

The Employee`s empowerment strategies in the Financial institutions of the Developing countries

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Abstract

The main emphasis of this article was to examine and elaborate the implications of the employee`s empowerment regarding the financial institutions of the developing countries. Strategies should be devised which can provide an insight about the employee`s empowerment and elaborating the key factors leading towards it. Empowerment is a kind of process which can be explained under the heads of cultural empowerment, sharing of information, enhancement of competency level, vesting autonomy to an extent, provision of resources and betterment of supportive measures. The benefits of employee`s empowerment were being categorized and the constraints in this regard as well. Theoretical foundations of the employee`s empowerment were examined in the literature extensively thus providing a sound framework about the subject. The focus of this study is to conclude that on the part of the employee, his/her empowerment is a key towards innovation, competency and modernization in the contemporary corporate culture. Employers of the both public and the private sectors do aspire to bring about certain changes in the working format of their employees. Still, the phenomenon of empowerment is hindered by the vested interests of the employers and other stakeholders around. This study is an effort to make the employer and the employee both well abreast of almost all the prerequisites, implications and the benefits of the empowerment, especially in the financial institutions.

Keywords: Employee`s empowerment, financial institutions, Developing countries

1. Introduction

The dynamism presently is the vogue of the business world where strategies and tools of management are facing with certain overwhelming changes. A competent manager ought to be flexible, adaptive and diverse in his perceptions and policies so that to implement them in a way to bring about maximum efficiency and productivity in the commercial activities of the institution. The subject of empowerment is relatively new and the comprehension level, in this regard, among the managers is comparatively low. But for the survival, there is a dire need to get the related people educated so that they should get well aware of their rights, privileges and last but not the least about the duties. Resultantly, there will be a sharing rather decentralization of the powers among all the employees from top to the bottom level of the institution.

Lack of investment in the human resources, in the developing countries is the core issue which has hit the socio-economic sectors to an extent. Consequently, there is dearth of the competent and high profile human capital in the production sector. The financial institutions have a great role to play in bringing up the already low profile of the employees by making investment in their departments. It is pertinent to state that the psychological therapy of the employees is a critical factor for the grooming of a successful team. Here, the leadership matters a lot as only competent managers can implement his/her agenda successfully (Conger & Kanungo, 1988). An intelligent manager, can impart vision to the employees by sharing tasks and duties among them quit judiciously. This very measure will bring out the potential of the employees and will make them dedicated with their task as well. Along with, as the input ratio will get enhanced, the graph of the clientele will also rise. The empowered employees can make decisions in their own capacity and can improve the customer service and activate the related windows (Kaplan, 1991). Resultantly, both the saving and the investment accounts will get improved.

The empowerment not only benefits the institution but it is also followed by the high commitment level on the part of the employees. It will yield not only high output rather there will be a significant improvement in the stock-exchanges as well. The business activities will get improved due to high investment which will further enhance the credibility of the financial institutions (Randolph, 1995). The empowerment is like a tonic which empowers the employees` psychologically, socially and financially. It promotes a kind of contentment and job satisfaction among them. It results in personal growth, elated feelings, confidence and self-control which lead to a soft relationship between employer and the employee. Moreover, it makes the employees utilize their knowledge and skills, professional autonomy, potentials and capabilities thus enabling them to withstand their decisions, assume risks, and taking appropriate actions (Spreitzer, 1996). It is a situation where customers benefit

from the employees and the institution benefit both from the employees and the customers due to higher confidence and self-esteem.

2. The Employee's Empowerment

The employee empowerment has become very much significant while framing the policies pertaining with development strategies and socio-economic credibility of the financial institutions. Empowerment has become a multidimensional phenomenon which enfolds both socio-economic and psychological parameters, which are explicitly linked (Lee & Koh, 2001). The empowerment imparts both psychological and power for prospective management based upon employee own perception and skill. It is that power of an employee by which does not only motivate rather lead his/her co-worker. It is that extent of mindset by which the employee can format his/her own course of action to achieve the goal as set by the institution. In this regard, he/she becomes able to communicate and assert with the client with a more convincing manner to sustain the policies as furnished by their high ups (Connor, 2001).

