

The Impact of Employees Empowerment in business development on commercials banks

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Abstract. The primary reason why managers and employees struggle with the concept of empowerment is that they both have a misconception of what real empowerment actually entails. Empowerment is mainly concerned with establishing and building trust between management and employees, and motivating their participation. Allot of studies have been recognized the relationship between psychological empowerment and job commitment and expressed that between psychological empowerment components and career development. The study would light on the main effects of empowerment in business development on commercials banks The researchers has develop deferent guideline to create effective empowerment which lead to high degree for customers satisfaction The researchers recommend that commercial banks must remain a key component of empowerment efforts, and when employees Participate in important tasks the productivity will increased.

Keywords: Employees' Empowerment, Customers' Satisfaction; Productivity; employees' performance.

1 INTRODUCTION

Empowerments is the process of enabling or authorizing an individual to behave, take action, and control work and decision making in autonomous ways. Empowerment process could be defined as the process of providing some decision making authority to some qualified employees making some decisions without a direct contact to the heading department ; unless those decisions are not critical nor in need to be analyzed and dramatically affect the firm's performance Fleming et, al (2005)

Empowerment as employees having the decision making capabilities and acting as a partners in the business. Empowerment is not just delegating decision making authority; it is also setting goals and allowing employees to participate (Heathfield, 2012).

In other words, empowerment is giving the chance to the employees to use their capabilities and skills on work and rising the spirit of competitiveness in order to improve their experience on work which could be useful for the employers in return, regarding to the effectiveness of choosing the right person for the right position.

In addition applying the empowerment efficiently starting steps for breaking down the routine of hierarchical work (Hui et al. 2004).

Furthermore, providing some additional workshops and training take an important space to increase self-confidence and leadership skills competition.

Hence, technological improvements, customer's satisfaction considered as a significant challenges that could highly affect the firms' performance in general (Amir Abou Elnaga, Amen Imran, 2014).

Thus empower employees helped in enhance the process of decision making to save time and raising the services quality (Bowen, etal, 1995).

Moreover, empowerment process would be affected by a several work's conditions and factors inside and outside the firm, where the firm should providing sufficient understandable for their employees, and providing an updating training programs and workshops by managers that improving and enhancing their skills and enrich their loyalty to their company (Isimoya, Bakarey, 2013)

The employees empowerment tend to motive them to be concern to take the profitable decisions and enrich the sense of responsibility, inspired by a continuing search for the great firm's clients witch would also be reflected by raising the level of the client's satisfaction and improve the level of services (Gandhi, & Kang ,2012) .

As managerial department on Jordan banking industry adopt the empowerment as approaches plays the most critical role to in reduce risks and to make a suitable decisions either for investment or credit facilities. The study would light on the main effects of empowerment on business development in commercials banks. The business development component will be the level of clients' satisfaction, productivity and employers performance regarding to Jordan commercial banks. The research will arrange as the following, Literature Review, Research Model, hypothesis, research methodology, statistical analyses, conclusion and recommendations

2 LITERATURE REVIEW

Today, Employee empowerment is consider as an important issues in human resource management organizations and, there is allot of researchers written in the field.

Previous studies of the impact of employees' empowerment on customer satisfaction, productivity, and performance was found deferent results. For example, Jonathan and Johnmark (2012) found in there study no relationship between employees' empowerment and customer's satisfaction in some selected hotel establishments in Jos Plateau State, Nigeria.

Isimoya , Bakarey(2013) examines the relationship between employees' empowerment and customers' satisfaction in the insurance industry in Nigeria. Based on extant empowerment literature, perceived employee satisfaction, perceived employee loyalty and perceived commitment impact on perceived product quality and perceived service quality delivery. We used a survey of 200 employees from insurance companies operating in Nigeria to examine the relationship between employees' empowerment and customer satisfaction. The results of hypothesis tested confirm that, there is a significant relationship between employee empowerment and customer satisfaction. The challenges facing insurance sub-section in financial sector of Nigeria economy is high rate of labor turnover and poor service delivery, therefore, we recommend that management should empower their employees, in order to attract staff retention, loyalty and commitment.

