Case Report

Studying the effects of empowering human resources on organizational performance

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ABSTRACT

In this paper we dealt with studying the effects of empowering human resources on organizational performance. Empowering employees is granting them the authority to decide in order to enhance their performance to be able to play a useful role in the organization, which results in employees improving their performance by acquiring knowledge, skills and motivation because empowerment process is a validation-related process that extends from top management to the lowest organizational ranks. In this study, data were analyzed by information obtained from the questionnaire. And using inferential statistical tests and software spss, hypotheses were evaluated. The results show that knowledge and skills of employees have an impact on performance. Staff Trust has no impact on performance. Staff relations have an impact on performance. Staff motivation has no impact on and performance.

Keyword: empowerment, human resources, organizational performance.

1- INTRODUCTION:

There is no doubt that at all ages human resources has been considered the most important factor in reaching development, and it has always suggested as the engine of development. Experience has shown that every organization requires skilled, creative and motivated manpower to achieve its preset goals. Therefore, a successful organization is one which includes human resources having organizational culture, ideas and common goals who offer their experience and knowledge to the organization. Under these circumstances, any process that promotes the empowerment of human resources is a capital-increasing process, and its result is directly reflected in the quality and quantity of services. If managers are able to increase the natural ability of staff, it leads to develop and improve the organization's activity. Thus, as organizational change is human-centered, the balance of human resources should be improved so as to achieve acceptable levels of organizational development. They should be grown inwardly in an autonomous way. Health sector is a part of Social Security that human has a central role in. Any prediction or plan for the future is influenced by the complexity of human behavior. So paying attention to empowerment of human resources regarding the social security and the health sector of the organization becomes more important.

In this study, the researcher, due to the research subject, addresses the main issue of the research and its necessity, targets, scope and variables.

2- Addressing the issue:

Empowerment is a process which helps to have continuous improvement in performance through development and expansion of influence and capabilities of people and teams, and using

individual and group capacity and capabilities. Empowerment has the role of a catalyst for managers, the purpose of which is to help others to become independent. (Aghajani and Aghajani, 2005)

Empowerment is granting employees the authority to decide in order to enhance their performance and play a useful role in the organization. (Kagee,2006) it result in employees acquiring knowledge, skills and motivation to improve their performance because empowerment is a validating process which extends from the lowest rank to the top management of an organization. (Survage,2000,1)

Studies show that if knowledge and skills are aligned with an individual's intelligence, they lead to the ability of them, so successful managers believe that Coaching is their most important duty, and the key to their success is paying attention to the human characteristics, nature and intelligence and converting them to performance. Successful managers rather than control and correct the staff, try to discover their personal sagacity, and they also make staff's brain and thought more dynamic. Moreover, they help them flourish their own intelligence and apply it. (Aghajani et al, 2006)

Environmental changes require organizational transformation. Big changes within the organization rarely occur without the assistance of individuals. And if there is no shared trust between management and employees, no method is effective. When organizations want to survive in today's complex and dynamic world, they must restrain human potential and seek benefit from it. Empowerment is known as a tool applied to provide the potential capacities in order to exploit the human abilities which are not used to their complete capacity. (Blunchard et al, 2002, page 1)

There are many reasons to show that empowerment reached positive achievements in performance by involving and participating employees in work. And these achievements are the only reasons for the process of extending empowerment in an organization. Of course, if we act with a proper definition of empowerment and apply the empowerment process correctly then we firmly believe that we will create continuous improvement in organizational performance. (Kinla, 2004, page 142)

After years of experience, the world has come to the conclusion that if an organization wants to be a leader in economic and business affairs and not lag behind others in competition, it should recruit creative, motivated and expert human resources. If the personnel working in organizations with their potential competences and capabilities are considered, they play a crucial role in the comprehensive growth and development. It seems that empowerment is a kind of acceptable macro-strategy for continuous improvement, and it is a symbol for all kinds of processes for applying individuals' competence in new and creative methods of all aspects of organizational performance. So this question comes to mind that what factors are effective on employee empowerment. On this route, using different techniques and methods helps to improve the empowerment of employees. In this paper an attempt is made to explain the aspects of this concept, definitions, and organizational characteristics of empowered employees and factors affecting the empowerment of achievements to be addressed.

