

Impact of Information on Empowerment of Employees on Commercial Banks in Jordan

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Abstract

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. Hence, this study aims at testing the impact of information in general (GE) on the impact of empowering employees in the commercial banks in Jordan. A survey questionnaire was developed to reflect a simple model of the presumed relationships. A sample of 90 employees has participated in the survey and data were collected and analyzed using means, regressions and correlations to test such impact. The study would light on the main effects of information on empowerment in commercial banks. The researcher has develop deferent guideline to create effective empowerment which lead to high degree for customers satisfaction The researcher recommend that commercial banks must remain a key component of empowerment efforts, and when employees Participate in important tasks the productivity will increased.

Keywords: Information, Empowerment, Jordan

1. Introduction

It is well known that information and information technology helps organizations in many different ways and directions. The empowerment literature is full with concepts that indicate to the impact of information on empowering the frontline of any organization. However, research linking information technology and its impact on empowering people is not yet strong. However, empowerment is a concept that most modern organizational practices believe in its effectiveness and significance.

Advances in communication and information technology have created new opportunities for organizations to build and manage empowerment process where members collaborate utilizing technology across space and time to accomplish important organizational tasks.

2. Literature Review

Ettorre (1997) defines empowerment as employees having autonomous decision making capabilities and acting as partners in the business, all with an eye on the bottom line. Companies use different terms, but all terms have basically the same intent of employee participation and involvement (Hui *et al.* 2004). Empowered employees make decisions traditionally reserved for management. Empowerment is not just delegating decision making authority; it is also setting goals and allowing employees to participate (Riggs, 1995, p. 7).

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

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 directions and goals with the entire employee base.
3. Employees receive training needed to achieve goals, whether specific work skills or educational issues, such as time management or leadership.
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. 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. Team members are treated to continual positive feedback and reinforcement.

This framework has been emphasized and reinstated by many authors including Spreitzer, (1996) such framework demonstrates the wholeness of empowerment and the power associated with it. Empowerment however, is not the absolute resolution for all. It requires the right climate induced by flow of information, knowledge, communication, technology and incentives (Srivastava, and Bartol, 2006).

Empowerment practices are implemented with the hopes of building employee commitment, overcoming worker dissatisfaction, and reducing absenteeism, turnover, poor quality work, and sabotage. But all too often these implementation efforts fail to achieve their hoped for results (Argyris, 1998).

First, some managers confuse empowerment with a quick fix and give up before it has been successfully implemented. The transition from a more traditional command-and-control system to an empowered organization requires a culture change. Culture changes take discipline, consistency, and patience. The long-term approach necessary for successful empowerment implementation efforts appear at odds with a business environment that requires short term outcomes.

Second, sometimes there is confusion about what is meant by the term empowerment. For example, it is not uncommon for managers to tell employees that they are empowered but not explain what they mean by empowerment. An employee may make an assumption about what the manager means by empowerment – he or she responds enthusiastically by making a decision independently that they may have had to get approval for in the past. The manager responds negatively because he or she was just looking for employees to share more ideas with them, not actually make decisions on their own. The employee feels dejected and returns to his or her old ways of working. As such, a key issue is for managers to be clear and explicit about what they mean by empowerment.

Third, some managers lack the courage to genuinely empower their people. These managers are afraid they will lose control if they genuinely empower employees. They worry about loose cannons that are not aligned with the goals of the unit. They worry that employees will make mistakes. They assume that they alone are the source of the best ideas. These concerns are especially strong for managers who have spent significant time in command and control bureaucracies. Starting with small initial steps at sharing power, setting clear limits for

empowerment, and building trusting relationships have been found to be effective mechanisms for reducing these concerns.

And fourth, some empowerment efforts fail because employees resist efforts at empowerment. A very small percentage of employees value the simplicity of following directions and being told what to do. Some employees have been trained and conditioned to follow orders for much of their work lives. Taking initiative will feel counter-cultural to them, and it takes time for them to learn to be more proactive. To empower them, managers can set up small initiative steps to build comfort and confidence. Training and development program can also bolster their confidence to act in more empowered ways.

