



THE IMPACT OF ANTECEDENT VARIABLE “PSYCHOLOGICAL EMPOWERMENT” ON MANAGERIAL PERFORMANCE: AN EMPIRICAL STUDY ON PRIVATE AND PUBLIC BANKS OF SHIMLA DISTRICT

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ABSTRACT

The Employee Empowerment and commitment in banking sector has become a buzzword in the recent management trends in both the public and private sector. Employee Empowerment has received wide recognition because it is a fundamental element of managerial and organizational effectiveness that increases when power and control are shared in an Organization. Employee empowerment is giving employees a certain degree of autonomy and responsibility for decision- making regarding their specific organizational tasks. Psychological empowerment, structural empowerment, critical social empowerment and social empowerment are some of the common perspectives of empowerment. Unlike the developing nations, lot of people are employed in the banking Industry of developed countries. Today managing talent in the banking sector is the most crucial Human Resource Challenge all over the world, and it becomes the main agenda of top management in every aspect in the predictable future. The ability to achieve competitive advantage through people strategy requires an overall HR approach.

This research aims to identify the concept of empowerment and clarify its various dimensions and their impact, on the effectiveness of job performance in the banking sector. The research has been applied to a sample of 93 employees working at 3 private and 3 public banks in Shimla. This study found that the degree of practice of employees to the dimensions of empowerment exceed the middle degree, while the level of effectiveness of job performance in these banks was high, as it showed the existence of a significant effect of two dimensions of empowerment (competence, impact) on the effectiveness of job performance, while the other two dimensions (choice, meaning) do not affect significantly the effectiveness of job performance.

Keywords: *Commitment, Organizational Effectiveness, Human Resource empowerment,*

1. INTRODUCTION

Indian banking sector emerged from strong global financial turmoil and proved its mettle when the developed economies were shaking. In the light of the rapid changes in the banking business environment and the pressures associated with global competition, many banks have focused their attention on the human element to achieve excellence and success. Whether this element is responsible for the failure or success of an organization has resulted in attention being paid to the human element and it is more managed, directed and motivated than other matters relating to money, and technical and organizational structures.

It has emerged among the topics on the dimensions of the human subject of empowerment, as one of the concepts of modern management in the third millennium. Empowerment is a process which has given employees the powers, authorities and responsibilities and enabled them to participate in information, training and development, planning and control functions of their jobs in order to reach positive results in their work, and achieve individual and organizational goals. The need for employee empowerment gained great importance in service oriented Institution like Banks. As employees in a service organization have frequent contacts with the customer, they usually serve as representatives for both the organization and their products and services to the customers at contact point and play a major role in determining whether a customer would enjoy the experience or turn to their competitors for better solutions.

The introduction of empowerment is one of the effective ways to improve service quality, achieve customer satisfaction, increased performance and the job satisfaction of employees and organizational commitment. Such employee empowerment cannot be undertaken without the faith of the managers of its importance. Its benefits are often needed to develop individuals' and raise their skills to solve problems and confront situations, and give them the opportunity to accept the challenge. Human resource development has laid many new dimensions for building up a superior workforce and framing work life balance criteria in the lives of the people or employees resulting a vindicating step to achieve the best work life integration balance for women however there has been numerous human resource empowerment interventions in many organizations but how effective and efficient were they practiced and implemented in the working scenario is our study.

2. CONCEPTUAL FALLACY

An important essential element of any business is a proactive workforce, since organizations should be leaner, faster, give a better service, and strive to be more profitable (Nielsen & Pedersen, 2003). Empowerment in the work place is associated with such business objectives

and the proactive workforce, which has resulted in improved organizational effectiveness 'through the wise utilization of an organization's human resources'. This consists of an innovative style to working with people, and a transfer from management styles that are top-down to that of a high level of involvement (Sigeall & Gander, 2000).

2.1 The Concept of Empowerment

Empowerment has been held to be synonymous with confidence building, active participation in decision making, and the blurring of the border line that separates management and employees. It increases productivity, performance and job satisfaction (Conger & Kanungo, 1998). Empowerment is a tool which enables an employee to contemplate independently about the nature of his job and goes beyond his scope of work. It leads to success at his workplace through his persistent efforts, which yields better organizational results (Olshfski & Cunningham, 1998).

When human capabilities are developed, there is a corresponding increase in overall economic development (Michael, 2019). Empowerment is often expressed as an intrinsic motivation that stems from four cognitions that are reflective of a person's temperament for his job-related responsibilities. A fundamental aim of employee empowerment is for team members to stretch themselves to reach their full potential. This results in job satisfaction (Casey and Saunders, 2010).