Given that Saman Bank, branches located in Tehran Province, currently provides a wide range of activities, how can it improve its performance through empowerment of human resources?

3- data analysis method

The analysis of statistical data is one of the essential steps in various studies and research on which the research results depend. To serve this purpose, the questionnaires whcih have been completed by respondents are collected, and the raw data needed to test the hypotheses are recorded by a computer and software. Then, the

data are analyzed by spss software and in two phases they are converted to information used in this study. In the first stage, which is the descriptive analysis of the data, absolute frequency, percentage of relative frequency, central tendency indices (mean) and dispersion indices (standard deviation) were used. In the second stage, which is the inferential analysis of the data, by the information obtained from the questionnaire, we studied the data data and inferential statistical tests and software spss were conducted to test the hypotheses.

3-1 statistical population

Since the objective of the research is to study the effect of empowering human resources on performance of branches of Saman Bank in Khuzestan Province, Therefore, the statistical population of this study consists of directors, heads of branches, and experts of branch offices of Saman Bank in Khuzestan province which comes to 360 persons.

3-2 The sample size and the method of measurement

Since the statistical population consists of 360 people, according to Morgan table, 136 persons were chosen as members of sample. Moreover, the type of sampling is stratified random sampling.

4- Research findings

Analysis of inferential statistics

Answering the research hypotheses:

Before evaluating the hypotheses, the hypothesis of variables being normal was assessed using the Kolmogorov-Smirnov test the results are given below:

Table 1- Kolmogorov-Smirnov test

	Knowledge	Trust	relation	motivation	empowerment
Number	136	136	136	136	136
Kolmogorov-Smirnov statistic	1.331	0.985	1.132	0.994	0.639
P-value	0.058	0.247	0.154	0.277	0.809

According to the obtained P-values and comparing it to 0.05, its being bigger than 0.05, the hypothesis of variables being normal is accepted, and so Student's t-test should be used.

Before answering the hypotheses, we study the descriptive and inferential statistics related to every single question using chi-square tests and t tests:

Table 2- Descriptive statistics and chi-square tests related to each question

	Number	Mean	Standard deviation	minimum	maximum	chi-square statistic	P-value	Result
Professional skills and knowledge of employees is very important for management	136	4.13	0.969	2	5	64.41176	0.000	The answering process is not uniform
Staff have adequate education in terms of professional knowledge and skills	136	3.53	0.834	1	5	144.6618	0.000	The answering process is not uniform
The staff are capable in terms of communication skills	135	3.50	0.818	2	5	46.65926	0.000	The answering process is not uniform
employees should be encouraged to use problem-solving skills while they are doing their jobs	134	3.19	0.954	1	5	68.61194	0.000	The answering process is not uniform
Opportunities for growth and equitable development of skills and knowledge are provided in the organization	136	2.99	0.996	1	5	52.75	0.000	The answering process is not uniform
Teaching knowledge and skills of employees is planned based on needs assessment for individuals	133	3.20	0.991	1	5	59.59398	0.000	The answering process is not uniform