This study, however, signifies the importance of information work as powerful tools for empowering employees minimizing the impact of the above mentioned barriers (Dawson and Newman, 2002).

3. Research Model

The process of empowering employees involves the establishment of a supportive communication climate. Supervisory personnel have the opportunity to set up and maintain an atmosphere of open communication through both their words and deeds. Something as simple as a sincere word of encouragement or praise from a supervisor has been shown to foster and encourage subordinates' reciprocity of an open and honest dialogue with the supervisor and aid the employee in feeling empowered (Valerius, 1998, pp. 38-40).

Koch and Godden (1997) argue that empowerment is a good idea but unworkable for large corporations. They believe that empowerment is an inefficient way to run a large corporation; instead, the optimal way for large companies to survive is to have strong leadership and a singular direction. They argue that large corporations benefit from market power and economies of scale. While this is on the periphery of this article, we can argue that large organizations can also empower its employees from the top to the bottom by having the right climate with the right structure.

General Electric is an example of a large corporation with hundreds of thousands of empowered employees. GE could do that through the right culture, the right federal structure and the right communication and information technology system conducive to empower all employees (Dawson and Newman, 2002).

In spite of all the good news, employee empowerment programs are not the cure for all organizational problems but they can be a potent organizational performance enhancer. Empowerment allows the employee to take a more active role in the success of the company. Empowerment alone is not enough. In order for an empowerment program to be successful, it has to have the full support of everyone in the company. Management intention and efforts to change the hierarchical, chain-of-command managerial approach is a key factor in the success or failure of empowerment programs. The company needs to ensure that the systems are in place to completely support the initiative (Houston and Talbott, 1996).

Previous literature and studies have overlooked the significance of communication and information in its impact on empowerment. Hence most of the literature has tackled such construct in a rhetorically, this study will investigate empirically to measure the level of impact of information in general and information technology in particular on the degree of empowerment among IT employees in major private school systems in Jordan. Such impact if found will enable researchers and managers to invest more in studying the issue and look more into the benefits and constraints associated with such initiatives (Dawson and Newman, 2002).

Information and Empowerment

Information sharing is an essential part of high performance systems (Pfeffer and Veiga, 1999). The sharing of information according to Pfeffer and Veiga on such things as financial performance, strategy, and operational measures conveys to the organisation's people that they are trusted. Even motivated and trained people cannot contribute to enhancing organisational performance if they don't share information of important organizational issues and problems (Melhem, 2003)

Communication and sharing information in this study is assumed to be associated with empowerment because communication is the means by which employees' knowledge will be developed through the flow of information throughout the organisation in order to serve the customer effectively and efficiently. Randolph and Sashkin (2002) provide a compelling rationale arguing that open sharing of information is crucial to empowerment, since without information people cannot act responsibly, even if they want to. The authors recognise that the problem in most organisations is that top managers are often reluctant to share financial,

performance, and strategic information with people throughout the organisation. Perhaps managers feel that such information is too complex and too sensitive for such sharing.

The following figure is the proposed assumption for this study which will illustrate the main requirements for employee empowerment including information in general and information technology in particular.

The first factor; information, in this model underlines five variables including timeliness, understand ability of information, relevance of information, sufficiency of information, comparability of information, and accuracy of information.

Figure 1. Information with Empowerment Process



Source: Researcher proposed framework

4. Research Hypothesis

H1o There is a statistically significant positive impact and relationship between information (Timeliness, understandability, relevance, sufficiency, comparability, and accuracy) and empowering people.

5. Research Methodology

Data Collection

Data were collected from a sample of 90 specialists from the commercials banks in Jordan. Questionnaires were distributed randomly by the company's administration via their human resource staff. The questionnaire included questions about three dimensions; empowerment, information in general including: Timelines, understandability, relevance, sufficiency, comparability, and accuracy of information.