Job satisfaction which gives rise to employee satisfaction is the level of satisfaction that a person has with his or her job (Spector, 1997). The idea that employee satisfaction bears a linear relation to employee empowerment is a relevant topic for research (Lacy & Sheehan, 1997). Job satisfaction occurs along three dimensions:

(a) that the employees feel vis-à-vis the work environment; (b) how closely expectation and reality are linked and (c) their level of contentment regarding remuneration package (Ameer, 2014). The present reality is that a productive individual spends a major part of his day within the confines of the four walls of his workplace. Hence, it is needless to say that an employee's overall satisfaction is contingent on his job satisfaction. Employee satisfaction towards his job is an indispensable component for the formation of healthy milieu and climate in any business unit (Mulinge & Muller, 1998).

The study corroborates that people will be encouraged towards superior and excellent performance if they consider their jobs to be of high consequence, significance and enjoyable. It implies that they tend to stay with jobs that are satisfying while the same people may call it quit when they find that the job is boring, unappealing and dissatisfying. Thus, job satisfaction is a first and-foremost expected result of empowerment. Empowerment has evolved recently as a new management method. The debate about the origins of the notion in management theory is still undergoing evolution in the management literature.

It is important to discuss the evolution of empowerment to provide an understanding of

how organizations have used the term (Conger & Kanungo, 1988), Empowerment can be conceptualized as the symbolic construction of the personal state of employees characterized by competence, or the skill and ability to perform effectively, and control, or the authority and autonomy to act. The majority of the definitions of empowerment consist of ideas about control and power. Nevertheless, the term has been defined by many theorists and to mean different things, depending on the situation in which the concept is represented and how the notion of power has been conceptualized (Forrester, 2000).

The concept of empowerment has been used in the business arena. The business and management literature has set out two conceptions of empowerment firstly, a relational or structural frame and secondly, a psychological or motivational frame. The relational viewpoint regards empowerment as a series of policies and practices designed to spread power to employees at work (Melhem, 2004) and in this perspective power is viewed as the ‘the ability to get things done, to mobilise resources, to get and use whatever it is the person needs for he or she is attempting to meet’. Therefore,

2.2. Managerial Practices and Empowerment

That the notion of empowerment requires the support of management to be implemented effectively, therefore, this suggests that leadership is one of the major elements that affect employees' empowerment. Indeed, leadership as being an important factor on empowerment. Furthermore, leaders can have a direct and indirect impact on empowerment (Lee and Koh, 2001). Empowerment is designed to increase internal allegiance to work, and sense of employee ownership of work.

empowerment is linked to every individual in an organisation, and they are each given tasks to perform. Consequently, the concept of empowerment is thought to be ‘the notion of developing decision-making authority and responsibility for control and enhancement of product and/or service quality to the point of production’ (Klidas, 2007).

Therefore, thus a participation or involvement approach is an intervention that may increase work performance results; however, it may not increase the sense of work ownership or allegiance to work, This possibility led to a psychological approach to empowerment that assesses how employees interpret and evaluate the previous interventions, and how such evaluations could produce increased work performance (Thomas and Velthouse, 1990).

2.3 Psychological Empowerment

Psychological employee empowerment can be defined as an intrinsic motivation of an employee that stems from an employee's cognitive characteristics towards his job like meaning, competence, self-determination, and impact (Stander, 2009). An environment consisting of empowered employees is a vital factor for ensuring the efficiency and success of any business establishment. Through the process of empowerment, higher management delegates power, authority and responsibility to subordinates. Consequently, this will create a conducive organizational climate for decentralized decision making.

Empowering employees provides them with a sense of control over organizational decisions. In management practice, two complementary empowerment approaches are at play, Socio-Structural and Psychological. A third perspective of empowerment is that of critical-social empowerment (Corbally, et al 2007). Psychological employee empowerment has been defined as an intrinsic motivation that stems from employees' four cognitive characteristics, Meaning, Competence, Self Determination and Impact regarding his job (Karakoc and Yilmaz, 2009). When empowerment, as a managerial concern is given its due importance, then that would have a profound positive effect on employee commitment and attrition rate, the psychological approach to empowerment considers the experience of empowerment by employees. The psychological approach rather than assuming that an empowerment intervention, such as access to information results in empowered behaviour, it endeavours to establish what employees need to feel or believe for an intervention to be effective. Thus, how employees interpret their place of work and work tasks is crucial when establishing whether they are or are not empowered and the influences on their perceptions of their own level of empowerment.

Conger and Kanungo (1988) criticized work on empowerment since it regarded the notion of empowerment as the sharing or delegating of power with individuals in a subordinate position. They argued that such a conception has neglected to include employees' experiences of empowerment. Therefore, they regarded empowerment as a motivational concept that refers to enable rather than delegate.

Bandura, & Locke (2003) opined that the concept of self-efficacy regarded empowerment as a system where by the organization develops the environment for increasing motivation for completing tasks by developing individuals' sense of personal efficacy. Thomas and Velthouse (1990) extended and developed Conger and Kanungo's (1988) work by focusing on management practices that tend to empower employees by improving their self efficacy.