	Number	Mean				Mann-Whitney statistic	P-Value	Result
Staff have the right to comment regarding determining the responsibilities of their job	136	2.85	1.015	1	5	46.72059	0.000	The answering process is not uniform
Employees have the right to comment about determining their salaries	135	2.20	1.050	1	5	57.37037	0.000	The answering process is not uniform
Policies used in order to increase the quality of care, transparency are good and satisfactory	135	3.07	0.821	1	5	103.4074	0.000	The answering process is not uniform
Staff without fear of punishment can freely express their opinions	136	2.88	1.125	1	5	36.20588	0.000	The answering process is not uniform
Staff have access to the information of personal working files	133	3.28	0.955	1	5	63.95489	0.000	The answering process is not uniform
The organization releases information related to the reward structure	133	2.84	1.154	1	5	41.3985	0.000	The answering process is not uniform
management gives proper notification regarding changes	133	3.28	0.955	1	5	63.95489	0.000	The answering process is not uniform
employees give managers the feedback	134	3.50	0.820	1	5	132.194	0.000	The answering process is not uniform
Information on goals and future demands of organization is given to staff	134	3.34	0.831	1	5	102.0448	0.000	The answering process is not uniform
Information on how to achieve the organization's goals is given to staff	134	3.20	0.766	2	5	50.06061	0.000	The answering process is not uniform
staff are given feedback on how they operated	133	3.23	0.953	1	5	67.11278	0.000	The answering process is not uniform
Employees understand how information is transmit throughout the organization	132	3.02	0.941	1	5	59.43939	0.000	The answering process is not uniform
The organization supports risk taking of employees	133	2.64	0.899	1	5	90.42105	0.000	The answering process is not uniform
Management appreciates staff good performance	136	2.60	0.961	1	5	61.42974	0.000	The answering process is not uniform
In this organization, promotion opportunities are satisfactory compared with similar organizations	135	2.60	1.087	1	5	34.37037	0.000	The answering process is not uniform
employees' Salaries and benefits are proportionate to the type of their job and the expectation of them	136	2.31	1.015	1	5	65.10294	0.000	The answering process is not uniform
Delegating the responsibilities within the organization should be fair	136	2.38	0.910	1	5	74.66176	0.000	The answering process is not uniform
the views of staff in the workplace should be considered and valued	136	2.73	0.985	1	5	58.19118	0.000	The answering process is not uniform

After studying the above table, we can see that no answering process is uniform. In order to check that answering process is toward being effective (option too much) or being ineffective, Mean Column and Mann-Whitney test have been used, which we can see below.

Table 3- Descriptive statistics and chi-square tests related to each question of the questionnaire

	Number	Mean	Mann-Whitney statistic	P-Value	Result
Professional skills and knowledge of employees is very important for management	136	4.13	13.5321	0.000	agreeing
Staff have adequate education in terms of professional knowledge and skills	136	3.53	7.403515	0.000	agreeing
The staff are capable in terms of communication skills	135	3.50	7.04608	0.000	agreeing
employees should be encouraged to use problem-solving skills while they are doing their jobs	134	3.19	2.355236	0.020	agreeing
Opportunities for growth and equitable development of skills and knowledge are provided in the organization	136	2.99	-0.172216	0.864	Somewhat
Teaching knowledge and skills of employees is planned based on needs assessment for individuals	133	3.20	2.363516	0.020	agreeing
Staff have the right to comment regarding determining the responsibilities of their job	136	2.85	-1.68977	0.093	disagreeing
Employees have the right to comment about determining their salaries	135	2.20	-8.85658	0.000	disagreeing
Policies used in order to increase the quality of care,	135	3.07	0.94307	0.347	somewhat