Jarrar and Mohamed (2002) state that empowerment offers a value to the employee to elevate their status and profile as well as it induces feelings of professional supremacy. The employee's skill, experience if bracketed with empowerment can revolutionize the business activities not only in the financial institutions rather these factors can create ripple in the other allied institutions as well. The empowerment is the superlative form of motivation which is the only prerequisite for the contemporary economic and financial dynamism. It is the empowerment only through which the working environment can be reshaped to such an extent where employee can perform and deliver with enhanced confidence, vigor and efficiency (Noeleen, 2004). Globally, there are no hard and fast rules for empowerment rather they may differ according to the different social, financial, political and demographic condition. The theory of empowerment is mainly based upon the modern concept of participation management where the managers are among the main stakeholders in the policy making and functioning of the financial institutions (Sheng et al., 2004).

In the financial institutions, the productivity/output implies a strong and credible relation between the financier and the client. Maximum investment, on the part of the institution, in the form of short term and long term loans and successful implementation of the state policies are the manifestation of the employee's efficiency. In this regard, the empowered employee carries the feelings of authority, accomplishments, fulfillment, ownership, possession and professional authority which are a key to success for any organization especially the financial institutions where the loaning, funding and recoveries for the small and the big enterprises are pursued by them (Barnardin, 2007). Moreover, the empowerment also acts like a catalyst in the wholesome relationship between the employees and the institution. It lifts the dedication level and enhances the overall influence of the employee which further enhances his/her commitment level as well (Greenberg & Baron, 2008). There is a perception that empowerment of the employees weakens the authority of the leadership. But this notion is comprehensively wrong as the efficiency of the employee is directly proportional to his/her empowerment.

The competition prevailing in the business market needs quality and participation by the employees of the financial institution. The contemporary business culture demands that the employees must have authority over their decisions to uplift the morale of the clients. Otherwise, in the context of global competitors the financial institutions of the developing countries will fail to deliver. This dilemma can be removed if the employees in question can be assured that they are ready for the level of authority being placed with them (Parikh & Gupta, 2009). Empowerment is a result oriented process and the concerned employee will gain as much confidence as the process goes on. The relationship between the managers and the workers is vital to smooth down the relationship as well as to create such working environment where the both may yield maximum output (Shivangee & Dixit, 2011). The benefit of empowerment allows each employee to bring his/her experience and creativity to prevail upon the institutional policies. Regarding the empowerment, some liabilities may fall in the domain of policy makers. Annual bonuses, the entire policy framework should restructure in which the attorney of decisions must be vested in the employees (Ghosh, 2013).

3. Discussion

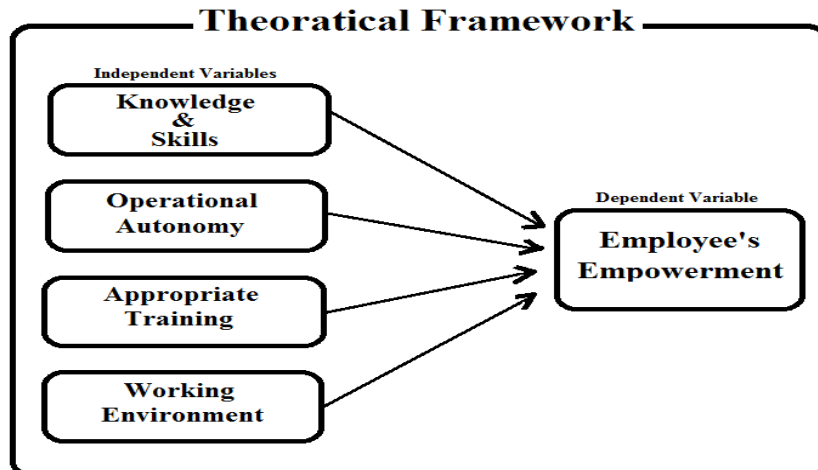
The main emphasis of the present work is to embitter the performance level of the employees by inducing confidence and sense of authority among them. Consequently, the employee profile will become different all together and he/she become assertive in the operational activities of the financial institutions. This is the qualitative study in respect to financial institutions of the developing countries especially in Pakistan. There are loop holes in the national economy regarding skill, experience and most significantly the empowerment of the human resources working in the small business financial institutions. The need is to enlarge the sphere of home industry by making small investment in the shape of soft loans. Without making investment in the small ventures the economy will remain in the shambles as in the developing countries large scale investment is not possible

due to political instability. In this regard, there is a need to educate about the communication skills those which will empower the employees especially the field officers.

