationship with consent in America, Mexico and the Netherlands.

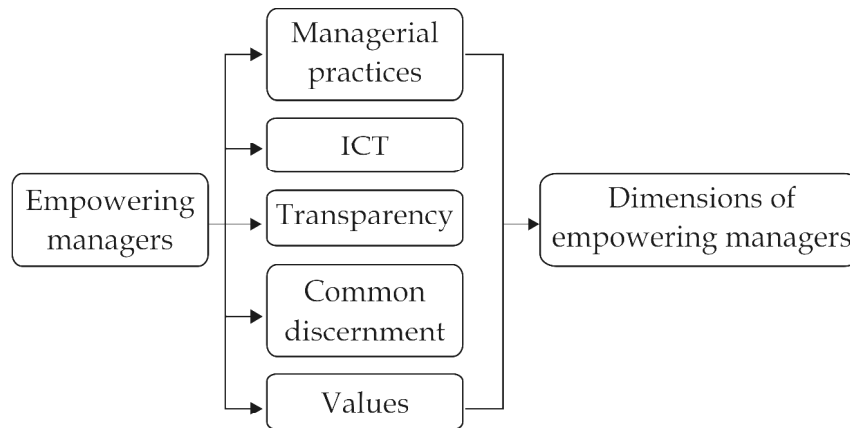


Figure 2: Empowerment model for managers of Keshavarzi Bank (researchers)

In their researches about empowerment, Hackman and Oldham (2012) found that employees working with more independence, integrity, change, significance, and feedback would be more satisfied. For them, further trust, working with independence, integrity, change, significance, and feedback are basic; they are employee empowerment.

In an article titled “The relationship between empowerment and contextual factors,” Sigal and gardenr (2007) investigated the relationship between contextual factors (relationship with superiors, public relations in the company, teamwork and a willingness to practice) and empowerment. They concluded that relationship with superiors and public relations are significantly in relation to meaningful, impact and self-determination dimensions of job; but they have no relationship with competency.

Bukingham and kliffton (2005) conducted a research about 400 successful companies in the world in Gallup Organization titled “Identifying factors and contexts empowering experts and managers.” They identified 34 contexts for empowerment after interviewing 80000 successful managers and one million employees.

Brauch (2000) evaluated different approaches to empowerment based on two dimensions (fairness and faith); he identified and explained four types of attitude to empowerment.

4. RESEARCH MODEL

After interviews with a number of experienced managers and experts in the field of empowerment, empowerment variables have been identified and classified in the following pattern.

Based on the Model, Research Hypotheses have been Formulated as Follows:

1. Managerial practice has a significant effect on the empowerment of Keshavarzi Bank managers.
2. Information and Communication Technologies (ICT) has a significant effect on the empowerment of Keshavarzi Bank managers.
3. Transparency has a significant effect on the empowerment of Keshavarzi Bank managers.
4. Common discernment has a significant effect on the empowerment of Keshavarzi Bank managers.
5. Value has a significant effect on the empowerment of Keshavarzi Bank managers.

6. RESEARCH FINDINGS

This section presents findings from the analysis of qualitative and quantitative data. In this regard, respondents' demographics including information such as gender, age, education, are explained based on the frequency and percentage at first. Then, the qualitative and quantitative data will be analyzed. The collected data using interviews and researcher made questionnaire (appendix) will be analyzed according to the results of qualitative and quantitative researches. The related data to the conceptual model will be explained in form of data analysis, statistical samples, correlational analysis, Pearson correlation coefficients, and t-test.

6.1 Demographic Status of Respondents

Descriptive measurement is a set of criterion representing general specifications of obtained data for researchers. Descriptive results show that men had a higher participation level so that 52.6% of participation belongs to men. In terms of respondents' age, the highest rate of participation (35.9%) belongs to age category of 30 to 40 years. In education level, 55% of the respondents have an Associate Degree or a B.A. 14% has M.A. or higher degrees.