	Number	Mean		p-value	
transparency are good and satisfactory					
Staff without fear of punishment can freely express their opinions	136	2.88	-1.29571	0.197	somewhat
Staff have access to the information of personal working files	133	3.35	928308	0.000	agreeing
The organization releases information related to the reward structure	133	2.84	3.22414	0.117	somewhat
management gives proper notification regarding changes	133	3.28	3.22414	0.002	agreeing
employees give managers the feedback	134	3.50	7.055645	0.000	agreeing
Information on goals and future demands of organization is given to staff	134	3.34	4.676882	0.000	agreeing
Information on how to achieve the organization's goals is given to staff	132	3.20	2.954056	0.004	agreeing
staff are given feedback on how they operated	133	3.23	2.821894	0.006	agreeing
Employees understand how information is transmit throughout the organization	132	3.02	0.185015	0.854	somewhat
The organization supports risk taking of employees	133	2.64	-4.90599	0.000	disagreeing
Management appreciates staff good performance	136	2.60	-4.90599	0.000	disagreeing
In this organization, promotion opportunities are satisfactory compared with similar organizations	135	2.60	-4.27466	0.000	disagreeing
employees' Salaries and benefits are proportionate to the type of their job and the expectation of them	136	2.31	-7.94277	0.000	disagreeing
Delegating the responsibilities within the organization should be fair	136	2.38	-8.00663	0.000	disagreeing
the views of staff in the workplace should be considered and valued	136	2.73	-3.22161	0.002	disagreeing

The first sub-hypothesis

Skills and knowledge of employees is effective on the performance of the branches of Saman Bank in Khuzestan Province.

H0= Skills and knowledge of employees is not effective on the performance of the branches of Saman Bank in Khuzestan Province.

H1= Skills and knowledge of employees is effective on the performance of the branches of Saman Bank in Khuzestan Province.

Table 4 descriptive statistics of variable of Skills and knowledge

Number	Mean	Standard deviation	*standard*error of the mean
136	3.422	0.558	0.047

Table 5- T test for the first sub-hypothesis

Test value =3				95 percent interval for mean difference	
T statistic	Degree of freedom	p-value	Mean difference		
				Upper limit	Lower limit
8.822	135	0.000	0.42230	0.3276	0.5170

Due to the significance level of 0.000, which is less than 0.05, the hypothesis suggesting that mean is equal to 3 is rejected. Due to the fact that the confidence interval is positive, we conclude mean is bigger than 3, so we can say that Skills and knowledge of employees is effective on the performance of the branches of Saman Bank in Khuzestan Province.

The second sub-hypothesis

Trust is effective on the performance of the branches of Saman Bank in Khuzestan Province.

H0= Trust is not effective on the performance of the branches of Saman Bank in Khuzestan Province.

H1= Trust is effective on the performance of the branches of Saman Bank in Khuzestan Province.

Table 6 descriptive statistics of variable of Trust

Number	Mean	Standard deviation	*standard*error of the mean
136	2.8663	0.71119	0.06098

Table 7- T test for the second sub-hypothesis

Test value = 3					
T statistic	Degree of freedom	p-value	Mean difference	95 percent interval for mean difference	
				Upper limit	Lower limit
-1.192	135	0.030	-0.13370	-0.2543	-0.131

Due to the significance level of 0.000, which is less than 0.05, the hypothesis suggesting that mean is equal to 3 is rejected. Due to the fact that the confidence interval is negative, we conclude mean is smaller than 3, so we can say that trust is not effective on the performance of the branches of Saman Bank in Khuzestan Province.

The third sub-hypothesis

Communication is effective on the performance of the branches of Saman Bank in Khuzestan Province.

H0= Communication is not effective on the performance of the branches of Saman Bank in Khuzestan Province.

H1= Communication is effective on the performance of the branches of Saman Bank in Khuzestan Province.

Table 8 descriptive statistics of variable of Communication

Number	Mean	Standard deviation	*standard*error of the mean
136	3.2621	0.58608	0.05026

Test value =3					
T statistic	Degree of freedom	p-value	Mean difference	95 percent interval for mean difference	
				Upper limit	Lower limit
5.216	135	0.000	0.26213	0.1627	0.3615

Due to the significance level of 0.000, which is less than 0.05, the hypothesis suggesting that mean is equal to 3 is rejected. Due to the fact that the confidence interval is positive, we conclude mean is bigger than 3, so we can say that communication is effective on the performance of the branches of Saman Bank in Khuzestan Province.

The fourth sub-hypothesis

Motivation is effective on the performance of the branches of Saman Bank in Khuzestan Province.