In the other hand Amir Abou Elnaga, Amen Imran, 2014, has been determined the relationship between employee empowerment and job satisfaction by reviewing and determining all factors which effect this relation. They prevalent that empowerment is rapidly changing business environment to achieve high levels of cooperation, team spirit, self-confidence, innovation, independent thinking and entrepreneurship. This study was adopt the descriptive methodology to investigate the relationships between employee empowerment and job satisfaction by reviewed advantages and disadvantage of employee empowerment. The study recommends that the employees should involve in the process of decision making and thy must participate in different important activities. Giving the employees verity tasks with great responsibility, are going to motivate them and push up the performance on higher level (Amir Abou Elnaga, Amen Imran, 2014)

Hamidreza Asgarsani¹ , Omid Duostdar² ,AminGohar Rostami³, (2013) was introduced important study related to empowerment and its effect on productivity they consider the empowerment as strategic asset of the organization And empowerment help to increase the productivity and improve quality, and profitability of products and services of organizations. The researchers explain the empower patterns that support the organization (devolopment, (Hamidreza Asgarsani¹ , Omid Duostdar² ,AminGohar Rostami³, 2013)

However, Yasothai, Jauhar, Bashawir. 2015 was written about the empowerment and organizational performance and they conducted a survey on manufacturing companies in Malaysia. The researchers argued that the empowerment tools such as Power, Knowledge, IS haring and Rewards does influence the employee's performance. The study provides an in-depth understanding of the impact of empowerment towards the employees of Penang manufacturing industry. The researchers recommend that the organizations should empower their employees and adopt fair appraisal system as such sustainability in the performance of the employees. The findings were have a limitation because it was

focused on manufacturing in one industry, which cannot be generalized the results. (Yasothai, Jauhar, Bashawir. 2015)

Empowerments is the process of enabling or authorizing an individual to think, behave, take action, and control work and decision making in autonomous ways.

If we return back to force in the history of empowerment study, Ettorre., 1997 defines empowerment as employees having autonomous decision making capabilities and acting as partners in the business.

Empowered employees make decisions traditionally reserved for management. Companies use different terms, but all terms have basically the same intent of employee participation and involvement (Hui et al. 2004). Empowerment is not just delegating decision making authority; it is also setting goals and allowing employees to participate (Riggs, 1995).

Caudron (1995, p. 34) provides the following characteristics of an organization's environment that supports empowered employees:

1. The workplace has established self-directed teams.
2. Superiors freely share information about the company's.
3. Employees receive training needed to achieve goals, whether specific work skills or educational issues.
4. Employees continually develop new work skills.
5. Managers understand and respect the challenges of an empowering .They empower gradually and systematically as team members are ready and do not expect or push for immediate results.
6. Employees are in control of the resources needed to meet their goals.
7. The company provides measurements to ensure idea effectiveness of the teams.
8. Continual positive feedback and reinforcement.

According to Lashley (1999), Suggest that empowerment is the intentions for the initiative and experienced and it has a benefits for both Side Company and employees

Looy *et al* (2003), points out that the most important reason for empowerment at the individual employee level is the belief that autonomy motivates people, and encourage them to take initiative and make decisions. According to Looy *et al* (2003:233), there are five dimensions as a driving force behind individual work motivation:

Meaning: the extent to which an individual experiences a task as personally meaningful.

Competence: the extent to which an individual feels confident about his/her capabilities to perform the task.

Self-determination: the driving force behind individual work and how to perform the job.

Strategic autonomy: the degree of influence an individual has on the content of the job.

Impact: the degree of influence an individual has on the direct work environment.

Spreader, (1996) demonstrates framework represent the empowerment and the power associated with it. Empowerment is requires the right climate and it should by flow of information, knowledge, communication, technology and incentives.

Empowerments is the process of enabling or authorizing an individual to think, behave, take action, and control work and decision making in autonomous way(Srivastava, and Bartol, 2006).

Caudron (1995,) provides the following characteristics of an organization's environment that supports empowered employees:

1. The workplace has established self-directed teams.
2. Superiors freely share information about the company's directions and goals with the employees.
3. Employees receive training needed to achieve goals.
4. Employees continually develop new work skills.
5. Managers understand and respect the challenges of an empowering workplace by performing more as coaches instead of bosses.
6. Employees are in control of the resources needed to meet their goals.
7. The company provides measurements to effectiveness of the teams.
8. Team members are treated to continual positive feedback and reinforcement.

Therefore Sureshchander et al (2002:10), suggests that firms should train, motivate, and reward their employees for demonstrating such desirable behaviors.

In the other hand Zeithaml et al (2006:215-235) believe that the effective service recovery strategy increase customer satisfaction and loyalty and generate positive word of mouth communication. Service recovery strategies can be implemented as follows:

- 1) Make the service fail-safe by doing.
- 2) Listening to customers and making it easy for them to complain.
- 3) Act quickly by responding immediately:
- 4) Providing them with adequate explanations to understand why the service failed
- 5) Treating customers fairly in terms of the outcome of the service they receive.
- 6) Cultivate relationships with customers.

