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**The Impact of Human Resource Management on Employee Empowerment:
Application to Banking Sector**

Master Thesis

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SCIENTIFIC ETHICS PAGE

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27 / 07 / 2023

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TABLE OF CONTENTS

Table of Contents.....	I
LIST OF FIGURES.....	III
LIST OF TABLES	IV
ABSTRACT.....	V
INTRODUCTION.....	1
CHAPTER ONE	2
THE PLACE AND IMPORTANCE OF HUMAN RESOURCES MANAGEMENT IN THE BUSINESS.....	2
1. The Place of the Human Resources Department in the Organization.....	2
1.1 What Is Human Resources Management?.....	3
1.2 The Origins of Human Resource Management	4
1.2.1 The Glided Era.....	5
1.2.2 Post–World War II.....	5
1.2.3 Social Issues Era (1963–1980)	6
1.2.4 Cost-Effectiveness Era (1980 to the Early 1990s).....	6
1.2.5 Technological Advancement and Advent of Strategic HRM Era (1990 to Present).....	7
1.3 The Importance of Human Resources Management for the Organization.....	8
1.3.1 Objectives of Human Resources Management.....	10
1.4 Basic Functions of Human Resources Management.....	10
2. Strategic Human Resources Management	18
2.1 Scope of Strategic Human Resources Management	19
2.1.1 The Concept of Strategy.....	20
2.1.2 Aspects of SHRM	24
2.1.3 Features of SHRM	24
2.1.4 Application of SHRM	25
2.1.5 Implications of SHRM	25
2.2 Strategic Human Resources Management Dimensions	27
2.2.1 HR practices and performance.....	27
2.2.2 Re-engineering of the organizations	28
2.2.3 Leadership	28
2.2.4 The work place learning.....	29
2.3 Adaptability and Flexibility in Terms of Strategic Human Resources	30
2.3.1 Adaptability	30
2.3.2 Flexibility	30
2.3.2.1 Skill Flexibility	31
2.3.2.2 Behavior Flexibility	32
2.3.2.3 Human Resource Practice Flexibility.....	33
2.4 The Objective of Strategic Human Resources Management.....	34
2.5 Developing and Implementing Strategic HRM Plans	35
2.5.1 HRM vs. Personnel Management	37
2.5.2. Writing the HRM Plan	40
2.5.3. Tips in HRM Planning	44
2.5.3.1 Link HRM Strategic Plan to Company Plan.....	45
2.6 Monitor the Plan Constantly.....	45
2.7 The Human Resource Management Practices in the Banking Industry	46
CHAPTER TWO	47
2. EMPLOYEE EMPOWERMENT IN HUMAN RESOURCES MANAGEMENT.....	47

2.1 What Is Employee Empowerment	47
2.2 The Role of Employee Empowerment.....	48
2.2.1 Factors Employee Empowerment.....	49
2.2.2 Process of employee empowerment.....	50
2.3 Three Perspectives on Empowerment in the Workplace.....	51
2.3.1 The social-structural perspective	51
2.3.2 The Psychological Perspective	53
2.3.3 The critical perspective	54
2.3.4 Human Capital, Employee Empowerment and Firm Performance.....	55
2.4 Benefits of Employee Empowerment	61
2.4.1 Employee Empowerment Benefits for Staff.....	62
2.4.2 Employee Empowerment for Business	63
2.5 The Organizational Empowerment Scale.....	64
2.6 HRM Practices and Employee Empowerment	67
CHAPTER THREE.....	70
KEY ELEMENTS OF PERSONNEL EMPOWERMENT	70
3.1 Personnel Training and Development.....	70
3.1.1 The Principles of Training and Development.....	71
3.1.2 Training and development techniques	72
3.2 Open Communication	73
3.3 Providing Feedback to Personnel	75
3.4 Encouraging Teamwork.....	78
3.5 Establishment of Motivation and Reward System.....	82
3.5.1 Importance of Rewards System	83
3.5.2 Types of Rewards Systems.....	83
3.5.3 Impact of Reward Systems on Employee Motivation.....	84
CHAPTER FOUR.....	86
THE RESEARCH AT BANKING SECTOR OF IRAQI	86
4.1 The Aim of The Research	86
4.2 Research Importance.....	86
4.3 Purpose of the Research	87
4.3.1 The Scope of the Research	88
4.4 Methodology	88
4.4.1 Questionnaire Design.....	89
4.5 Results.....	90
4.5.1 Demographic Statistics.....	90
4.5.2 Scale Reliability Analysis	93
4.5.3 Descriptive analysis	94
4.5.4 Normality Tests of Research Variables.....	95
4.5.5 Correlation Analysis	96
4.5.6 Regression Analysis for Hypotheses Testing.....	98
4.6 Limitations of the Research and Future Research Directions	100
4.7 The Result of the Research.....	102
4.7.1 Implications to Theory and Practice	104
REFERENCES	105
APPENDIX 1 RESEARCH QUESTIONNAIRES	119
APPENDIX 2 : OUTPUT STATISTICS SPSS V26.....	122

LIST OF FIGURES

Figure 1: To Successfully Write An Hrm Strategic Plan, One Must Comprehend The External Environment's Dynamism.....	38
Figure 2: As Shown In This Diagram, The Firm Strategic Plan Is Linked To The Hrm Strategic Plan, And The Hr Strategy May Be Derived From The Hrm Strategic Plan.	41
Figure 3: Conceptual Model.	60
Figure 4: Teamwork Processes	79
Figure 5: Proposed Conceptual Model.	87
Figure 6: Gender Distribution Within The Study Sample	91
Figure 7: Distribution Of The Study Sample According To Age.....	91
Figure 8: Distribution Of The Study Sample According To Marital Status	92
Figure 9: Distribution Of The Sample For The Study Based On Job Experience	92
Figure 10: Distribution Of The Sample For The Study Based On Job Position.....	93