H0= Motivation is not effective on the performance of the branches of Saman Bank in Khuzestan Province.

H1= Motivation is effective on the performance of the branches of Saman Bank in Khuzestan Province.

Table 9 descriptive statistics of variable of Communication

Number	Mean	Standard deviation	*standard*error of the mean
136	2.5473	0.74417	0.06381

Table 9- T test for the fourth sub-hypothesis

Test value =3					
T statistic	Degree of freedom	p-value	Mean difference	95 percent interval for mean difference	
				Upper limit	Lower limit
-7.094	135	0.000	-45270	-0.5789	-0.3265

Due to the significance level of 0.000, which is less than 0.05, the hypothesis suggesting that mean is equal to 3 is rejected. Due to the fact that the confidence interval is negative, we conclude mean is smaller than 3, so we can say that motivation is effective on the performance of the branches of Saman Bank in Khuzestan Province.

The main hypothesis:

Empowering human resources is effective on the performance of the branches of Saman Bank in Khuzestan Province.

H0= Empowering human resources is not effective on the performance of the branches of Saman Bank in Khuzestan Province.

H1= Empowering human resources is effective on the performance of the branches of Saman Bank in Khuzestan Province.

Table 10 descriptive statistics of variable of Empowering human resources

Number	Mean	Standard deviation	*standard*error of the mean
136	3.0245	0.55236	0.04736

Table 11- T test for the fourth sub-hypothesis

Test value = 3					
T statistic	Degree of freedom	p-value	Mean difference	95 percent interval for mean difference	
				Upper limit	Lower limit
0.517	135	0.606	0.02451	-0.0692	0.1182

Due to the significance level of 0.606, which is less than 0.05, the hypothesis suggesting that mean is equal to 3 is accepted. Due to the fact that the confidence interval is negative, we conclude mean is smaller than 3, so we can say that Empowering human resources is fairly effective on the performance of the branches of Saman Bank in Khuzestan Province.

Prioritizing research hypotheses

Here, using Friedman we prioritize the research variables used in the hypotheses.

In order to examine these same questions we test the following priority indicators

$$H_0 : \mu_1 = \mu_2 = ... = \mu_4$$
$$H_1 : \mu_i \neq \mu_j \left(i, j = 1,....,4, i \neq j\right)$$

Table 12 Chi-square statistic

Number	136
Chi-square	250.468
Degree of freedom	3
P-value	0.000

Due to the P-value of 0.000 and comparing it to significance level of 0.05, which is less than 0.05) we conclude that the null hypothesis, suggesting the priority of indicators is the same, is rejected. In the table below we see the rating of indicators in order of priority.

Table 13- Indicators priority

Indicator	Rating mean
Knowledge	3.39
communication	3.07
Trust	2.11
Motivation	1.44

As can be seen from the chart above, indicators, in order of priority, are as follows.

1- Knowledge
2- Communication
3- Trust
4- Motivation

5- CONCLUSION

In this section the results of the final tests conducted to the studied Variables, including test for determining the reliability, T test and Friedman are offered:

♦- Cronbach's alpha test result shows that given that the calculated Cronbach's alpha is 0.90 (Alpha=0.90) we can conclude that the null hypothesis is confirmed, this means that the reliability of the questionnaire is at an acceptable level.

♦- The results of t-test for evaluation of the effect of skills and knowledge on organizational performance have showed that skills and knowledge of employees affect the performance of the branches of Saman Bank in Khuzestan province.

♦- The results of t-test for evaluation of the effect of trust on organizational performance have showed that trust of employees does not affect the performance of the branches of Saman Bank in Khuzestan province.

♦- The results of t-test for evaluation of the effect of communication on organizational performance have showed that communication of employees affect the performance of the branches of Saman Bank in Khuzestan province.

♦- The results of t-test for evaluation of the effect of motivation on organizational performance have showed that motivation of employees does not affect the performance of the branches of Saman Bank in Khuzestan province.

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