6.2 Inferential Analysis of Findings

6.2.1 Data normality test

Kolmogorov-Smirnov test was used to study the normality of factors.

In all tests, statistical hypothesis is as follows:

H_0 : Data are normal (Data are selected from a normal population)

H_1 : Data are normal (Data are not selected from a normal population)

Table 1
Descriptive results of demographic characteristics (sample size = 130)

			<i>Percent</i>	<i>Frequency</i>
1.	Gender	Male	63	48.4
		Female	68	52.6
		Below 25 years old	19	14.4
2.	Age	Between 25 to 30 years old	27	20.9
		Between 30 to 40 years old	47	35.9
		Between 40 to 50 years old	20	15.4
		Above 50 years old	17	13.4
3.	Education	Diploma and lower degrees	40	30.6
		Associate and Bachelor degrees	72	55
		M.A. and higher degrees	19	14.4

Table 2
Kolmogorov-Smirnov test results

<i>Research variables</i>	<i>Z</i>	<i>Sig</i>	<i>Result</i>
Managerial strategies	1.007	0.263	Normal
ICT	1.157	0.137	Normal
Development and Partnerships	0.664	0.77	Normal
Transparency	0.997	0.273	Normal
Common discernment	1.101	0.177	Normal
Values	1.179	0.124	Normal

As seen in Table 2, significance level for all variables is higher than 0.05 error; therefore, null hypothesis is not rejected and all variables are normal.

6.2.2 Correlation coefficients of the variables

Table 2 examines the linear relationship between the variables. The greater is correlation coefficient's absolute value, the stronger will be the relationship; its sign shows the direction of relationship. Some correlations are significant at the 99% confidence level (significance level is less than 1%). Coefficients not marked * are not significant at the 95% confidence level. Table 1 also shows the reliability index. Cronbach's alpha coefficient measures reliability of measurement instruments. All coefficients are higher than 0.7; it indicates the reliability and validity of measurement tools.

6.3 The Results of Testing Hypotheses

According to the Likert scale for questions forming variables, values obtained from the respondents' views should be examined to check whether the mean their responses are significantly different from 3 (the middle number in

Table 3
Pearson correlation coefficients and reliability coefficients for the variables

<i>Research variables</i>	(1)	(2)	(3)	(4)	(5)	(6)
1. Managerial strategies	1					
2. ICT	0.400**	1				
3. Development and Partnerships	0.311**	0.360**	1			
4. Transparency	0.224*	0.239**	0.299**	1		
5. Common discernment	0.167	-0.068	-0.062	0.069	1	
6. Values	0.080	0.16	-0.025	0.311**	0.560**	1
Cronbach's alpha	0.808	0.849	0.889	0.842	0.884	0.831

** Coefficients significance at the level of error less than 1%

Likert scale). Therefore, on sample Duncan test has been used. Using t-test is requires establishment of some conditions including normality of statistical population in terms of distribution. If this condition is slightly distorted, it is negligible provided that the sample size is not very low and it has not perth values. Nevertheless, if the preliminary investigations shows that hypotheses of t-test are disturbed highly, a nonparametric alternative tests can be used. Due to the large sample size (greater than 30), the mean distribution can be regarded normal according to Central Limit Theorem and Kolmogorov-Smirnov test result; thus, t-student parametric test can be used.

Null Hypothesis (H_0): Mean of responses is equal to or less than 3 (The intended variable has no impact on managers of Keshavarzi Bank).

The alternative hypothesis (H_1): Mean of responses is greater than 3 (The intended variable has impact on managers of Keshavarzi Bank).

The results indicate the mean of all research variables are greater than the mean value (the mean value is 3). Since critical number of single test sequence (at alpha level of 0.05) is equal to 1.645 and t-statistic for these variables are greater than critical number of single sequence, they hypothesis of single test sequence (greater than 3) is confirmed. Therefore, from the perspective of the participants in this study all variables including managerial strategies, ICT, development and partnership, transparency, common discernment, and values effect significantly on empowering the managers of Keshavarzi Bank at the significance level of 95%.