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 employed to test the hypothesized model. Empowerment was measured using 12-item scale originally developed by Spreitzer's well known instrument of her seminal 1995 article and modified to fit the study context. The reliability coefficient for the different dimensions (Cronbach's Alpha) ranged from 0.78 to 0.91 for the various items.

Reliability Statistic (1)

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.762	.763	3

The researcher used Cronbach's Alpha to measure the internal consistency of the study instrument (Questionnaire) it was (.763).

Discussion

Table 1 shows the descriptive statistics of the demographic variables. Followed by correlations and regression analysis representing the impact of information in general on the levels of empowerment adopted by employees in the banks system in the Jordan. The set of demographic tables below just give a little background about the sample demographics in terms of age, gender, experience, education, job title. Hence, demographic variables of age, education, job title, and experience might have minimal statistical significance in influencing the empowerment degree among participants.

Nevertheless, around half of the sample were below 30 years of age, around 74% male, 32% with around 6 years of experience, more than 84% with a bachelor degree or higher. Because this is the minimum educational level in commercial banks in Jordan. 80% of the sample is either branches managers, department managers, or assistant managers. The features of such sample make it appropriate for a potential environment for the study constructs and associations.

Table (2) sample demographics

gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	73	83.7	83.7	83.7
	female	17	16.3	16.3	100.0
	Total	90	100.0	100.0	

Education					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	high school	1	.8	.8	.8
	diploma	2	1.6	1.6	2.4
	Bachelor	87	98.6	98.6	100.0
	Total	90	100.0	100.0	

Job-title					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Division manager	8	6.5	6.5	6.5
	Assistant Division mgr	15	12.2	12.2	18.7
	Dept-Head	27	30.1	30.1	48.8
	Assist-Head	18	30.9	30.9	79.7
	other	22	20.3	20.3	100.0
	Total	90	100.0	100.0	

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25 and less	3	2.4	2.4	2.4
	26 to 35	40	40.7	40.7	43.1
	36 to 45	37	46.3	46.3	89.4
	46 to 55	10	10.6	10.6	100.0
	Total	90	100.0	100.0	

Experience					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 2	3	2.4	2.4	2.4
	3 to 6	41	33.3	33.3	35.8
	7 to 10	37	52.8	52.8	88.6
	11 and more	9	11.4	11.4	100.0
	Total	90	100.0	100.0	

Viewing table (2) regarding the degree of information sharing in general reveals that employees have relatively strong positive attitude regarding the volume of information shared with low levels of variance among respondents and the standard deviation shows a high level of agreement against such dimension. This is clear and self evident because "Information shared seems to be up-to-date" received mean average of 4.16 in a five Likert scale method, while the lowest statements reached a mean average of 4.11 for five statements. All this indicates that employees perceive the adequacy and efficiency of the information available at their organization. This view was clearly consistent with previous studies including Bowen and Lalwer, (1992; (1995).

Table (3) 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	12.613	48	.096		
	Total	13.692	51			
Independent variable is information						
b. Dependent Variable: Empowerment						

R=0.30, R.Square= 0.065, Adjusted R Square= 0.057, F=11.253. P< 0.05, Beta= 0.30
The table (3) 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 positive impact productivity and the size of Standardized Coefficients (Beta) suggests an important relationship.

Correlation

The correlation Table (4) below reveals statistically significant association between empowerment and general information. This is comprehensible given the fact that general information via horizontal and vertical communication would give employees clear sign and support for using their own judgment in solving problems or dealing with nontraditional situations.

Table (4): correlation analysis

		Empowerment
General Information	Pearson Correlation	.207*
	Sig. (2-tailed)	.021
	Pearson Correlation	.292**
	Sig. (2-tailed)	.001
	N	90

6. Conclusion and Recommendations

The study was focused on examining the impact of information in general (GE) on the impact of empowering employees in the commercial banks in Jordan. 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 affect 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 researcher recommends that commercial banks must remain a key component of empowerment efforts.

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