LIST OF TABLES

Table 1: Developing HR as An Internal Consulting Organization.	8
Table 2: HRM Functions	11
Table 3: Examples of Differences Between Personnel Management and HRM.	36
Table 4: Identification of Factors Affecting Empowerment.....	50
Table 5: Three Perspectives on Empowerment.....	55
Table 6: The Source of Questionnaire Items	89
Table 7: Demographics Information of The Respondents.....	90
Table 8: Reliability Analysis and Internal Consistency Coefficients (Cronbach Alpha).....	94
Table 9: Summery of Descriptive Analysis	94
Table 10: Descriptive Statistics of The Research Variables.....	95
Table 11: Normality Tests for Research Variables.....	96
Table 12: Correlation Analysis	97
Table 13: Model Summary for The Predictors of Dynamic Structural Framework (DSF).....	98
Table 14: Model Summary for The Predictors of Control of Workplace Decisions (CWD)..	99
Table 15: Model Summary for The Predictors of Fluidity In Information Sharing (FIS).....	100

ABSTRACT

This thesis consists of four chapters that explore various dimensions of human resource management (HRM) and employee empowerment in the banking sector of Iraqi region. Chapter One, offers a historical review of HRM and strategic HRM, emphasizing their development and importance in organizations. Chapter Two, investigates the notion of employee empowerment within HRM, analyzing its theoretical underpinnings and approaches used to foster empowerment. Chapter Three, recognizes essential factors influencing personnel empowerment, such as organizational culture, leadership styles, employee involvement, and skill enhancement. Chapter Four, examines the effect of HRM practices on employee empowerment specifically in banking sector of Iraqi region. It reports empirical results and their implications for promoting employee empowerment through efficient HRM practices. In chapter Four, the researcher explores the influence of human resource management (HRM) practices on employee empowerment in banking sector of Iraqi region. The study aims to gain a comprehensive understanding of the notions of HRM practices and their influence on employee empowerment, and its implications for management and policy making. A quantitative research method was employed by administering a questionnaire to 226 employees from banking sector in Iraqi region. The results revealed that HRM practices had a positive significant influence on employee empowerment, especially selection and hiring, job design, and reward and payment systems. However, some HRM practices had less influence on employee empowerment. The study offers recommendations for organizations to follow to fully exploit the potential of employee empowerment by implementing efficient HRM practices. The contribution of this study is that it is one of the few studies that have so far examined this relationship in the Iraqi Region context. Overall, this dissertation adds to the knowledge of HRM and employee empowerment in banking sector of Iraqi region, providing insights for HRM practitioners and organizational leaders aiming to improve employee empowerment and organizational efficiency.

Keywords: Human Resource Management Practices; HRM Practices; Employee Empowerment; The Organizational Empowerment Scale; Banking Sector, Iraqi region.

İnsan Kaynakları Yönetiminin Çalışan Yetkilendirmesine Etkisi: Bankacılık Sektörüne Uygulama

ÖZET

Bu tez, Irak bölgesinin bankacılık sektöründe insan kaynakları yönetiminin (İKY) ve çalışan yetkilendirmesinin çeşitli boyutlarını araştıran dört bölümden oluşmaktadır. Birinci Bölüm, İKY ve stratejik İKY'nin tarihsel bir incelemesini sunar ve bunların organizasyonlardaki gelişimlerini ve önemini vurgular. İkinci Bölüm, İKY içinde çalışan güçlendirme kavramını inceler, güçlendirmeyi teşvik etmek için kullanılan teorik temelleri ve yaklaşımları analiz eder. Üçüncü Bölüm, örgütsel kültür, liderlik stilleri, çalışan katılımı ve beceri geliştirme gibi personel yetkilendirmesini etkileyen temel faktörleri tanıır. Dördüncü Bölüm, özellikle Irak bölgesindeki bankacılık sektöründe İKY uygulamalarının çalışanların yetkilendirilmesi üzerindeki etkisini incelemektedir. Verimli İKY uygulamaları yoluyla çalışanların güçlendirilmesini teşvik etmek için ampirik sonuçları ve bunların etkilerini bildirir. Dördüncü bölümde araştırmacı, Irak bölgesinin bankacılık sektöründe insan kaynakları yönetimi (İKY) uygulamalarının çalışanların yetkilendirilmesi üzerindeki etkisini araştırıyor. Çalışma, İKY uygulamaları kavramları ve bunların çalışanların yetkilendirilmesi üzerindeki etkileri ve bunun yönetim ve politika oluşturma üzerindeki etkileri hakkında kapsamlı bir anlayış kazanmayı amaçlamaktadır. Irak bölgesinde bankacılık sektöründe görev yapan 226 çalışana anket uygulanarak nicel araştırma yöntemi kullanılmıştır. Sonuçlar, İKY uygulamalarının, özellikle seçme ve işe alma, iş tasarımı ve ödül ve ödeme sistemleri olmak üzere çalışanların yetkilendirilmesi üzerinde olumlu ve önemli bir etkiye sahip olduğunu ortaya koydu. Bununla birlikte, bazı İKY uygulamalarının çalışanların yetkilendirilmesi üzerinde daha az etkisi olmuştur. Çalışma, verimli İKY uygulamalarını uygulayarak çalışanların yetkilendirilmesinin potansiyelinden tam olarak yararlanmak için kuruluşlara izlemeleri gereken öneriler sunmaktadır. Bu çalışmanın katkısı, bugüne kadar bu ilişkiyi Irak Bölgesi bağlamında inceleyen az sayıdaki çalışmadan biri olmasıdır. Genel olarak, bu tez, Irak bölgesinin bankacılık sektöründe İKY ve çalışan güçlendirme bilgisine katkıda bulunarak, çalışanların yetkilendirilmesini ve örgütsel verimliliği iyileştirmeyi amaçlayan İKY uygulayıcıları ve organizasyon liderleri için içgörü sağlar.

Anahtar Kelimeler: İnsan Kaynakları Yönetimi Uygulamaları; İKY Uygulamaları; Çalışanların yetkilendirilmesi; Örgütsel Güçlendirme Ölçeği; Bankacılık Sektörü, Irak bölgesi.

INTRODUCTION

In the current business landscape, organizations are seeking creative strategies to raise the performance and productivity of their human resources. This may involve developing new capabilities for rapid adaptation, empowering employees, building high-performance teams, improving supply chains, fostering innovation, and reimagining the basic tenets of organizational structure. To achieve these goals, organizations can look to HR to help build a greater worker responsiveness and adaptability for changing demands. HR can play a strategic role in talent management, workforce planning, and organizational resilience to drive value for the business (Przytuła et al., 2020; Tanjeen, 2013; Abunaila et al., 2022; Anwar & Abdullah, 2021).