They set out a model of empowerment that centred on the power underlying organizational practices to stimulate employee motivation, instead of simply to empower them. Therefore, (Thomas and Velthouse, 1990) regarded empowerment as a motivation for intrinsic tasks that is linked to experiences that have been positively valued by individuals that originate from a task. Consequently, the two researchers set out a list of cognitions, which they called task assessments that are the approximate cause of intrinsic satisfaction and motivation. Such task assessment, that is subjective judgments entail competence, meaningfulness, choice, and these influence employees' experience when performing their work tasks. It has also been argued by (Thomas and Velthouse, 1990) that task assessments impact on individuals' behaviour through expectancy and reinforcement dynamics. Positive perceptions of the four elements

encourage the emergence of uplifting feelings in employees that tend to reinforce their efforts when undertaking a task. Such strong feelings tend to also shape employees' experiences about obtaining future intrinsic rewards. Thus, it is the employees that determine the extent of their empowerment and whether they are or are not empowered.

2.4 Empowered Behaviour

The ultimate aim of any empowerment initiative is to create an empowered behaviour within the employees; this behaviour is usually characterized by a concentration of energy upon the task, activity (as a positive of passivity), flexibility in controlling one's own task accomplishment, initiation of new tasks as problems or opportunities arise, and resiliency to obstacles, sustaining motivation in the face of problems. It implies the range of authority that empowered employees can exercise in doing their tasks. Empowered behaviour, therefore, reflects a willingness to take responsibility for effective decision making across those decisions which must be made and those that are discretionary and require some degree of personal initiative (Robbins et al., 2002).

More importantly, another area where empowered behaviour has been found to be critical is in the service recovery strategy. Service recovery refers to the action a service provider takes to seek out customers' dissatisfaction as a response to poor service quality and service failure (Lewis & Spyropoulos, 2001).

Different studies in service organizations have supported the notion that empowered employees play a critical role in the recovery of service failures in an effective and efficient manner (Boshoff & Allen, 2000; Babakus, et. al., 2003). Empowerment provides frontline employees with the responsibility and authority needed to act quickly and responsively through increased employee flexibility and adaptation during the interaction with the customers (Chebat & Kollias, 2000). Moreover, by empowering employees, organizations relinquish control over many aspects of the service delivery through shifting the locus of control from externally imposed organizational control of employees, to internalized personal self-control by the employee. As part of their boundary-spanning roles (Zeithaml and Bitner, 2003), frontline employees have the capability, more than other employees in the organization, to deal with service recovery situations.

Empowerment and Effectiveness of Job Performance

The main principle of empowerment theory is that empowered workers, unlike those less empowered should perform at a high level, empowered employees with the four cognitions of self-efficacy, impact, meaningfulness and self-determination are better able to actively shape the environment where they work. Indeed, in support of this, (Kirkman & Roasen, 2004) found evidence that employees' pro-activity is significantly related to several effectiveness criteria, such as, job satisfaction, productivity, organizational commitment, and customer satisfaction.

It has been noted, however, that employee effectiveness has been defined as the extent to which a worker exceeds or fulfils their work expectations (Spreitzer, 1995) argued that empowered employees tend to be seen as effective since they proactively undertake the responsibilities of their job. This occurs because they feel able to impact on their job in a competent and meaningful way, If workers think they may have an influence on the work

environment and organizational outcomes, then they may be viewed as effective, whereas workers who do not think they can influence work environments, may be viewed as less effective. Several pieces of research support the proposition that empowerment is connected to employee effectiveness.

Indeed, (Thomas & Tymon, 1994) used an experimental framework of intrinsic motivation, discovered that workers with a choice on how to undertake their work had a higher level of effectiveness in the dimensions of performance, for example, initiative and creativity than workers without work autonomy. Moreover, workers with more work choice had a high level of job satisfaction which contributed to their high level of performance. Similarly, workers with control over decisions related to their work were rated higher on their job performance by managers than those with less work control (Liden, et. al., 2000). Therefore, it appears that employees' performance may be improved when they receive autonomy in making decisions on their work.

Research has suggested (Conger & Kanungo, 1988; Chebat & Kollias, 2000) that competence is the most pertinent element of empowerment, that is, self- efficacy. Self-efficacy is important because it is able to increase the workers performance as they use more persistence, effort, and learns how to deal with the task. (Ahearne, et. al., 2005) have both confirmed that self-efficacy is significant linked to workers effectiveness. Finally, workers performance tends to be improved as a result of both intrinsic and extrinsic motivational factors. Intrinsic motivation refers to the individuals' desire to undertake a job to complete the job, instead of undertaking the job because they have to, that is as a result of external impositions or extrinsic rewards.

Consequently, empowered employees are highly motivated by the task (Spreitzer, 1995, and Thomas and Velthouse, 1990), and experience meaning in their work, and consequently energized performance. Liden et al. (2000) asserted that employees who experience their work as meaningful, and influence others within and outside the organization when accomplishing their tasks, are highly motivated and will perform better. As indicated above the literature on empowerment has tended to overlap and originated from different perspectives. For this research, the researchers have chosen four dimensions of psychological empowerment, in the light of the previous research consisting of choice, competence, meaning, and impact.