6.4 Friedman ANOVA for Rating Effective Factors of Empowering the Managers of Keshavarzi Bank

H_0 : All variables are in the same rank.

H_1 : there is a significant difference between at least rank of two variables.

Table 4
The results of one sample *t*-test

<i>Independent variables</i>	<i>Mean</i>	<i>Standard deviation</i>	<i>t-statistics</i>	<i>Freedom degree</i>	<i>Significance level</i>	<i>Hypothesis result</i>
1. Managerial strategies	3.521	0.446	13.314	129	0	Confirmed
2. ICT	3.635	0.811	8.919	129	0	Confirmed
3. Development and Partnerships	3.852	0.746	13.016	129	0	Confirmed
4. Transparency	3.763	0.591	14.732	129	0	Confirmed
5. Common discernment	3.615	0.623	11.259	129	0	Confirmed
6. Values	3.234	0.432	6.19	129	0	Confirmed

Spss output contains the mean of each variable's rank; its χ^2 represents its significance level. Given the numbers, significance value (Sig) is less than 0.01 and close to zero; hence, it is fewer than standard significance level ($\alpha = 5\%$). Therefore, H_0 hypothesis is rejected at significance level of 95%. As a result, there is a significant difference between factors at significance level of 95% and the variables have not the same impact on empowering the managers of Keshavarzi Bank. As seen in the following table, the variable of development and participation has the highest impact on the empowerment of managers of in Keshavarzi Bank (it has the highest mean). In addition, value has the lowest impact on the empowerment of managers of in Keshavarzi Bank.

Table 5
Friedman test results

<i>Variables</i>	<i>Mean of rank</i>	<i>Chi square</i>	<i>Significance level</i>
1. Managerial strategies	3.32	81.148	0.000
2. ICT	3.64		
3. Development and Partnerships	4.18		
4. Transparency	3.96		
5. Common discernment	3.58		
6. Values	2.32		

7. CONCLUSION AND SUGGESTIONS

This research was set to determine effective factors in empowering the managers of Keshavarzi Bank in Tehran. The results indicate that the most important dimensions of empowering the managers of Keshavarzi Bank according to Pearson correlation coefficients significance at less than 1% error are, respectively, managerial strategies, ICT, development and participation, transparency, common discernment, and values.

In addition, the results of *t*-test show that the mean of all research variables is higher than the average rate (the mean of responses are more than 3). Since the value of critical number of one sequence test at the level of Alpha=0.05 is 1.645 and the value of *t*-statistics for these variables greater than critical number, the hypothesis of one sequence test (greater than 3) is confirmed. Therefore, research hypothesis is confirmed at the level of less than 0.05 errors. From the perspective of the participants in this study, all identified factors including managerial strategies, ICT, development and participation, transparency, common discernment, and values have significant impact on empowering the managers of Keshavarzi Bank at the confidence level of 95 percent.

According to Friedman ANOVA for ranking of factors affecting empowerment of managers at Keshavarzi Bank, significance value (Sig) is less than 0.01 and close to zero, H_0 hypothesis is rejected at significance level of 95%.

In other words, the variables have not the same impact on empowering the managers of Keshavarzi Bank. The variable of development and participation has the highest impact and value has the lowest impact on the empowerment of managers of in Keshavarzi Bank.

The results of this research confirm the findings of studies conducted on the empowerment of human resources. It should be noted that each research in the world covers few dimensions of human resource empowerment and neglects other dimensions.

This research has examined comprehensively all required mechanisms and fields for planning to empower managers. The results are presented within the framework of empowering managers of Keshavarzi Bank. In addition to determination of empowerment objectives, this model determines and rank empowerment dimensions in order of importance; it also defines and predicts strategies for achievement of its objectives.

It is suggested for researchers to identify models of empowering managers for other statistical population such as non-governmental organizations and government agencies in other cities. They can compare and contrast effective factors of empowerment in different populations to prepare a more comprehensive model for empowerment of managers at Iranian organizations.

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