

## **EMPLOYEE EMPOWERMENT AND TURNOVER INTENTIONS**

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### **Abstract**

These days high employee turnover is a serious for the organizations. To deal with the problem of employee turnover organizations are adopting various measures. One such measure adopted by organizations is employee empowerment. This research paper aims to study turnover intentions of the employees and its relationship with employee empowerment of employees working in corporate sector in Delhi NCR region. Reducing employee turnover is a serious concern for HR Practitioners these days. Spreitzer (1995) scale was used to capture meaning, competence, impact and self-determination dimensions of empowerment. Colarelli (1984) scale was used to measure turnover intentions. Data was collected online by sharing link via email and Whatapp for the questionnaire created through Google Drive. A total of 107 responses were used for data analysis. It was found that overall employee empowerment score as perceived by employees in corporate sector is high for female employees as compared to male employees but the difference is not statistically significant. It was further found that employee empowerment is negatively related with turnover intentions.

Keywords- Employee empowerment, Turnover intentions, Corporate sector

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## **Introduction**

Traditionally employees kept themselves limited to one or two organization in the entire career path. However with the advent of internet, work place flexibility, opportunistic nature of workers/employees there has been rise in number of shifts from one organization to another. To reduce turnover employee empowerment is getting significant amount of attention from corporate sector these days. Empowerment is a powerful tool with the organizations that can help in increasing employee productivity thereby improves the efficiency and effectiveness of the organization. Now many organizations are using it as a strategy to reduce labour turnover rates.

With empowered employees managers can easily follow principle of management by exception and can dedicate their time towards other significant task. Employee empowerment is used as strategies by companies today to face competition and to reduce labour turnover rate.

## **Employee Empowerment and Turnover Intentions- Theoretical Construct**

Employee empowerment is used as a management tool to provide solutions to various organizational problems. It means empowering employees in the form of resources, authority, sufficient independence so that they can give their best in performance of assigned task.

Empowerment is not a new concept rather it existed in various forms like decentralisation, autonomy, motivational and sensitivity needs and employee involvement schemes in modern management literature. In highly competitive and dynamic environment where technological changes are taking place so fast, organizations have realised the significance of empower employee.

Kenter (1977) first introduced the concept of employee empowerment over thirty years ago. Conger and Kanungo (1988) defined the empowerment as process of that facilitates in developing self-efficacy and self-control among the participants. Two distinct dimensions exists for employee empowerment one is situational perspective and another is psychological perspective (Conger and Kanungo, 1988; Bowen and Lawler, 1992; 1995; Thomas and Velthouse, 1990). The situational (relational or management practice) approach elucidates howpower and authority is shared down the hierarchy line by those who are vested with power.(Conger and Kanungo, 1988; Bowen and Lawler, 1992; 1995).

The psychological perspective reflects internal cognitive state of enhanced feeling of motivation and self-efficacy (Thomas and Velthouse, 1990). This view coincides with the view of Conger and Kanungo (1988) who suggested psychological approach takes into account various factors that leads to enhanced feeling of intrinsic motivation. Working upon extension of Conger and Kanungo (1988) model Thomas and Velthouse (1990) identified four components of psychological dimension of empowerment: (1) Impact, (2) Competence, (3) Meaningfulness and (4) Choice. Later on Spreitzer (1995) using Thomas and Velthouse (1990) and Bowen and Lawler (1992) proposed following four dimensions psychological empowerment as mentioned below:

- **Meaningfulness** – Demand of the Job , work role requirements are matched with employees beliefs and Value System involves a matching between the demands and requirements of a work role and values and beliefs of employees.
- **Competence**-capacity and capability of the the individual and his belief on self to do the job expected out of it . in a way it emphasises on self efficacy of the person
- **Self-determination** – freedom to take decision for the procedures and speed of the work .to take decision how the resources and efforts are to be put to perform a job .
- **Impact**– how much a person can influence administrative outcome because of his impact on the system and to what degree strategy has been changed due to his impact .

