



EMPOWERMENT AT WORKPLACE FOR EMPLOYEE RETENTION: A STUDY AMONG IT EMPLOYEES IN KOCHI

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Abstract: The present research is aimed at understanding the relationship between workplace empowerment and employee retention. Today, employee empowerment practices and employee retention are considered very critical for the success and superior performance of any organization, especially in IT sector. The aim of this study is to enhance the understanding on interrelationship between these two variables. The research was carried in the IT workers in Kochi, Kerala using convenience sampling. Scale items for assessing key constructs, such as workplace empowerment and employee retention were adapted from prior studies' validated measures. The present study concluded that there is a positive relationship between workplace empowerment and employee retention as workplace empowerment acts as a retention strategy. The present study has real world implications on how workplace empowerment needs to be supported by the top management of in order to have a stable workforce.

Key words: Workplace Empowerment, Employee Retention, IT Workers, Kochi.

Introduction

A key aspect of empowerment in the workplace is giving employees the time, space, and resources to do their jobs and trusting them to do so to their fullest potential (Block, 2016). Instead of harsh and punitive rules, the focus is on providing guidance and mentorship as well as enhanced opportunities for job enrichment and professional development (Cascio, 2000). It's about providing employees with the freedom to take responsibility for their actions, which may sometimes lead to the correction of mistakes (Bowen et al., 1995). Essentially, empowerment in the workplace is about treating employees like adults and trusting them to do their best. (Nwachukwu, 2016) Employee empowerment makes them more trustworthy, committed, and productive. A culture of empowerment

encourages employee involvement in decision-making and good idea generation (Vu, 2020). Empowerment appears to serve as a guideline for increasing efficiency, productivity, and employee satisfaction (Burke et al., 2020). Nowadays, management challenges include not only managing people, but also maintaining them and keeping them enthusiastic and motivated (Kossivi et al., 2016). Employee retention is the retention or encouragement of employees within a company for the longest possible time (Rakhra, 2018). An organization cannot survive long if the people working within it do not take seriously the vision of the organization's goals and mission. Today, with increased competition, employee retention is a top priority for organizations. Individuals move to another organization for a variety of reasons, including better pay, better growth prospects, and a better atmosphere. However, the company is finding it difficult to find equally suitable employees for the vacant positions. HR teams in many successful companies have strategies for retaining top talent.

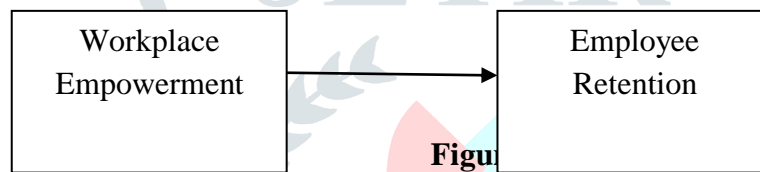
This study focuses specifically on employee retention in IT sector. According to Gaan, (2011) employee turnover is the major issue related to IT sector. An organization's ability to retain its information technology (IT) workforce is a key factor in achieving strategic business objectives. The turnover of IT professionals familiar with the project can delay or even hinder the implementation of new technologies and systems (Moore and Burke, 2002). The purpose of this study is - to study the impact of the workplace empowerment on employee retention.

Literature Review

Loke (2001) suggested that empowering employees to take initiative and make decisions will align their work with department goals and maintain quality. This will make them feel valued and motivated to contribute to the organization's overall objectives. Pradhan et al.,(2014) explained Employee empowerment is about training employees to prioritize the needs of the patients above all else. This means they are able to make the right decisions, prioritize the right actions, and take the right steps, all in the interest of the patient, without the need for constant supervision or direction. Sullivan (1994) argued that before 1990, information about employee empowerment was primarily found in articles discussing topics such as participatory management, total quality control, individual development, quality circles, and strategic planning. But Honold (1997) found that Since 1990, the number of articles discussing employee empowerment has significantly increased. This is partly due to the fact that the term can be used to refer to both the individual and organizational aspects of the concept. Additionally, the definition of employee empowerment can vary depending on the organization, as its success relies on each organization creating and defining it for themselves.

Ashford et al. (1989) based on review inferred that When employees and organizations enter into a psychological contract, the individual feels a sense of control over the events in their work. Any disturbance to this sense of control can result in strong reactions and employee turnover. India is one of the largest Information Technology capitals in the world. UKEssays (2018) disclosed that The IT industry in India is a major source of employment, but a common trend in these companies is that new employees often leave the job after a short period of time, resulting

in a high turnover rate. To address this issue, IT companies in India need to implement effective retention strategies to keep their employees. Shetty and Shetty (2015) Employee retention refers to the policies and practices that companies use to prevent valuable employees from leaving their job. It involves taking steps to encourage employees to stay with the organization for as long as possible. Hiring the right people for the job is important, but retention is even more critical. Retaining employees is one of the most difficult challenges that organizations face in today's world. (Sergio, et al., 2015). Tension and stress in the workplace can lead to an increase in employee turnover, and if the work environment does not meet the needs of employees, it can make them want to leave the organization (Todor, 1980). When employees feel a sense of belonging to the company, they will work more effectively, resulting in high organizational performance, less absenteeism and the retention of the best workers. (Barrett and O'Connell, 2001). To gain employee commitment to the company's goals, it is important that the goals for employee performance and task achievement are aligned and consistent with each other (Truckenbrodt, 2000). This paper tries to investigate whether workplace employment can be used as a retention strategy. Based on the above literature, the conceptual model set for the study is given below:



Objectives of the Study

- To find the relationship between perception of empowerment and employee retention.
- To examine the influence of employee empowerment on employee retention

Hypotheses

Based on the research model and objectives, the following hypotheses are set for the study:

Hypothesis 1

H0: There is a no significant and positive relationship between workplace empowerment and employee retention.

H1: There is a significant and positive relationship between workplace empowerment and employee retention

Hypothesis 2

H0: workplace empowerment has no significant impact on employee retention.

H1: workplace empowerment has a significant impact on employee retention

Research Methodology

The present study was designed to investigate the relationship between workplace empowerment and employee retention. In order to study this relationship, the descriptive-survey method of investigation coupled with techniques of correlation analysis and regression analysis were used. The study is survey based, as it has definite objectives, planning analysis and interpretation of the data gathered and skilful reporting of the findings. The research is designed to access the conceptualizations, perceptions and attitude of IT workers regarding employee empowerment. The methodology is used to involve both quantitative and qualitative approaches.

The data used in this research has been collected from IT workers in Kochi, Kerala. The selections of the respondents were using convenience sampling. Scale items for assessing key constructs, such as workplace empowerment and employee retention were adapted from prior studies' validated measures. The respondents were requested to indicate the extent to which they agree or disagree, based on their experiences, by checking the appropriate response to the questionnaire items regarding the key constructs of the study. The questionnaire is divided into 2 sections: The first section of the questionnaire is demographic information and the second section items aimed at measuring constructs as recommended in the literature. The responses were mapped on Likert 5 point scale, ranging from 1 (strongly disagree) to 5 (strongly agree). Workplace empowerment was measured using the instrument developed by Spreitzer's (1995) and employee retention was measured using instrument developed by Walker (2001). Questionnaire was distributed to 145 respondents and received 128 valid questionnaires with a response rate of 88.27%. Websites and journals have been used for collecting the secondary data.

Data Analysis and Interpretation

The present study was undertaken with the purpose of finding out the influence of workplace empowerment on employee retention in IT workers in Kochi, Kerala. In order to screen the data for meaningful purpose and to test the hypotheses, the data was analysed using various statistical techniques with the help of SPSS

A) Demographic Profile of Respondents

This section describes respondents' personal background such as gender, age, education, experience and monthly income.

Table 1: Demographic Profile of Respondents

Factors		Frequency	Percentage	Cumulative Percentage
Gender	Male	71	55.47	55.47
	Female	57	44.53	100
Age	Upto 25 years	11	8.59	8.59
	26-35 years	51	39.84	48.44
	36-45 years	49	38.28	86.72

	Above 45 years	17	13.28	100
Education	Graduation	36	28.13	28.13
	Post Graduation	74	57.81	85.94
	Diploma/others	18	14.06	100
Income	Upto 50000	30	23.44	23.44
	50001-100000	32	25.00	48.44
	100001-150000	39	30.47	78.91
	Above 150000	27	21.09	100
Experience	Upto 5 year	28	21.88	21.88
	5-10 years	23	17.97	39.84
	Above 10 years	77	60.16	100

Source: Primary Data

Table 1 illustrated that 55.47 percentage of respondents were male 86 percentage of respondents were less than 45 years of age. 57.81percentage of respondents were post graduates and 51.56 percentage of respondents earns a monthly income more than 100000. 78.13 percentage of respondents had an experience more than 5 years. As a result, the study sample is widely distributed and, samples represent a larger population.

B) Test of Normality

Table 2: One-Sample Kolmogorov-Smirnov Test

		Workplace Empowerment	Employee Retention
Normal Parameters	Mean	2.360	2.312
	Std. Deviation	0.254	0.257
Most Extreme Differences	Absolute	0.124	0.084
	Positive	0.093	0.086
	Negative	-0.122	-0.057
	Kolmogorov-Smirnov Z	1.111	0.807
	Asymp.		
	Sig. (2-tailed)	0.186	0.548

Source: Primary Data

In order to test whether data is normally distributed, Kolmogorov- Smirnov test has been used. It compares the scores in the sample to a normally distributed set of scores with the same mean and standard deviation. If $p > 0.05$, it tells us that the distribution is probably normal. Here, the p-value of p for employee retention and workplace empowerment is greater than 0.05, so data is normal. Hence, we can apply the Parametric Test for further analysis.