People are the most precious asset, as stated by the mission statements of almost all organizations. Any organization requires to have the right people in the right positions at the right times in order to achieve its goals, remain sustainable, and prosper (Oladipo, 2011; Cherif, 2020).

The performance of any business, especially in the banking sector, relies largely on how competent and informed its employees are. By implementing human resource techniques within an organization, the capabilities of the staff can be improved; therefore, organizations should pay more attention to their human resources (Saleem and Khurshid, 2014). Banks have a vital role in the economic growth of any country. They provide essential financial assistance for various projects and investments (Alalie et al., 2019).

Employee empowerment is a key notion in organizational behavior research that has grown in recent years (Tanjeen, 2013). It is considered as a vital factor for improving organizational performance and creating sustainable competitive advantage. Human resource management (HRM) practices have a crucial role in promoting employee empowerment, as they provide employees with the necessary resources, opportunities, and support to exercise authority and accountability over their work. The purpose of this study was to investigate the influence of human resource management practices on employee empowerment in the Iraqi banking sector.

CHAPTER ONE

THE PLACE AND IMPORTANCE OF HUMAN RESOURCES MANAGEMENT IN THE BUSINESS

1. The Place of the Human Resources Department in the Organization

Many people believe that the human resources department of a corporation exists only for recruiting reasons. The HR department carries out different functions and duties, which vary according to the organization's scale, the employees' characteristics, the business sector, the dominant norms and culture, the top management's preferences, and for small businesses, the owner's interests (Swanson 1995).

Insights from studies indicate that around 80% of an enterprise's worth is linked to its human capital (Arthur, 1994: 37). Placing this in context, effective management of personnel becomes a critical factor in whether the organization thrives or collapses. The Human Resource Department has a key mandate in harnessing individual skills for collective achievements. Despite some difficulties associated with this undertaking, they can be addressed through diligent execution and adherence.

A crucial aspect of managing an organization's workforce falls under the jurisdiction of the Human Resource Department. With multiple duties to fulfill, it primarily concentrates on recruitment activities - attracting prospects, retaining employees in their current roles and monitoring their performance levels regularly. What adds immense value to this department's involvement is its ability to impact the company's objectives through smart planning methods for future initiatives that focus on human resources policies (Handy, 1999).

In small-scale enterprises, the human resource's function may be performed solely by the HR department. However, in larger organizations, it often collaborates with other departments like finance or administration. Within certain small businesses, the HR department assumes the role of an internal advisor, taking comprehensive HR-related actions to support the attainment of strategic company objectives. According to Swanson (1995), there is a growing recognition among firms that their HR departments serve as strategic allies in various areas including quality management, corporate planning, business operations, and overall company profitability. HR management is now at the forefront of strategic planning and growth initiatives that enhance the organization's reputation and value.

The Human Resources (HR) department plays a pivotal role in performing needs assessments for the personnel within the organization. This critical function involves the

identification of suitable skills training and employee development programs that are necessary to augment the abilities and qualifications of the staff. By thoroughly evaluating the existing skill gaps and developmental requirements of the employees, the HR department can effectively determine and implement initiatives aimed at enhancing their skills and fostering professional growth. Through this process, the HR department significantly contributes to the overall improvement and advancement of the organization's workforce. Greer (1995) states that organizations in the beginning or growth stages might gain from assessing the training needs of their existing employees. It is much cheaper than recruiting additional staff or more competent people. Moreover, this approach may reduce job turnover and boost employee retention.

Over the years, there has been a substantial transformation and redefinition of HR policies within organizations. It is important to highlight that critics of HR issues have questioned the traditional function of HR departments, which primarily focused on recruitment and addressing employee demands. However, it is noteworthy that HR departments play far more critical roles in businesses beyond these functions (Rothwell, 1994: 45).

Regrettably, in numerous firms, the value of human resources (HR) services is diminished, often limited to performing administrative duties. Nevertheless, Huselid (2000) suggests that the HR department can be replaced by emerging technologies or outsourced to providers who can deliver superior services at a reduced cost—a trend gaining prominence in the business landscape. While this viewpoint may raise concerns, it underscores the importance for a company's HR department to ensure that its programs, policies, and procedures are designed to add significant value to the overall business.

1.1 What Is Human Resources Management?

Human resource management encompasses a range of activities and strategies designed to effectively manage personnel across all levels of an organization, with the ultimate objective of achieving corporate goals (Byars & Rue, 2006: 371). Employees are recognized as the organization's most valuable asset and are crucial to its success. In order to thrive, a company must prioritize employee productivity. However, productivity levels may vary based on factors such as individuals' job-related skills and their satisfaction with their company and role. To cultivate a productive and high-performing team, the business should integrate human resource management considerations into the following organizational areas:

- 1- Creation of a lawful and moral management system.

- 2- Design and analysing jobs.
- 3- Recruitment and selection.
- 4- Healthcare career opportunities.
- 5- Assignment of employee benefits.
- 6- Employee motivation.
- 7- Negotiations with labor unions.
- 8- Employee Dismissals.
- 9- Identification of existing and future healthcare trends
- 10- Methodical planning

Human resource management (HRM) involves the activities of hiring, training, rewarding, setting policies, and developing retention strategies for employees. Over the past two decades, HRM has undergone significant changes, resulting in its increased significance within modern enterprises. Previously, HRM mainly focused on administrative tasks like payroll management, organizing company events, distributing birthday gifts to employees, and ensuring correct form completion. However, it has now evolved to play a vital strategic role in driving organizational success. In the words of Jack Welch, the renowned management expert and former CEO of General Electric, the role of human resource management (HRM) goes beyond traditional tasks such as parties, birthdays, and registration forms. Welch emphasizes that while HRM is crucial in favorable circumstances, its true value is demonstrated during challenging times (Frasch, et al., 2010). It is important to note that every manager, regardless of their title, has responsibilities related to HRM. Even without holding the specific role of an HR manager, managers often assume HRM duties, including employee compensation, motivation, and retention. These factors not only fall within the realm of HRM but are also integral to effective management. As a result, this book is essential for individuals aspiring to be HR managers as well as those who will be leading businesses (Frasch, *et al.*, 2010).