Empowerment ensures spread out of power among workers by involving them in the process of decision making (careless, 2004). Hsieh and Chao (2004) defined empowerment as optional concept where choice is with management whether to give employees flexibility to take decision themselves or not.

It is necessary to empower employees as top management of any organization cannot achieve organizational goals on its own. Seven elements of empowerment has been suggested by Peter et al.(2002): They are (1) Power, (2) Decision making (3) initiative, creativity, knowledge, (4) skills and responsibility. (5) Information (6) Autonomy (7) Creativity and Knowledge Employees view it as a valuable resource if they are provided with psychological empowerment by the organisations and this also becomes one of the reasons for their long stay in the organization. When we empower our employees in letter and spirit by following the principles , it becomes very difficult for another employee to do that . employees value it and do not consider alternate

jobs and it lowers the probability of their leaving the organisation and employee turnover is at very low level. (Griffeth, Hom, & Gaertner, 2000)

The concept of turnover intentions is functional and can be measured as willingness to stay or quit the organization (Tett and Meyer, 1993). Measuring turnover intentions gives early warning signal to the organizations to take corrective steps to overcome employee turnover before employee actually leaves or quit the organization (Harris, Kacmar, & Witt, 2005). Mobley (1982) in his work mentioned about why employees voluntarily choose to leave their organization. Turnover intentions are of two types .type one is voluntary and type two, when done by the organisation. When Employees himself takes the decision to leave the organisation it is called voluntary turnover ,on the other hand when organisations thinks of separating with the employees and ask him to leave by giving pink slip ,it is called involuntary turnover .

### **Review of Literature**

Caudron (1995) observed the passing on the responsibilities to do the self management is the key for employee empowerment and should be done gradually and systematic manner and it should be followed by giving the control of resources which will help them to take the decisions . Self management is the ultimate objective of this exercise. Caudron (1995) explained that empowerment programs could not achieve its goals on account of its implementation in wrong way by HR people. Empowerment is the process of creating environments in the organisation in which employees are provided with tools of empowerment such as information, feedback, training, and they are given goals to achieve and are facilitated with situations and circumstances to do that . It is a positive reinforcement which is being done not to people but by creating environment .(Caudron, 1995). Wyer and Mason (1999) opined that goals of sustainable development of small business who are growth oriented can be achieved through practices of employee empowerment and it works as vehicle for growth Employees must choose to be empowered (Spreitzer, 1996).

This choice needs them to consider themselves as having discretion and autonomy, and to feel connected to the organisation. As employees take a proactive initiative, it is their perceptions of work environment that makes them feel empowered. So management practices that promote an

organisational climate which is full of trust, support, and encouragement, are more likely to assist in empowerment of employees (Philamon, 2003).

Cascio (2006) found that high turnover results in loss of knowledge and skills. Moreover most of time and money is wasted in finding suitable replacement and giving training to replaced employee. Infact average turnover cost may be 1.5 times of an employee's annual salary.

Downe et al. (2012) observed that employees in the service sectors are leaving organization due to both push factors like work life imbalance, poor co-workers relations, work stress, interfering management, lack of independence and pull factors like high compensation, better incentives, bonus, extended facilities, more empowerment and flexibility to decide.

An individual employee's turnover intentions are perfect measure to gauge the feeling of the employee towards the organization. In a Study conducted by Spector (1986 conducted among federal workers) there was a relationship between intentions to leave th organisation and their ability to have choice and control over affairs of the organisation , however study done by Hayes (1994) did not find a relationship between intentions to leave the organisation and employee empowerment .

### ***Objectives of the Study***

- To analyze the level of Employee empowerment and Turnover intentions among employees in corporate Sector.
- To study the difference in Employee empowerment score and Turnover intentions score on the basis of Gender.
- To examine the relationship between Employee empowerment and Turnover intentions

### ***Hypotheses of the Study***

Onthe basis of above objectives, the following null hypothesis (H0) and was formulated:

- ◆ H01 – There is no significant difference in Employee empowerment score and Turnover intentions score on the basis of gender among employees in corporate sector.