3 RESEARCH MODEL

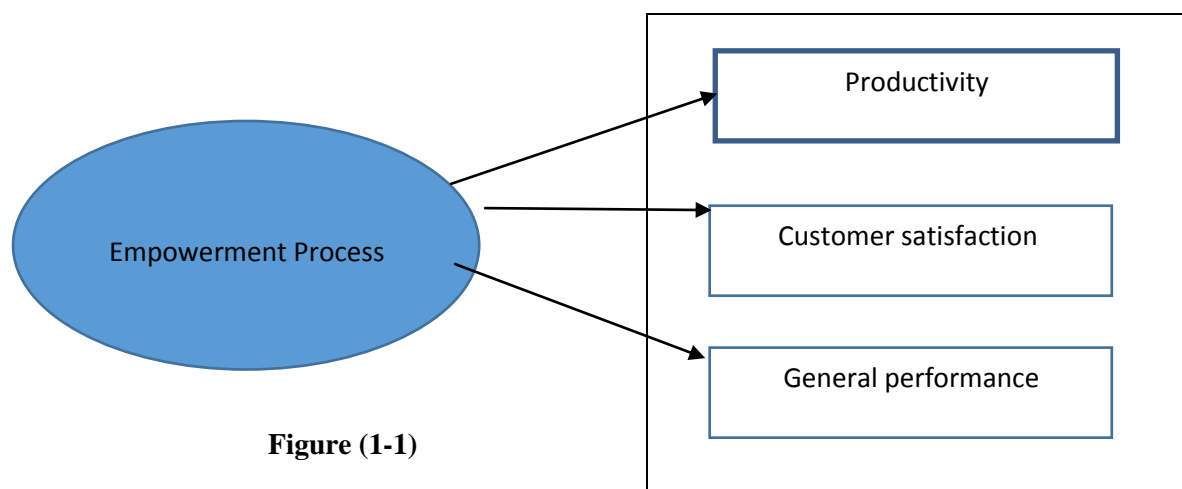


Figure (1-1)

Source: Researchers' proposed framework

The study model as described in the figure below illustrates the impact of Empowerment Process on business development component Productivity, Customer satisfaction, and General performance. The study model adopted by the researchers depend on previous models (Isimoya , Bakarey,2013)(Rajalingam, etal,2015).

4 RESEARCH HYPOTHESIS

H1o: There is an impact Empowerment at business improvement significant level ($\alpha \leq 0.05$).

H10-1: There is an impact of Empowerment on Productivity

At significant level ($\alpha \leq 0.05$).

H10-2: There is an impact of Empowerment on customer's satisfaction at significant level ($\alpha \leq 0.05$).

H10-3: There is an impact of Empowerment at General performance

significant level ($\alpha \leq 0.05$)

5 RESEARCH METHODOLOGY

Data Collection

Data were collected from a sample of 70 manager's specialists from the Jordanian Banks. Respondent were selected from a list of those employees practicing and managing Empowerment and working with data and information on a daily basis as part of their work. Questionnaires were distributed randomly

by the bank administration via their human resource staff. The questionnaire variables; empowerment, productivity, employee's performance, Customer Satisfaction.

Measures and Instrument

All scales in this study were measured on five point Likert scales ranging from 1 with strong disagreement to 5 with strong agreement. A review of the literature yielded a number of measurement instruments that were test the hypothesized model. Empowerment was measured using 12-item scale originally developed by instrument from previous articles and modified to fit the study context.

Statistical Analysis

Reliability Statistic (1)

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.862	.853	3

The researcher used Cronbach's Alph to measure the internal consistency of the study instrument (Questionnaire) it was (.853). Pallant,et.al (2009) pointed out that the minimum accepted level is (0.7)

Sample demographics

Table (2) Age

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	29 and less	8	2.4	2.4	2.4
	30 to 40	24	40.7	40.7	43.1
	41 to 50	26	46.3	46.3	89.4
	51 to 60	12	10.6	10.6	100.0
	Total	70	100.0	100.0	

The table (2) above shows that out of the 120 respondents, 46.3% of the respondents are more than 41 years old and 40.7% less than 40 years old , hence it can be deduced that majority of the respondents are below 41 years old.