1.2 The Origins of Human Resource Management

Due to the changing trends in the industry and the competitive nature of the open market, human resource management has become a vital element for the effective development of any organization. In ancient times, the concept of manpower planning was initially employed. However, as trends evolved, it transformed into the concept of personal management. Presently, human resource management is widely accepted as the term encompassing personnel administration.

According to Terrey and Franklin (1996), American authors, the six "M"s of management consist of men, materials, women, cash, method, and market. These components or major variables encompass both human and non-human resources. Men and women play a crucial role in effectively managing and utilizing all these resources for productive purposes.

Human resource management is a complex and intricate process. As noted by Harzing and Ruysseveldt, gaining a deeper understanding of the philosophy of human resource management necessitates a thorough understanding of its historical development from its predecessor, personnel management. By tracing its roots and evolution, one can acquire a comprehensive knowledge of the concept and its underlying principles (Kaizenlog, 2006).

1.2.1 The Glided Era

In "The War between Capital and Labor," historian Page Smith examines the impact of the industrial revolution. He describes a scenario where both labor and capital engaged in a metaphorical warfare, with armed individuals representing each side. This resulted in significant human brutality and property damage, resembling an actual war. Many of the personnel involved were veterans of the civil war, and they displayed a readiness to use violence against anyone, similar to their previous experiences in fighting Yankees and rebels. The intense level of violence and destruction reflected the severity of the conflict during this period.

1.2.2 Post–World War II

During wartime, the dynamics of labor mobility and utilization played a crucial role in shaping the nature of employee roles and responsibilities. The productivity and motivation of employees significantly impacted a company's overall performance. Following the conclusion of the war, unions and human relations groups emphasized the need to enhance employee motivation through the incorporation of social and psychological factors. These factors included recognizing employees' contributions, evaluating their performance standards, and providing non-monetary incentives in addition to monetary compensation. During the wartime period, individuals were categorized into specific military services, which led to systematic efforts to organize workers into work groups to improve recruitment and selection processes. This categorization involved detailed job descriptions that provided specific information about job activities, functions, and responsibilities, catering to the needs and inquiries of job seekers. Utilizing these job

descriptions, appropriate compensation systems and evaluation processes were developed and implemented.

1.2.3 Social Issues Era (1963–1980)

During this period, the United States experienced a significant surge in the enactment and enforcement of labor laws, which aimed to regulate various aspects of the employment relationship. These laws addressed issues such as discrimination prevention, retirement benefits, workplace health and safety, tax regulations, and more. Consequently, the role of the human resources department expanded to include the responsibility of ensuring compliance with these legislative requirements. This involved the collection, analysis, and reporting of extensive data to legislative bodies. To ensure fairness in hiring practices, for instance, the human resources department had to gather, analyze, and maintain data related to all employment functions, including recruitment, salaries, training, and benefits. It was during this time that personnel departments began to be referred to as human resource management departments, reflecting the broader scope of their responsibilities in managing and developing the organization's workforce. This marked the establishment and evolution of the HRM department as we know it today.

Additionally, during that time, there was a period of economic prosperity in most industrialized nations. Employee trade unions played a significant role in advocating for improved working conditions, including healthcare benefits and severance packages. As a result, labor costs escalated to unprecedented levels, prompting human resource managers to carefully balance cost increases with productivity gains. The role of HR evolved to prevent it from being solely focused on administrative tasks and caregiving. There was a greater emphasis on employee engagement and empowerment, shifting the focus from mere employee maintenance to fostering employee development and growth. Consequently, the scope and complexity of HRM responsibilities expanded, requiring strategic planning and a more efficient delivery of HR services. In order to effectively manage these changes, HR departments needed to engage in strategic planning and align their services with the overall goals and objectives of the organization. This necessitated a shift towards more strategic human resource management practices and a greater emphasis on providing value-added services to support the organization's strategic direction.

1.2.4 Cost-Effectiveness Era (1980 to the Early 1990s)

With increasing competition from European and Asian economies, companies in the United States and other countries began prioritizing cost reduction strategies, including the implementation of automation and other efficiency-enhancing techniques. Additionally,

there was a growing recognition within management that human resource-related expenses constituted a significant portion of the overall company budget. As a result, there was a heightened focus on evaluating and managing human resource management costs. It became evident that these costs often accounted for a substantial portion, sometimes exceeding 80%, of the company's total operating expenses. This realization led businesses to place greater emphasis on optimizing human resource management practices to achieve cost efficiencies and improve overall financial performance (Smith, 1984: 8).

1.2.5 Technological Advancement and Advent of Strategic HRM Era (1990 to Present)

Throughout the 1990s, the economic environment saw a number of dramatic changes, including a quickening of globalization, the advancement of technology, particularly the Internet and Web services, and intense competition.

Intellectual capital, in contrast to other assets, is difficult for rivals to replicate, which has led businesses to recognize that innovative and resourceful staff give a long-term advantage. In order to recruit, retain, and retain skilled personnel, the human resource management function has been elevated to a strategic degree of relevance and stressed from a perspective standpoint. The advancements mentioned above have given rise to the development of a balanced scorecard framework specifically designed for human resources, as indicated by Becker et al. (2001) and Huselid et al. (2005). This framework places considerable emphasis on measuring the return on investment and aligning HR activities with the overall objectives of the organization, as discussed by Cascio (2000) and Fitz-enz (2000, 2002). Furthermore, the increased utilization of technology has brought about a significant transformation in the essence and focus of human resource management. There is now a heightened emphasis on contributing value to the organization's goods or services, resulting in the HR department assuming a strategic business partner role. This evolution signifies a fundamental shift in the perception and function of HR within the organizational context. The theoretical underpinnings of strategic human resource management draw from the resources-based approach, which recognizes human capital as a strategic asset and a source of competitive advantage in enhancing organizational performance. This perspective highlights the criticality of human resources in driving sustainable success and underscores the importance of aligning HR practices with the strategic objectives of the business (Becker & Huselid, 2006).

Table 1: Developing HR as an internal consulting organization.