- ◆ H02-In corporate sector no significant relationship exists between Turnover Intentions and Employee Empowerment

### ***Research Methodology***

In the present study, Empowerment scale developed by Spreitzer (1995) has been used. The scale has 12 items, with three items for each of the four factors - meaning, self determination, competence, and impact. The respondents were asked to answer the self –perceived employee empowerment practices in the context of their organization as described in the questionnaire, using a five-point likert scale (1=strongly disagree; 2=disagree; 3=neutral; 4=Agree; 5=Strongly agree, if not always). Meaning dimension (MD) is measured by adding the scores of items 1,2, and 3. Competence dimension (CD) is measured by adding the scores of items 4,5, and 6. Self Determination (SD) is measured by adding the scores of items 7, 8, and 9. Impact dimension (ID) is measured by adding the scores of items 10, 11 and 12. The mean of the four factors was taken as the score for Employee Empowerment.

Further to measure Turnover Intentions, scale developed by Colarelli (1984) was used. The scale has three items on five-point likert scale (1=strongly disagree; 2=disagree; 3=neutral; 4=Agree; 5=Strongly agree, if not always). The mean of the three items was taken as the score for Turnover Intentions.

### ***Data Collection***

The purpose of this study was to assess self-perceived employee empowerment level and their turnover intentions in a sample of employees working in corporate sector in Delhi-NCR region. To collect data online questionnaire was created using Google drive. Questionnaire was administered to employees through E-mail and Whats app and through the team for collection of data personally. In total 107 respondents employed at different level in their respective organization participated in the survey. Out of them 75 male respondents and 32 female respondents participated in our survey. The method of sampling was based on non – probability convenience sampling.

### ***Limitations of the Study***

Limitations faced during the process of research study are worth highlighting as that may serve as base for future research. Only respondents employed in corporate from Delhi- NCR were considered region future research may enhance the geographical reach of the study. Turnover intentions and employee empowerment were measured from the perspective of employee future research may consider the perspective of supervisor as well. Self- reported measures for variables used in the study may lead to measurement error and biasness on the part of respondents

Besides employee empowerment other variables like talent management strategies can be used can be used to understand its impact on turnover intent of employees.

### ***Statistical Analysis***

For the purpose of statistical analysis, statistical software package SPSS was used. Responses received on Google drive for Four different dimensions of Employee empowerment viz. Meaning, competence, Impact and Determination and on Turnover Intentions were transferred to SPSS for further analysis of data. Meaning dimension (MD) was summation of the scores of items 1,2, and 3. Competence dimension (CD) was summation of the scores of items 4,5, and 6. Self Determination (SD) was summation of the scores of items 7, 8, and 9. Impact dimension (ID) was summation of the scores of items 10, 11 and 12. Then mean of all the four factors was taken as the score for overall Employee Empowerment. The standardized Cronbach coefficient alpha for the Employee Empowerment and Turnover Intentions (TI) instruments used in the study is 0.69 and 0.60 respectively.

**Table 1: Means, Standard Deviation and Ranks of variables used in the study**

<b>Variables</b>	<b>Mean Score</b>	<b>S.D.</b>	<b>Rank</b>
<b>MD</b>	4.100	0.9726	2
<b>CD</b>	4.218	0.6525	<b>1</b>
<b>SD</b>	3.860	0.7123	3
<b>ID</b>	3.436	0.7883	4
<b>EE</b>	3.903	0.5688	
<b>TI</b>	3.318	0.34302	

The table 1 shows the mean score, standard deviation and ranks of four employee empowerment components and turnover intentions for the given sample. It shows that CD ranked the first position, followed by SD and MD whereas ID scored the lowest position. Competence dimension that measure's the belief of the individual with regard to belief in him or her capacity or belief to do the job. CD has been found to be at its highest in the context of corporate employees. However, overall TI mean score is slightly lower than EE mean score.