1. LITERATURE REVIEW

Survey of existing literature on employee empowerment suggests that Psychological empowerment puts the focus of empowerment on the employees' work experience. It refers to the psychological state of employees wherein they feel a sense of control vis-à-vis their job (Bowen & Lawler, 1992). Also, it has been estimated that personality and its various components have an indelible imprint on work outcome, motivation and engagement of employees (Gwal, 2019).

Lorinkova (2017) opined that organizations always strives to ensure that the work behaviour demonstrated by their employees is in consonance with the stated organizational objectives and is not counterproductive. Counterproductive work behaviour needs to be avoided as such behaviour results in wastage of employer's time and resources. When employees are empowered, such negative behaviour can be suitably avoided.

Khera (2015) states that, organizational practices supporting empowerment enhance the

feelings of job satisfaction amongst the employees.

Hill et. al. (2014) investigated the role of leaders in encouraging both empowerment and good performance in employees who work in the electronic communication industry. The researchers used a population sample of 353 young professionals just starting out in their careers in different organizations. The researchers integrated two theories, electronic communication theory and leader member exchange LMX theory to assess their mediated moderation model. Their model hypothesized that the workers' extent of electronic communication in their work enhances the relationship that LMX has to empowerment and later work results. The researchers' findings supported the hypothesis of their model.

Ergeneli et. al. (2013) investigated the relationship between of the dimensions of psychological empowerment (impact, meaning, competence and self- determination, and competence, put forward by Spreitzer (1995), and trust in managers of banks. The researchers used a sample population of 220 bank managers. A significant relationship was found between trust based on cognition in managers and empowerment. Trust based on cognition was connected to competence and meaning, trust based on affect was only linked to impact. On the other hand the research found no relationship between trust in manager and personal self-determination.

Abbasi et. al. (2012) set out to determine the influence of workers' empowerment on quality of service and customer satisfaction in banks. The sample population was randomly selected from lower and middle management staff and the banks' customers. Data was collected through survey questionnaires. Statistical calculations of correlation and factor analysis were carried out to analyze the data. The finding indicated that there was a positive relationship between the workers' empowerment, the quality of service and customer satisfaction. The relationship indicated that workers' empowerment leads to a high quality service and a high level of customer satisfaction.

Razek (2011) investigated empowerment in a youth care services context. The work wished to determine the factors that affect the effectiveness of the work performance of 100 workers. The researcher wished to identify the following elements in the youth workers jobs, effectiveness of job performance, barriers that prevent effectiveness job performance, organizational climate, the degree to which the relationship between the organisational climate and job performance effectiveness, and both the job performance effectiveness and organizational climate. Three separate questionnaires were distributed to measure the effectiveness of job performance, the barriers to effective job performance and the organizational climate. The researcher found that the organizational climate effect on job performance effectiveness was average; as was the specialist's job performance effectiveness. There were two statistically significant relationships, firstly between job performance effectiveness and organizational climate, secondly, between the total performance and climate. Furthermore, there was a negative statistical significant relationship between the barriers to the effectiveness of job performance and the job performance effectiveness and organizational climate.

Sarkar (2009) opined that the concept of empowerment has been discussed for many years. Moreover, organizations in many different sectors have been using the method of

empowerment despite the challenges associated with it. Although organizations use empowerment practices, however, those working at the lowest levels in a company have not been observed very often. Staff working with customers in the banking sector needs to be empowered since they work directly with customers and need to be able to offer the best services for customers. Bearing in mind the need for empowerment in the banking sector, this research attempts to determine what tools are used in empowerment practices in this sector. It also attempts to evaluate the effect of empowerment on the role of efficacy of the bank employees.

Kahya (2009) set out to investigate the relationship between effectiveness and job performance. The researcher argued that workers performance on a task and their contextual performance are two different elements of work behaviour that contribute separately to effective results. Kahya used a sample population of 143 employees in a company to assess their task performance, their contextual performance, and their effectiveness, specifically their productivity, innovation and quality. The findings showed that the effectual items of, attention to details and creativity on work problems, contributed most to productivity, innovation and quality.

Chigozirim (2008) aimed to establish the degree to which SBI Bank uses empowerment practices and how those practices influences the quality of customer services and customer satisfaction. The researcher found out that the empowerment practices at SBI allow bank staff to influence customers' perception of the quality of the service; since they had control over the service they delivered which led to customer satisfaction. It was also found that practices of empowerment occurred through the actions of both top management and human resource management and the sharing of information throughout the bank.

Conger and Kanungo (1998) stated that, empowerment as a process, enhances the feelings of self-efficacy among organizational members. It has been emphasized that employee empowerment develops people's mindset to achieve individual and organizational peak.