<i>Decade</i>	<i>Business Realities</i>	<i>HR Name Changes</i>	<i>Issues</i>
Pre-1900	Small Business & Guilds	Did not yet even exist	Owners owned the HR issues
1900	Industrial Revolution	Labor Relations	People as interchangeable parts
1920	Civil Service & WWI	Industrial Relations	Workers' rights and more formalized processes
1940	Scientific Management & WWII	Personnel Administration	Efficiency experts and more highly evolved HR processes
1960	Civil Rights & Compliance	Personnel	Legal compliance and reporting; "policy police"
1980	Human Relations, the Knowledge/ Service Economy, and Mergers & Acquisitions	Human Resources People	Relevance in a fast-changing world; motivation and "human relations" theories abound
2000	Modern Organizations	Organization Effectiveness? Human Capital? Organizational Capability?	No new official names, but lots of "morphing" as the transactional parts get outsourced and the transformational parts get defined

Resource: Becker, B. E., & Huselid, M. A. (2006). Strategic human resource management: Where do we go from here? *Journal of Management*, 32(6), 898–925.

1.3 The Importance of Human Resources Management for the Organization

Human resource management is an essential component of all companies. Without human resource management, firms would be unable to recruit and retain employees, expand and strengthen the business, and maintain a healthy, acceptable workplace culture and environment. Human resource management is so important to organizations that many refer to it as the company's "heart and soul." (Jyothiand Venkatesh, 2006).

Human resource management encompasses various indispensable functions that significantly contribute to the achievement of organizational success. These functions encompass a wide range of activities, including recruitment, training, conflict resolution, work-life balance maintenance, and payroll management. The presence of a robust human resource management framework is essential for the smooth operation of a firm. Human resource management plays a pivotal role in ensuring the satisfaction and skill development of employees while simultaneously ensuring compliance with regulatory standards and mitigating potential liability risks. A competent human resources management department is imperative for the sustained viability of a business. Key activities encompassed within human resource management include talent acquisition, training and development, performance evaluations, job assessments, career planning, employee benefits administration, workplace safety enforcement, and fostering employee motivation. The seamless execution of these fundamental human resource management activities is essential for optimizing workforce potential and driving organizational growth. Consequently, an effective human resource management function is critical to the overall prosperity and longevity of a business (Jyothiand Venkatesh, 2006).

- **Strategy management:** In the realm of human resource management, an indispensable aspect lies in the pivotal role it plays within any organization. HR managers assume the responsibility of overseeing strategies that ensure the attainment of business objectives while actively participating in the corporate decision-making process. This involvement encompasses crucial tasks such as evaluating employees and making forecasts aligned with the organization's operational requirements.
- **Benefits analysis:** Human resource managers exert diligent efforts to minimize costs associated with various aspects, including recruitment and employee retention. They are equipped with the necessary skills to conduct proficient negotiations with both potential and existing employees. Additionally, they possess in-depth knowledge of enticing employee benefits that are likely to appeal to and retain highly qualified candidates.
- **Training and development:** The substantial contributions of human resource managers extend to training and development initiatives, thereby assuming a vital role in fostering positive employer-employee relationships. This pivotal involvement facilitates the growth and progression of individuals within the organization, ultimately leading to heightened employee satisfaction and increased productivity levels.
- **Interactivity within employees:** The responsibility of organizing various activities, events, and celebrations within the organization lies with HR managers, thereby generating opportunities for team development. Furthermore, such initiatives promote increased interaction among employees and cultivate an environment of trust and mutual respect among colleagues.
- **Conflict management:** The human resources department serves as the primary point of contact when professional disputes arise among employees. Their role entails ensuring that such challenges and conflicts are appropriately addressed with objectivity, fostering constructive dialogue to facilitate resolution. Additionally, they provide guidance to employees on building productive work relationships and emphasize the importance of avoiding personal bias in influencing their actions.
- **Establishing a healthy work culture:** The cultivation of a positive work environment is crucial for eliciting the best performance from individuals. Human resource managers play a significant role in establishing and maintaining a healthy

and enjoyable workplace atmosphere, thereby fostering increased employee productivity.

- **Compliance:** HR experts bear the responsibility of ensuring organizational compliance with employment regulations. This encompasses diligently maintaining hiring records and a comprehensive register of job applications. By fulfilling these obligations, HR professionals contribute to upholding legal standards and promoting transparency in the hiring process.