The empowerment is a phenomenon which imparts authority to influence the entire environment which prevails around an employee and the concerned institution. The employee gets empowered with multiple options and opportunities to utilize in the dispensation of his/her powers and skills (Sewell & Wilkinson, 1992). In the present corporate culture the business activities are backed by the financial institutions not only monetarily rather the managerial skills also support them a lot in providing them updates about the range and scope of options and resources awaiting in the pipe line (Linda, 1997). An assertive collective and democratic kind of atmosphere leads the whole scenario where the main emphasis is upon change, ability to learn skills for improving one's personal or group power, ability to change others' perceptions by democratic means, involving in the growth process and changes that is never ending and self-initiated and increasing one's positive self-image (Newstrom & Davis, 1998). This process if implemented in its real spirit and practicalities a prior conducive and supportive working format must be there.

The prime strategies for the employee's empowerment include broadening the sphere of employee's education and training, their participation in the institutional policies and framework, setting their own courses for the achievement of the goals, enhancement of employee's contribution thus elevating their self-respect, bringing down the level of absenteeism and furloughs, manifestation of their skills in an independent atmosphere to bring more investment in the different programs (Standing, 2000; Sirkin, 1993). The monetary benefits, in this regard, are much supportive in the empowerment procedure. The pay scales, the increments, monthly and the annual bonuses, the medical facilities, the children education and other such allowances can empower the employee at the socio-economic level (Barnardin, 2007). Collectively, some bold and creative decisions can induce empowerment among the employees of the financial institutions which can revolutionize the business sector of the developing countries.

The structure of employee's empowerment stands over four pillars which can enumerate as the imparting knowledge and skills, operational autonomy, appropriate training and the conducive working environment. All of these pillars are interred connected and they mutually depend upon each other. Accumulatively, they lead to the employee's empowerment. Among others, the working environment of the institution retains a foremost standing. The empowerment gives a democratic outlook to the entire working format. The empowerment is a collective concept because individualism is an anti-thesis in this regard.



4. Conclusion

The main purpose of this article was to elaborate the importance of the employee's empowerment as well as to observe the status of empowerment enjoyed by employees in the financial institutions. We are studying the impact of empowerment over the general behavior and efficiency level of an employee along with, it is a matter of great interest that how an empowered employee broadens the sphere of his/her activities towards the benefits of the concerned institution. Among many sample institutions, the financial institutions were shortlisted for the present research deeming them as the backbone of the national economy especially in the developing countries.

On the part of the financial institutions, the empowerment is the prerequisite for the economic development. For this purpose investment in the human resources in the form of knowledge and skill direly needed. The literature reveals that the proper training programs and the conducive working environment are also significant for the employee's empowerment leading to the successful operation of the financial institutions. It also concluded from the current study that the empowered employees can play a vital role in the decision making process of the institutions. It is also concluded from the present work that the democratic outlook and autonomy in making the

decision can only be possible through empowerment of the employees. The financial institutions, in pragmatically, can frame and implement long term policies only when the employees have the authority to assert their decisions according to the circumstances. Globally, the corporate culture demands bold reforms in the investment policies which are viable only when the professional profile of employee, from managers to the field officers of the financial institutions, will be elated.

5. Recommendations

Keeping in view the findings from the existing research, the following recommendations are suggested as guidelines emerging from the present study for the financial institutions in the developing countries like Pakistan:

1. In the prevailing scenario, survival is only possible through empowerment of the employees.
2. The empowerment is a consistent phenomenon and there is no shortcut in this regard.
3. The empowerment programs must be comprised of appropriate measures framed by the institutions carefully.
4. While framing the policies for empowerment, the political and socio-economic conditions should be considered priority to avoid any further embarrassment.
5. The phenomenon of empowerment, once successfully implemented, becomes self-sustained.
6. It acts like a wave front whose impact is for reaching.

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