Vinchur (1998) argued that the presence of positive personality dimensions in employees contribute a lot towards employee engagements in business establishments. Organizations always strive to ensure that the work behaviour demonstrated by their employees is in consonance with the stated organizational objectives and is not counterproductive

2. RESEARCH PROBLEM

Banks are the financial lifeline of any nation. The improvement of the performance of employees in the banking sector is playing an essential role in achieving the required strategic objectives; however, this could be done through the human resource, with the possession of capabilities, capacities and skills that is the real wealth owned by banks. They play a major role in the economic development of the country and also act as a major source of employment generation. In the new Indian economic scenario, market, both private and public, has become highly liberalized, privatized, and globalized. Banks face cut-throat competition from rival organizations to retain and expand their market share. Attainment of customer satisfaction has become imperative for survival and growth.

Here the researchers focus on establishing what employees need to feel or believe for an intervention. Such a specific topic area can determine the research problem through identifying the ability of various dimensions of Psychological empowerment, more precisely (choice, competence, meaning, and impact) that influence the effectiveness of job performance in public and private banks. A reservoir of talented employees who can take quick decisions is a must. For these reasons, employee empowerment is becoming a very important issue in organizations (Ghosh, 2013). Lastly, it elaborates whether the findings can be applied to other parts of India and even other economies. This research problem can be answered with the following questions:

- What is the degree of employee practice on the dimensions of psychological empowerment in a research sample of private and public banks?
- What is the level of effectiveness of job performance indicators for employees in the banks in the research sample? Does the effectiveness of these indicators differ according to demographic variables?
- Is there a difference between the perceptions of employees to the dimensions of psychological empowerment, according to demographic variables?
- Does dimension of psychological empowerment (choice, competence, meaning, and impact) has an impact on the effectiveness of the job performance in the banks under investigation in this study.

3. RESEARCH OBJECTIVES

- To focus on the concept of psychological empowerment and the reflections of various dimensions on the effectiveness of job performance in the banking sector.
- To study the impact of the dimensions of psychological empowerment (choice, competence, meaning, and impact) on the effectiveness of job performance in private and public banks.
- To identify the degree of employees practices on the dimensions of psychological empowerment, and the extent of the difference in the perceptions of these dimensions according to different demographic variables.
- To provide a set of recommendations and suggestions to encourage the banks under investigation in this study to empower their employees and give them the powers, responsibilities and authorities that contribute to increasing the effectiveness of their performance.

4. RESEARCH MODEL AND VARIABLES

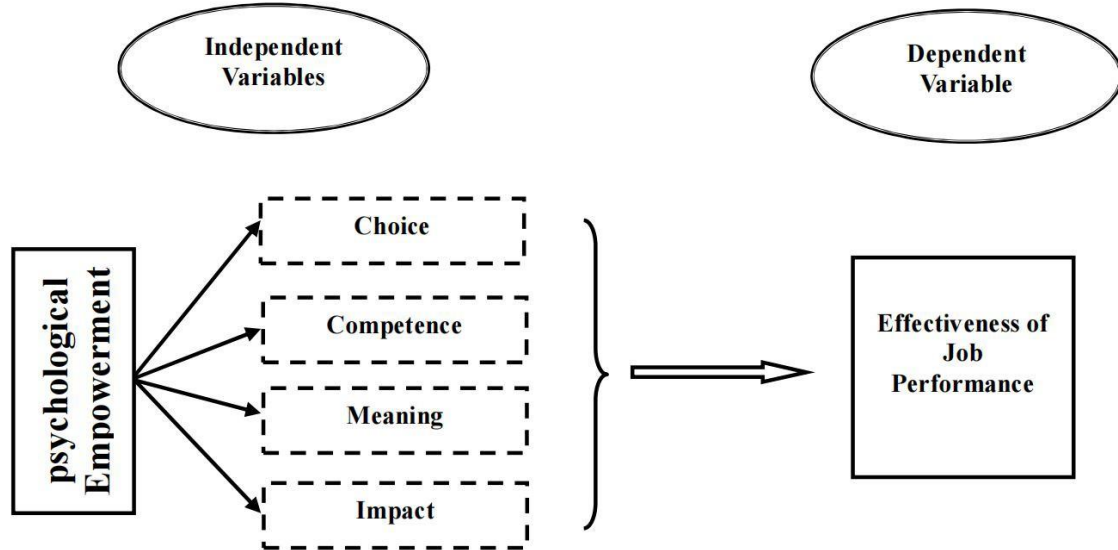
Independent Variables: Dimensions of Psychological Empowerment (choice, competence, meaning, and impact).

Dependent Variables: Managerial Performance.

Demographic Variables: Variables (gender, marital status, age, qualification, years of

experience, function, and bank).

Figure 1. Research Model



5. RESEARCH HYPOTHESES

H1: There is no affect of the dimensions of psychological empowerment (choice, competence, meaning, and impact) that are significant on effectiveness of job performance.

H2: There are no significant differences between the employees on their perception of psychological empowerment according to demographic variables (gender, marital status, age, qualification, years of experience, function, bank).

H3: There are no significant differences in the effectiveness of job performance between the employees according to demographic variables (gender, marital status, age, qualification, years of experience, function, bank).