1.3.1 Objectives of Human Resources Management

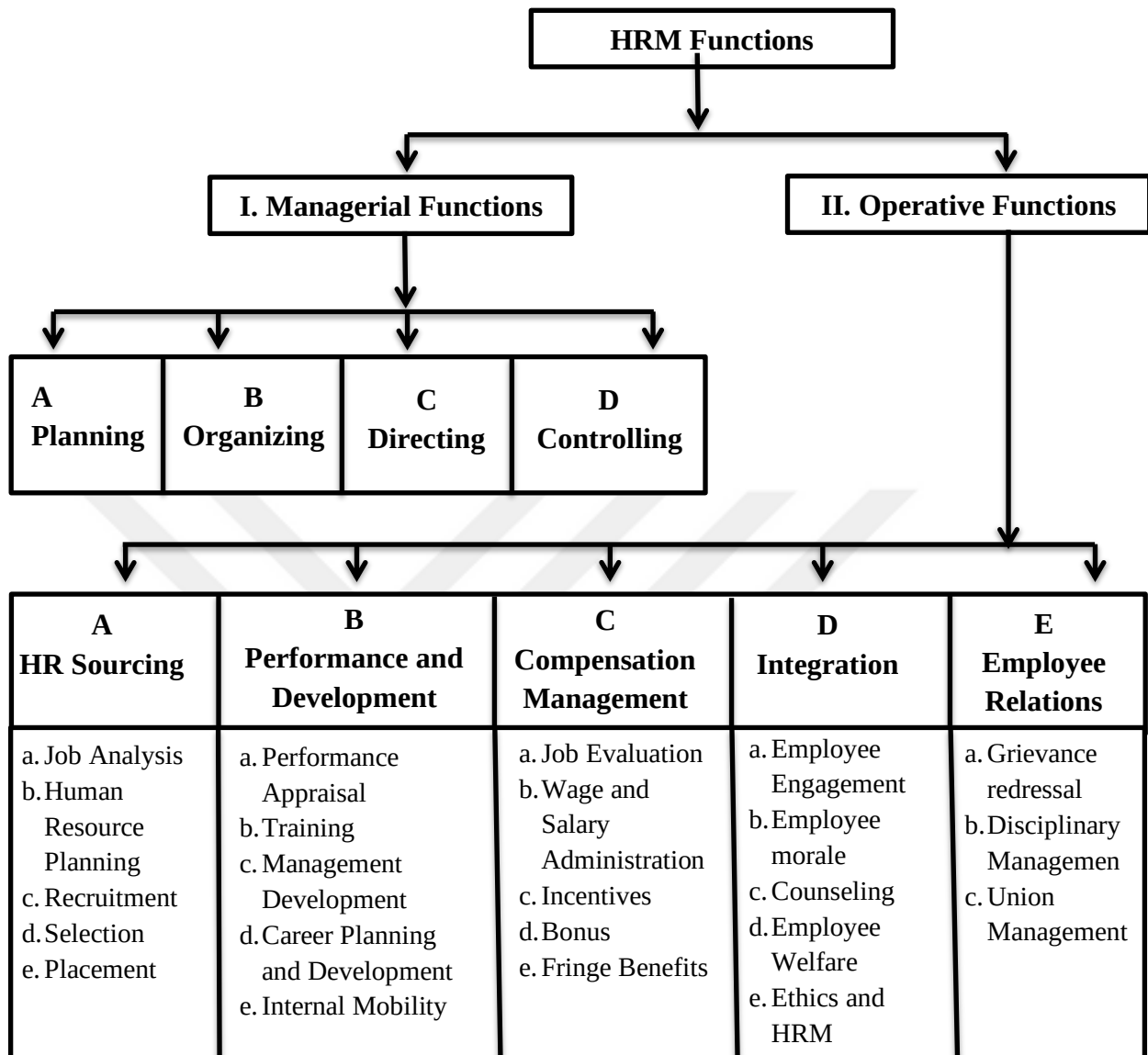
Human resource management holds immense importance within corporations as it encompasses multiple goals that can either positively or negatively impact the organization. One of the primary objectives is to enhance productivity by employing competent personnel and providing them with continuous training. Another significant purpose of human resource management is to foster departmental cooperation, thereby promoting synergy and collaboration within the organization. By effectively achieving these goals, human resource management contributes significantly to the overall success and performance of a business (Gupta, 1997).

The absence of effective human resource management in a firm can impede departmental collaboration, leading to adverse consequences for the business. Human resource management plays a crucial role in achieving various objectives, such as ensuring employee satisfaction, keeping abreast of social and ethical norms, cultivating a positive work culture, and promoting a healthy work-life balance for employees. Attaining these aims is paramount for fostering a harmonious and productive work environment, ultimately benefiting the overall success and well-being of the organization.

1.4 Basic Functions of Human Resources Management

In order to confront the challenges posed by a dynamic and competitive business landscape, human resource management (HRM) assumes a pivotal role. Given the transformations occurring in the corporate milieu, job characteristics, work environments, and demographics, HR managers are compelled to realign their responsibilities. Notably, HRM functions can be categorized into two primary classifications: Administrative and Operational (Armstrong and Michael, 2020).

Table 2: HRM Functions



Resource: (Armstrong, Michael (2020), A Handbook of Human Resource Management Practice, Kogan Page.

I. Managerial Functions

Human resource management managerial duties include planning, organizing, directing, and controlling. All these functions have an effect on the operational functions. (Subba, 2014).

A. Planning: It represents a predetermined course of action. Planning involves the deliberate creation of program and transformative strategies that align with organizational goals. Essentially, it encompasses the strategic planning of human resources, encompassing aspects such as identifying needs, recruitment, selection, and training, among other related activities. Additionally, it entails forecasting future

- HR requirements, recognizing the evolving values, attitudes, and behaviors of employees, and understanding their impact on the overall functioning of the firm.
- B. **Organizing:** Effective organization is indispensable for the implementation of the chosen course of action. As J.C. Massie suggests, an organization can be defined as "a structure and process through which a collaborative group of individuals allocates tasks among its members, acknowledges interdependencies, and harmonizes efforts towards a common objective." In this context, an organization establishes meaningful connections among its workforce, fostering a collective contribution towards the attainment of shared goals.
 - C. **Directing:** After the stages of planning and organization, the subsequent crucial phase is the execution of the strategy. Guided by appropriate leadership, this stage facilitates the voluntary and efficient collaboration of employees towards the realization of organizational objectives. Motivation and directive measures are employed to optimize the capabilities of the workforce. Additionally, coordination is implemented as a systematic process to integrate and synchronize collective efforts, ensuring the successful achievement of a common goal.
 - D. **Controlling:** Control involves the systematic process of evaluating, validating, and comparing actual results with predetermined plans, aiming to identify any deviations and taking corrective actions to address identified discrepancies. In essence, control mechanisms ensure that activities and functions align with established plans and standards. Approaches such as conducting audits of training programs, analyzing employee turnover records, administering morale surveys, and conducting individual interviews serve as effective methods for regulating and improving the HRM function. By implementing these control measures, the HRM function can be effectively regulated and enhanced, leading to optimized organizational performance.

II. Operative Functions

The operational functions of human resource management pertain to particular personnel management operations, like recruitment, training, remuneration, and relations. All of these roles interact with administrative functions. There are five essential operational functions that HR managers do.

- A. HR Sourcing
- B. Performance and development
- C. Compensation management

D. Integration

E. Employee relations

As the corporate environment evolves, these are the new responsibilities that HR managers must assume. All of these functions will be covered in fully in upcoming sections of the course, but an overview is offered here.