Table (3) **gender**

gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	49	74.7	74.7	74.7
	female	21	26.3	26.3	100.0
	Total	70	100.0	100.0	

The table (3) above shows that out of the 70 respondents 49% of the respondents are male and 21% are female, hence it can be inferred that majority of the respondents are male.

Table (4) **Experience**

The table (4) above shows that 33.3 % of the respondents have below 3-6 years work experience , 52.8 % 7-7-10 years and 11.4 % 11 and more years' work experience, hence it can be

Experience					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 2	3	2.4	2.4	2.4
	3 to 6	27	33.3	33.3	35.8
	7 to 10	31	52.8	52.8	88.6
	11 and more	8	11.4	11.4	100.0
	Total	70	100.0	100.0	

deduced that majority of the respondents are less experienced.

Table (5) **Education**

Education					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	diploma	7	4.4	4.4	4.4
	Bachelor	44	77.6	77.6	2.4
	Master	19	18	18	100.0
	Total	70	100.0	100.0	

The table (5) above, shows that out of the 70 respondents, 18 % are Master holders and 77.6 % are HND/BSc holders, hence it can be deduced that majority of the Bachelor respondents.

Table (6) **Job-title**

Job-title					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Division manager	6	6.5	6.5	6.5
	Assistant Division manger	13	17.2	17.2	18.7
	Dept-Head	9	10.1	10.1	48.8
	Assist-Head	22	37.9	37.9	79.7
	other	20	29.3	29.3	100.0
	Total	70	100.0	100.0	

The table (6) above shows that out of the 70 respondents, 6.5 % of the respondents are Division manager, 17.2% Assistant Division managers and 37.9 % Assist-Head , hence it can be deduced that majority of the respondents are Assist-Head managers.

Table (7) Regression analysis and ANOVA

ANOVA						
Model		Sum of Squares	Degrees of freedom	Mean Square	F	Sig.
1	Regression	1.079	1	1.069	11.223	.001
	Residual	11.613	68	.096		
	Total	12.692	69			
Independent variable is productivity						
b. Dependent Variable: Empowerment						

R=0.30, R.Square= 0.075, Adjusted R Square= 0.057, F=11.243. P< 0.05, Beta= 0.30

The table (7) shows that the regression is significant with P value less 0.05 significant levels and that IT explains 0.057 of the variation in. Therefore, the employee empowerment dimension has a positive impact productivity and the size of Standardized Coefficients (Beta) suggests an important relationship.

Table (8) Regression Analysis and ANNOVA

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	.545	1	.545	5.429	.021
	Residual	12.147	68	.100		
	Total	12.692	69			
Independent variable l performance						
b. Dependent Variable: Empowerment						

R=0.21, R Square= 0.041, Adjusted R Square= 0.034, F=, P< 0.05, Beta=0.21.

The table (8) shows that the regression is significant with P value less 0.05 significant levels and that IT explains 0.034 of the variation in customer's satisfaction. Therefore, the employee empowerment dimension has a positive impact on performance and the size of Standardized Coefficients (Beta) suggests an important relationship.

Table (9) Regression Analysis and ANNOVA

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	.436	1	.436	4.428	.021
	Residual	10.147	68	.100		
	Total	9.692	69			
Independent variable Empowerment						
b. Dependent Variable: customer's satisfaction						

R=0.21, R Square= 0.043, Adjusted R Square= 0.033, F=, P< 0.05, Beta=0.21

The table (9) shows that the regression is significant with P value less 0.05 significant levels and that IT explains 0.033 of the variation in customer's satisfaction. Therefore, the employee empowerment dimension has a positive impact on customer's satisfaction and the size of Standardized Coefficients (Beta) suggests an important relationship.

6 CONCLUSION AND RECOMMENDATIONS

The study was focused on examining the relationship between employees' empowerment and productivity, customers' satisfaction and employee's performance. It is widely recognized from past literature that customer needs will be satisfactorily met only when employees needs are being satisfactorily .where the results provide an empirical an evidences that the empowerment effect the managerial policy and lead to significantly impact the general performance of banks. The employee empowerment has a positive impact on performance and the size of Standardized Coefficients suggests an important relationship. Therefore, the employee empowerment has a positive impact customer's satisfaction. The employee empowerment dimension has a positive impact productivity. The researchers recommend that commercial banks must remain a key component of empowerment efforts. Participation in religious and has the responsibility to accomplish important tasks is important to motivate employees and develop the performance and customer satisfaction at the end of the day the productivity will increased.

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