6. RESEARCH METHODOLOGY

This study depends on the analytical descriptive approach, and this approach is based on combining desk and field research. The desk study aims to collect the relevant scientific material through the review of books references, journal articles, conference papers, reports. While the fields study aims to test the hypotheses through a questionnaire distributed to the employees in public and private banks in Shimla.

7. RESEARCH SAMPLE & POPULATION

The research population consists of private and public banks in Shimla. These were randomly selected. A total of (100) questionnaires were distributed to the employees in the (6) banks. A total of (93) questionnaires were completed and returned to the researcher, representing a completion percentage of 93%, (4) questionnaires were lost and (3) questionnaires were rejected since they lacked validity in the statistical analysis. Table(1) below shows the banks in the research sample and the number of questionnaires completed

in each of the banks to the banks in the research sample.

Table 1: The research sample and questionnaires completed

Public Banks	Number of Completed Questionnaires
SBI	18
PNB	25
UCO	11
Private Banks	
HDFC Bank	11
ICICI Bank	11
Axis Bank	17

8. RESEARCH TOOL

The required data has been collected using the method of the survey questionnaire. The questionnaire was specifically designed as a research tool, with a Five Point Likert Scale. The questionnaire was distributed to the banks in the research sample, specifically employees in the 3 Public and 3 Private Banks of Shimla. The questionnaire consists of three sections:

Section I: Includes demographic variables that have been measured with eight questions directly related to; gender, marital status, age, experience, qualification, job, bank, city.

Section II: has been designed to measure the dimensions of empowerment; choice, competence, meaning, impact, as measured by 22 sentences as follows:

- Sentences (1-8) measure of choice
- Sentences (9-14) measure of competence
- Sentences (15-18) measure of meaning
- Sentences (19-22) measure of impact.

Section III: has been designed to measure the effectiveness of job performance, as measured by 11 sentences from (23-33).

9. STATISTICAL ANALYSIS METHODS

The data has been analyzed and the validity of the hypotheses has been tested based on the results of a set of statistical tests using the statistics software package SPSS (SPSS. V.20). The tests that were carried out consisted of the following:

- Cronbach's Alpha coefficient.
- Distribution of sample (frequencies and percentages).
- Descriptive statistics (mean and standard deviation).
- Multiple regression analysis.
- Independent samples T-Test.
- One-Way ANOVA.

10. RESEARCH BOUNDARIES

The research uses only four dimensions of psychological empowerment (choice, competence, meaning, impact). The research uses six indicators of the effectiveness of job performance (the ability to perform the job, accuracy in performance, creativity and innovation at work, good judgments and decisions, knowledge of career, job commitment). The confidence level of 95% has been used in testing the validity of the hypotheses and generalizing the results. The geographical scope of this research is restricted to (3) Public and (3) Private Banks in Shimla district.

RESEARCH TERMS

Psychological Empowerment: is the process of giving employees an appropriate degree of freedom of action and independence at work, and broader authority to take appropriate decisions and take responsibility (Welzel, 2014). PEW refers to a set of psychological states that are necessary for individuals to feel a sense of control in relation to their work. Rather than focusing on managerial practices that share power with employees at all levels, the psychological perspective is focused on how employees experience their work. This perspective refers to empowerment as the personal beliefs that employees have about their role in relation to the organization (Spreitzer, 2017). Meaning involves a fit between the needs of one's work role and one's beliefs, values and behaviors (Hackman & Oldham, 1980).

Competence refers to self-efficacy specific to one's work, or a belief in one's capability to perform work activities with skill (Spreitzer, 2017).

Self-Determination is a sense of choice in initiating and regulating one's actions (Deci, Connell and Ryan, 2009). It reflects a sense of autonomy or choice over the initiation and continuation of work behavior and processes.

Impact is the degree to which one can influence strategic, administrative, or operating outcomes at work.

Managerial performance: the work related activities expected of an employee and how well those activities were executed (Shamsuddin & Abdul Rahman, 2014). Managerial Performance is widely regarded as a key source of organizational performance in Behaviour and Human Resource Management literature (Cavazotte, Moreno & Hickmann, 2012). It is the process of ensuring that a set of activities and outputs meet an organization's goals in an effective and efficient manner. It can focus on the performance of an organization, a department, an employee or the processes to manage particular tasks. MP is often defined as managerial behaviours believed to be optimal for identifying, assimilating and utilizing resources including human resources toward sustaining the organizational unit for which a manager has responsibility (Oh & Berry, 2009).

Effectiveness: is to reach to the objectives and expected results (Palmen, et. al., 2010).

STATISTICAL ANALYSIS

14.1 Test the Validity and Reliability of Measures

The questionnaire has been well formulated and based on different points of view of previous

researchers. The reliability of the questionnaire has been verified by using an internal gradient consistency using an Alpha Cronbach test and for the standard to have a stable scale the minimum value of the parameter in this test that it should not be less than (0.70). The results in Table 2 show that the value of the Alpha Cronbach ranged between (0.763 and 0.911).

These values are considered to be high, accordingly, it can be stated that all measures in the research have internal reliability for their terms.