1. HR Resourcing:

This represents the central operational function within Human Resources Management (HRM). It encompasses the process of acquiring individuals possessing the required type and quantity of human resources essential for achieving the organization's objectives. This includes various tasks such as conducting job analysis, engaging in human resources planning, undertaking recruitment efforts, implementing selection procedures, facilitating placement, as well as overseeing induction and orientation programs.

i) Job Analysis:

It is the study and collecting of information on the activities and duties of a certain position. It comprises:

- Assemblage of data, information, facts, and concepts pertaining about aspects of work, such as persons, machines, and materials.
- The creation of job descriptions, work specifications, job requirements, and employee specifications is undertaken to aid in determining the appropriate types, levels, and quantity of human resources needed. This process supports the effective assessment and identification of the necessary workforce resources required for the organization.
- Providing the guidelines, strategies, and foundation for job design and other HRM operational responsibilities.

ii) Human Resources Planning:

This process involves ascertaining and ensuring that the organization possesses an adequate number of skilled individuals available at suitable intervals to fulfill job roles that align with the organization's objectives and provide satisfaction for the individuals involved. It encompasses various components such as forecasting workforce needs, strategic workforce planning, talent acquisition, and workforce development:

- Estimation of existing and future demand and supply of human resources based on the organization's goals and long-term plans.

- Calculation of net human resource needs based on existing human resource inventory.
- Taking measures to shape, transform, and develop the organization's present workforce in order to fulfill its future human resource needs.
- Preparation of action plans to acquire the remaining human resources from outside the organization and to develop the human resources as it pertains to current workers.

iii) Recruitment:

It is the process of finding prospective candidates and motivating them to apply for positions within an organization. It relates to:

- Identification and development of existing applicant sources.
- Creation/identification of new applicant sources.
- Encouraging applicants to submit employment applications to the organization.
- Maintaining an equilibrium between internal and external sources.

iv) Selection:

It is the process of assessing an applicant's qualifications, experiences, skills, and knowledge in order to determine his or her suitability for a position. This function consists of:

- Developing and creating accurate and dependable testing procedures.
- Developing interviewing methods.
- Verification of references.
- Establishing examination policies and procedures.
- Line manager's decision.
- Issuing letters of appointment and rejection.
- Hiring the selected candidates who commence their official duties.

v) Placement:

The task at hand involves aligning the selected individual with the job position that most effectively aligns with their qualifications. It pertains to the process of harmonizing the qualifications of personnel with the requirements of the work at hand. This particular function encompasses:

- Counseling functional managers with respect to placement.
- Conducting follow-up research and evaluating employee performance to assess employee adaptation to the position.
- Correcting any errors in placement.

2. Performance and Development:

This process involves enhancing, shaping, and modifying competencies, expertise, creativity, aptitude, mindset, values, and dedication to align with the present and future demands of work and the organization.

i) Performance Appraisal:

It is the methodical appraisal of persons in terms of their work performance and their potential for growth. It comprises:

- Formulating policies, processes, and methods.
- Assisting functional managers.
- Examining reports and consolidating reports.
- Assessing the effectiveness of various programs.

ii) Training:

This process entails the transfer of technical and operational skills and knowledge to personnel. It encompasses:

- Identification of the individual and organizational training requirements.
- Developing suitable training programs.
- Providing support and guidance to line managers during the implementation of training programs.
- Imparting essential skills and knowledge to staff members for their job requirements.
- Evaluating the effectiveness of training courses.

iii) Management Development:

This process involves strategizing and executing executive development initiatives aimed at augmenting the managerial and interpersonal competencies of employees. It encompasses:

- Identifying areas that require management development.
- Organizing and executing development programs.
- Inspiring and motivating executive personnel.
- Creating customized development programs for promotion purposes.
- Leveraging the expertise of professionals and/or implementing executive development programs.
- Evaluating the effectiveness of executive development programs.

iv) Career Planning and Development:

This process entails strategizing and implementing professional objectives through educational pursuits, training initiatives, employment exploration, and the acquisition of practical work encounters. It encompasses both internal progression within an organization and external transitions across various professional contexts.

v) Internal Mobility:

This encompasses both upward and lateral mobility within an organizational structure, encompassing actions such as transfer, promotion, and demotion.

3. Compensation Management:

This involves the systematic provision of appropriate, fair, and equitable compensation to employees. It includes activities such as job evaluation, management of wages and salaries, incentives, bonuses, fringe benefits, and social security provisions, among other related measures.

i) Job Evaluation:

This refers to the assessment and determination of the comparative worth or value of different occupations.

- Choose appropriate methodologies for job evaluation.
- Categorize jobs into various classifications.
- Assessing the comparative value of occupations across distinct categories.

ii) Wage and Salary Administration:

This entails the development and implementation of a suitable remuneration and compensation structure. It encompasses the following components:

- Carrying out a pay and salary survey.
- Establishing compensation and salary rates based on a variety of variables.
- Management of pay and compensation programs.
- Assessing its efficiency.

iii) Incentives:

This involves the establishment, execution, and assessment of programs for financial incentives in conjunction with customary wage and salary disbursements. It encompasses the following elements:

- Developing incentive payment plans.
- Providing assistance to operational functional managers.
- Examine them on a periodic basis to determine their efficacy.

iv) Bonus:

It includes the disbursement of statutory bonuses in compliance with the Payment of Bonus Act of 1965 and its subsequent amendments.

v) Fringe Benefits:

These encompass a wide range of additional benefits associated with a salary. These privileges are offered by management to motivate employees and prepare them for unforeseen circumstances in life. Such advantages include:

- Housing facilities.
- Educational opportunities for staff and children.
- Food services and dining facilities.
- Leisure and recreational amenities.
- Transportation amenities.
- Credit provisions and facilities.
- Legal clinics.
- Medical, maternity, and welfare amenities and provisions.
- Corporate retail outlets.

4. Integration:

The execution of a range of human resources policies and programs, including but not limited to recruitment, training, compensation, and employee engagement, establishes an environment that fosters meaningful connections between individual employees and management. Moreover, it facilitates the development of relationships among workers, trade unions, and management. These comprehensive initiatives promote collaboration, cooperation, and effective communication within the organization, leading to a harmonious and productive work environment.

Interaction pertains to the act of interpersonal engagement among individuals. Human relations, as a management discipline, focuses on integrating individuals into work environments in a manner that motivates them to collaborate efficiently, harmoniously, and with satisfaction in economic, psychological, and social aspects. This encompasses:

- Employee engagement.
- Gaining an understanding of and applying theories related to perception, personality, learning, intra- and inter-personal interactions, as well as intra- and inter-group relations.
- Inspiring and motivating the workforce.
- Enhancing employee morale and motivation.