C) Test of Reliability

Cronbach's alpha coefficient measures the reliability, of a set of survey items. This statistic helps to determine whether a collection of items consistently measures the same characteristic. Analysts frequently use 0.7 as a benchmark value for Cronbach's alpha. At this level and higher, the items are sufficiently consistent to indicate the measure is reliable.

Table 3: Reliability

Variables	Constructs	Cronbach's Alpha
Workplace Empowerment (Curriwan, 1999)	Autonomy	0.839
	Routinization	0.822
	Social Support	0.781
	Peer Support	0.783
	Supervisor Support	0.863
Employee Retention(Giri et al.,2019)		0.849

Source: Primary Data

It is clear from the above Table (Table 3) that the Cronbach's alpha for each construct is greater than 0.70, indicates the suitable range of reliability of collected data.

D)Hypothesis Testing

Hypothesis 1

H0: There is a no significant and positive relationship between workplace empowerment and employee retention.

H1: There is a significant and positive relationship between employee empowerment and employee retention

Table 4: Correlation between Workplace Empowerment and Employee Retention.

Correlation		Workplace Empowerment	Employee Retention
Employee Retention	Pearson Correlation	1	0.801**
	Sig. (2-tailed)		0
	N	128	128
Workplace Empowerment	Pearson Correlation	0.801**	1
	Sig. (2-tailed)	0	
	N	128	128

Source:

Primary Data

Note: Correlation is significant at the 0.01 level (2-tailed).

The results of Karl Pearson's Correlation suggested that there is a positive correlation between the level of Employee empowerment and the level of job satisfaction ($r = 0.801$, $p = .000$) as significance value $p \leq .01$; in the select organizations. It implies that employee empowerment in the form of autonomy, feedback, fairness, respond system, management information and resource sharing, extent of participation in decision, communication, response in problem solving, accountability for performance, role perception, team work, leadership style, management style, response to risk and innovation, organization culture and the job satisfaction has a positively correlation. Hence, the alternative hypothesis accepted as there is a significant relationship between workplace empowerment and employee in the IT sector.

Hypothesis 2

H0: workplace empowerment has no significant impact on employee retention.

H1: workplace empowerment has a significant impact on employee retention

Multiple regression approach was used to know the relationship between dependent variable i.e. employee retention and independent variable i.e. workplace empowerment. It helps one understand how the value of employee retention changes when any one of the workplace empowerment variable is varied, while the other independent variables are fixed.

Table 5: Multiple Regression Analysis

Model	R	R Square	F	Sig.	Beta	t	Sig.
1	0.801	0.642	226.189	.000	0.758	15.040	0.000

Source: Primary Data

a. Predictors: (Constant), Workplace Employment

b. Dependent Variable: Employee Retention

Table 5 depicts, a positive correlation exists between workplace empowerment and employee retention among IT workers, ($r = 0.801$). This denotes that change of the independent variable and dependent variable are in same

direction. Specifically, $R^2 = 0.642$ implying that 64.2% of the variation in employee retention is explainable by the workplace empowerment. In this regard, the data's F-value was 226.189 ($p < 0.05$), t value 15.040 ($p < 0.05$) and β value of 0.758. As such there exists statistically significant effect of workplace empowerment variable on employee retention. The alternative hypothesis is therefore accepted and can be concluded that workplace empowerment has a significant impact on employee retention. The results of the study were found consistent with Varekamp et al.,(2018), Nyanjom, (2013) and Hong et al.,(2012)

Limitations and Scope for Future Research

While this study contributes to the existing literature on workplace empowerment and employee retention, it has its own limitations. The survey only considered the impact of one factor (empowerment) on employee retention, ignoring other factors that may also have an influence. Additionally, the study was limited to IT employees in Cochin, Kerala, and therefore cannot be directly applied to other samples or geographical areas. Future studies could expand the scope of retention strategies to other sectors such as teaching and hospitality, as well as consider a wider geographical frame and other factors that may influence employee retention beyond workplace empowerment.

Conclusion

Employees are a valuable asset to any organization, and their retention is important. Workplace empowerment, where employees are given autonomy and a voice in decision-making, can be an effective retention strategy. Other strategies that organizations use to retain employees include offering competitive compensation, providing opportunities for professional development, promoting a positive work-life balance and creating a positive company culture. HR managers must also assess the specific needs and preferences of their employees and tailor their retention strategies accordingly. A well-implemented workplace empowerment strategy can lead to better employee retention by giving employees a sense of ownership and responsibility in their work. When employees are empowered to make decisions and contribute their ideas, they feel valued and invested in the success of the company. This can lead to increased job satisfaction, motivation and commitment. Encouraging employees to share their ideas and suggestions also helps to foster a culture of transparency and fairness, which can further improve employee engagement and retention. Additionally, when employees feel that their voices are heard and their input is taken into account when policies or plans are implemented, it can lead to a sense of trust and loyalty towards the company.

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