Statistical Analysis Methods

Table 2: Alpha Cronbach's Coefficient for the study variables

Variable	Alpha Cronbach's Factor	No. Of Phrases
Choice	.763	8
Competence	.770	6
Meaning	.870	4
Impact	.764	4
Empowerment	.871	22
Effectiveness of job performance	.858	11
All study variables	.911	33

14.2 Describing the Sample's Features

Table 3: Distributing the sample phrases according to demographic variables

Demographic variables	Categories	Frequency	Percentage %
Gender	Male	66	71.0
	Female	27	29.70
Marital Status	Single	47	50.5
	Married	46	49.5
Age	Less than 25	19	20.5
	25-35	48	51.6
	35-45	15	16.1
	More than 45	11	10.8
Experience	Less than 5 years	33	35.5
	>5yrs<10yrs	32	34.4
	>10yrs<15yrs	9	9.7
	>15yrs	19	20.4
Job	Secondary	4	4.2
	Manager	9	9.7
	Assistant of Director	18	19.4
Bank	Head of Department	66	70.9
	PNB	18	19.3
	SBI	25	27.0
	UCO	11	11.8

	HDFC	13	14.2
	ICICI	14	15.1
	AXIS	13	14.3
TOTAL		185	100.0

14.3 Descriptive Statistics for Research Variables

Variables	Variable's dimension	Mean	Standard Deviation
Gender	Male	66	71.0
	Female	27	29.70
Marital Status	Single	47	50.5
	Married	46	49.5
Empowerment	Choice	3.64	.509
	Competence	4.08	.573
	Meaning	4.10	.815
	Impact	3.75	.642
Total measures of empowerment		3.86	.478
Effectiveness of job performance		4.09	.566

Interpretation

The employees in the public and private banks practice the dimensions of psychological empowerment more than the average, where the mean of these dimensions was 3.86 and the standard deviation was 0.478, this is due to the management of these banks granting their employees the power, authority, responsibility, decision making and independence in the implementation of their business. The most used dimensions of psychological empowerment in banks in the research sample were the dimension of meaning, competence dimension, impact dimension, and finally the choice dimension. Effectiveness of job performance for the employees in the private banks were high, where the mean of Effective of Job performance was 4.09 and the standard deviation was 0.566, this is due to the commitment of the staff to perform their work at a high standard and with high accuracy and their knowledge of all aspects of their jobs and the practice of innovation and creativity in their work.

14.4 Hypothesis Test

H1: There is no affect of the dimensions of psychological empowerment (choice, competence, meaning, and impact) that are significant on effectiveness of job performance.

To test this hypothesis the researchers have used multiple regression analysis.

Table 5: Model's Indicators

F	Sig	R	R2	Adjusted R2	Std Error of the estimate

52.14	.000	.733	.537	.526	.38969
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Table 6: The multiple regression model for the dimensions of empowerment in effectiveness of Job Performance

Dimensions of Empowerment	Unstandardized Coefficients	Standard Coefficients	Std. Error	T	Sig.	Statistical Significance
Constant	1.241	.242	5.133		.000	Morale (Sig.)
Choice	.124	0.68	.111	-1.828	.069	Non-Moral
Competence	.632	.071	.639	8.872	.000	Morale (Sig.)
Meaning	.075	.046	.108	1.630	.105	Non-Moral
Impact	.112	.055	.127	2.028	.044	Morale (Sig.)

Interpretation

The validity of the form used to test the affecting relationship between empowerment and effectiveness of job performance, where the value of F 52.14 with the level of moral of 0.000 is less than 0.05 which means that this model with its independent variables is able to be used to predict the value of the dependent variable. The correlation coefficient between independent variables and the dependent variable is equal to 0.733 which means that the relationship between empowerment and effectiveness of job performance has a direct correlation and strength of this relationship has a percentage value of 73.3%. There are two dimensions of the empowerment dimensions that affects positively on the effectiveness of job performance, these are Competence and Impact, while the remaining two dimensions do not affect morale on effectiveness of job performance, Choice and Meaning.

The determination coefficient $R^2 = 0.537$ which means that the independent variables (Competence, Impact) explains about 53.7 % of the change in the dependent variable (effectiveness of job performance) and is a moderate proportion, and that the 46.3 % were due to other variables have not been subject of the study, or due to a coincidence.

According to the multiple regression results: the first assumption will be partially rejected relevant to any moral effect for empowerment dimensions (Competence, Impact) in the effectiveness of job performance, while the first assumption will be partially accepted relevant to the lack of moral effect for empowerment dimensions (Choice, Meaning) in the effectiveness of job performance.

H2: There are no significant differences between the employees where of their perception of empowerment according to demographic variables (gender, marital status, age, qualification, years of experience, function, bank).