**Table 2: Comparison on the basis of Gender For Employee Empowerment and Turnover Intentions score**

Variables	Male		Female	
	Mean	Rank	Mean	Rank
<b>MD</b>	4.071	2	4.167	1
<b>CD</b>	4.240	1	4.167	1
<b>SD</b>	3.889	3	3.792	2
<b>ID</b>	3.320	4	3.708	3
<b>EE</b>	<b>3.880</b>		<b>3.958</b>	
<b>TI</b>	<b>3.204</b>		<b>3.583</b>	

On the basis of employee empowerment and turnover intentions, female employees score is more than male employees. Table 2 shows that female employees perceived themselves as more empowered than their male counterpart. Also Impact dimension of empowerment is least rated by both male and female employees. On the basis of turnover intentions, score for female employees in companies is higher than their male counterpart. For both male and female employees in corporatesector, CD has been ranked at first position.

**H01 – There is no significant difference in employee empowerment score and turnover intentions score on the basis of gender in a sample of corporate employees.**



**Table 3: T-test on the basis of Gender**

Variables	T Statistics	Significance (2-Tailed)
<b>MD</b>	(0.464)	0.644
<b>CD</b>	0.530	0.597
<b>SD</b>	0.645	0.521
<b>ID</b>	(2.384)	0.019
<b>EE</b>	(0.650)	0.517
<b>TI</b>	(1.729)	0.087

Since the value of significance for all components of employee empowerment and turnover intentions is greater than our significance level .05 except for impact dimension, therefore we accept our null hypothesis and may conclude that there is no significance difference in employee empowerment score and turnover intentions score on the basis of gender.

**Table 4: Intercorrelation Matrix**

Variables	MD	CD	SD	ID	EE	TI
<b>MD</b>	1					
<b>CD</b>	0.395**	1				
<b>SD</b>	0.462**	0.621**	1			
<b>ID</b>	0.349**	0.199*	0.194**	1		
<b>EE</b>	0.806**	0.719**	0.756**	0.613**	1	
<b>TI</b>	(0.362)**	0.215*	(0.107)	0.024	(0.118)	1

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

The table 4 shows correlation coefficients for different pairs of employee empowerment components. Strong and positive inter-correlations exist among all the employee empowerment variables. Analysis on the basis of Employee empowerment components and turnover intentions

reveals negative and but not significant correlation exist between turnover intentions and employee empowerment components.

## **RESULTS & SUMMARY FINDINGS**

The findings of the study may be summarized below:

- CD is the most prominent employee empowerment component in corporatesector while ID has least score among all employee empowerment components.
- Female employees perceived themselves as more empowered than their male counterpart.
- On the basis of turnover intentions, score for female employees in companies is higher than their male counterpart.
- There is exist no significant difference in respondents' employee empowerment score except for impact dimension and turnover intentions score on the basis of gender.
- Negative but not significant correlation exists between turnover intentions and employee empowerment components.

## **CONCLUSION AND RECOMMENDATIONS**

Giving due importance to Employee empowerment will likely remain a significant issue for corporatesector as the competition continues to increase. Work environment has undergone tremendous change these days. Many a times employees leave the organization without informing , which results in high cost for the organization. Employees are giving more importance to non-monetarybenefits likeadvancements, flexibility, opportunity for learning, work life balance over monetary incentives like salary, bonuses and other incentives The main aim of conducting this study was to know on the basis of statistics available that whether increase in the employee empowerment degree can reduce the degree of perceived turnover intentions among employees in corporate companies. Negative but not significant correlation reveals that turnover intentions can be reduced by better employee empowerment practices. Freedom to take decisions related to the work roles of employees make them feel more committed to the organization. When employees are appropriately empowered they put in their best efforts and provide numerous options to unsatisfied clients of the organization, so that organization image is also maintained. An effort was also made to find the difference in employee empowerment and turnover intentions score on the basis of gender.It is observed that there is no statistically significant differencein employee empowerment and turnover intentions

score on the basis of gender. To conclude, the organisation stand at competitive advantage if employee empowerment is used as tool and it brings lot of benefits if such practices are observed and followed .

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