Table 7: T-Test for empowerment of employees according to the demographic

variables

Demographic variables	Mean	Standard Dev.	Std. Error	Mean	Sig.	Statistical Significance
Gender	Male	3.88	.481	.042	.928	Non-moral
	Female	3.81	.471	.063		
Marital Status	Single	3.82	.425	.043	-1.12	Non-formal
	Married	3.90	.527	.055		

Table 7 shows the following:

There are no significant differences between males and females where there are practices of empowerment in the banks under study. There are no significant differences between single and married individuals where there are practices of empowerment in the banks under study.

Table 8: One way ANOVA for empowerment of employees according to demographic variables:

Demographic variables	F	Sig.	Statistical significance
Age	.617	.605	Non-moral
Experience	6.71	.000	Moral
Qualification	1.58	.194	Non-moral
Function	6.68	.001	Moral
Bank	4.55	.000	Moral

Table 8 shows the following:

- There are no significant differences between the empowerment of employees according to age categories and qualifications.
 - There are significant differences between the empowerment of employees according to years of experience and the banks in which they work
 - According to results of the t-test and one way ANOVA: the second hypothesis will be partially accepted
- 1 about the existence of significant differences between employees in terms of the practice of empowerment according to the variables (experience, function, bank), while the second hypothesis will be partially accepted regarding the lack of a significant differences between employees in terms of the practice of empowerment according to the variables the (gender, marital status, age, qualification).

H3: There are no significant differences in the effectiveness of job performance between the employees according to demographic variables (gender, marital status, age, qualification, years of experience, function, bank).

Table 9: T-Test for effectiveness of job performance according to demographic variables

Demographic variables	Mean	Standard Dev.	Std. Error	Mean	T	Statistical Significance
Gender	4.1427	.56619	.04966	1.92	.056	Non-moral
Male	3.9686	.55249	.07450			
Female						
Marital Status						Non-formal
Single	3.9729	.55448	.05719	2.93	0.04	Moral
Married	4.2128	.55533	.05821			

Table 9 shows the following:

- There are no significant differences in the effectiveness of job performance between males and females in the banks under study.
- There are significant differences in the effectiveness of job performance between single and married in the banks under study.

Table 10: One way ANOVA for effectiveness of job performance according to demographic variables

Demographic variables	F	Sig.	Statistical significance
Age	1.88	.134	Non-moral
Experience	1.87	.136	Non-Moral
Qualification	.847	.470	Non-moral
Function	1.31	.272	Non-Moral
Bank	6.37	.000	Moral

Table 10 shows the following:

- There are no significant differences in the effectiveness of job performance between employees according to age categories, years of experience, scientific qualification and function.
- There are significant differences in the effectiveness of job performance between employees according to the banks which work in.
- According to results of the t-test and the one way ANOVA: the third hypothesis will be partially accepted regarding the existence of significant differences between employees in terms of the effectiveness of job performance according to the variables (marital status, bank), while the third hypothesis will be partially accepted regarding the lack of a significant difference between employees in terms of the effectiveness of job performance according to the variables (gender, age, experience, qualification, function).

15. CONCLUSION

The degree of the practices of psychological empowerment of employees in the public and private banks under investigation in this study was more than the medium scale. Additionally, the most reported dimensions of psychological empowerment practice by the employees in these banks were meaning, then competence following by impact and finally, the choice dimension.

The degree of effectiveness of job performance in the public and private banks was a little above the good scale. The dimensions of psychological empowerment (Competence, Impact) affect positively on the effectiveness of job performance. While the dimensions of psychological empowerment (Choice, Meaning) rather than moral had the greatest effect on the

16. RECOMMENDATIONS

It is necessary for banks to work on the development of awareness and knowledge of the concept of psychological empowerment and dissemination of this concept among all employees in the banks and the expansion of the granting of powers to employees in their job responsibilities. The employees' perceptions about psychological empowerment need to be effectiveness of job performance. There are significant differences between employees in terms of the practice of psychological empowerment according to the variables (year of experience, function, bank). While there are no significant differences between employees in terms of the practice of psychological empowerment according to the variables (gender, marital status, age, experience).

There are significant differences between employees in terms of the effectiveness of job performance according to the variables (marital status, bank). While there are no significant differences between employees in terms of the effectiveness of job performance according to the variables (gender, age, year of experience, function). developed in the private banks specifically in terms of the dimensions of empowerment through an emphasis on positively accepting responsibility and give employees sufficient authority to provide material and moral support. Inspire confidence among employees by enabling them to participate in decisions and take responsibilities and circulate information, and provide constructive criticism and freedom of choice and expression, which will contribute to an increase in the effectiveness of their performance. To provide optimal investment of human resources available in the banks both now and in the future and the importance of developing their skills and abilities, and train them according to clear plans designed to help them increase efficiency and effectiveness in performance.

- Create the right organizational climate to work in banks and distribute functional burdens equitably among staff and provide all the information necessary for them to perform all the tasks required of them. The researchers recommend studying the following areas for future research:
- Study the impact of psychological empowerment to improve the quality of banking services.
- Study the impact of psychological empowerment on innovation and creativity at work.
- Study the relationship between psychological empowerment and job satisfaction.

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