- Enhancing communication skills and capabilities.
- Enhancing leadership competencies.
- Addressing and resolving employee grievances.
- Managing disciplinary proceedings through a formalized disciplinary process.
- Providing support to employees in resolving personal, family, and professional challenges, and alleviating their stress, burdens, and anxieties.
- Establishing a conducive work environment by reducing fatigue, monotony, boredom, and workplace accidents.
- Enhancing the quality of work life for employees through increased involvement and various other approaches.

5. Employee Relations:

Industrial relations is an academic discipline that examines the interactions and dynamics among workers, employers, government entities, and trade unions. Industrial relationships encompass the following elements:

- Trade unionism.
- Collective bargaining
- Industrial conflicts
- Participation of employees in management.

2. Strategic Human Resources Management

Strategic human resource management (SHRM) is relevant across various organizational types, including public or private entities, hierarchical or networked structures, and fluid or command-and-control systems, among others. SHRM encompasses both policy and operational elements. The comprehension of SHRM varies from a “reactive” management approach where human resource management acts as a tool of strategy execution, to a more proactive role where HR activities actively form and affect organizational strategy. Considering human resource management as an architectural endeavor may lack the necessary level of precision and efficiency in formulating and implementing policies. Consequently, the adoption of strategic human resource management becomes imperative to ensure the cost-effectiveness of HR programs.

Hence, Strategic Human Resource Management (SHRM) is guided by two core principles. Firstly, it acknowledges the critical strategic significance of an organization's human resources, recognizing that the skills, behaviors, and relationships of employees can serve as the bedrock for strategy formulation and the driving force behind strategy

implementation. Secondly, it posits that HRM practices play a pivotal role in fostering the strategic capabilities of an organization's workforce (Colbert, 2004). The field of Strategic Human Resource Management (SHRM) continues to evolve, with emerging perspectives emphasizing not only the comparison between personnel management and HRM but also exploring the ways in which HRM can contribute to attaining a sustainable competitive advantage.

Strategic human resource management necessitates the integration of HR practices with a well-defined and communicated strategy, directed towards specific objectives or desired outcomes. This alignment is achieved through purposeful behavior guided by a hierarchical structure, aimed at pursuing the organization's ultimate values or objectives through intermediate ends, as conceptualized by Simon. These intermediate ends are formally stated within an academic framework, given the cooperative rational nature of public administration, and are realized through strategic decision-making processes. Examples of such goals could include cost reduction or enhanced public relations. Human resource practice must be woven into organizational strategy and applied by means of specialized strategies designed with a particular 'goal' in mind. Each sub-policy would be organically connected to the overarching policy until the goal is attained, resulting in a logical linear progression of organizational operation. Strategic Human Resource Management (SHRM) is inherently reliant on three key factors: (a) the identification of clear objectives, (b) the formulation of effective strategies, and (c) the seamless integration of sub-strategies into the overarching organizational policy. The imperative task lies in devising strategies that effectively align HR strategy with the overall organizational strategy, with the ultimate aim of attaining the desired operational efficiency. This synchronization between HR and organizational strategies is paramount to ensure the organization's ability to optimize its human resources and achieve its strategic goals efficiently (Colbert, 2004).

Strategic human resource management emphasizes the alignment of resources with strategies, ensuring that strategies are adaptable to accommodate evolving circumstances and changes in strategic directions. Additionally, it emphasizes the regular rejuvenation of strategic human and organizational resources to sustain the organization's competitive advantage.

2.1 Scope of Strategic Human Resources Management

SHRM concentrates on the conscious or unconscious management decisions and behaviors employed to supervise, influence, and motivate the individuals working within an

organization, encompassing a wide spectrum of activities and subjects that extend beyond the purview of personnel or HR managers (Purcell, 2001). Mabey, Salaman, and Storey (1998) have explored this subject matter from four distinct perspectives:

- 1- The social and economic context of SHRM includes both internal factors within the organization and external factors that affect the creation and execution of HR initiatives;
- 2- The relationship between SHRM and organizational performance, especially in terms of assessing performance;
- 3- The managerial approach and the evolution of novel organizational structures; and
- 4- The link between SHRM and the enhancement of organizational capabilities, especially focusing on knowledge management.

Before proceeding further, it is vital to gain a thorough understanding of the notion of strategy, as it serves as the basis from which the notion of strategic human resource management (SHRM) emerges.

2.1.1 The Concept of Strategy

A strategy can be defined as a deliberate arrangement or blueprint that integrates an organization's fundamental objectives, policies, and sequences of actions into a coherent and logical framework. A well-developed strategy facilitates the efficient allocation of resources within the organization, taking into account internal strengths, weaknesses, anticipated environmental shifts, and potential responses from strategic adversaries (game theory). The concept of strategy is multifaceted and can encompass various interpretations. It can also be described as:

- A plan or comparable notion; e.g., a directive, a guidance, a path of action; or
- A behavioural pattern that ensures consistency throughout time; or
- A viewpoint on a company's core method of operation; or
- A strategy or specialized "move" designed to outsmart an opponent or rival.

Evolution of Strategy

Essentially, the term “strategy” derived from military terminology, but its application in the context of human resource management differs considerably. In his book “The Practice of Management” published in 1955, Peter Drucker highlighted the significance of strategic decisions, defining them as "all choices concerning organizational objectives and the means to achieve them."

The significance of the concept of strategy was not fully recognized until the development of the Classical Approach by influential scholars such as Alfred Chandler (1962) and Michael Porter (1980). Prior to this, strategies were often characterized by formal and systematic planning processes based on quantifiable measures, focused externally and centered on long-term goals, with little consideration for execution and limited attention to the human aspect. Subsequent authors emphasized the qualitative and human elements of strategy, viewing it as inherently evolutionary and influenced by organizational behavior as an integral part of organizational processes, rather than being solely endogenous or externally imposed. Others proposed the idea of differentiated capabilities and resource-based strategies. In more recent times, scholars have emphasized the importance of both the design and implementation aspects of strategy.

This cognitive shift has been “from strategy to structure and systems, and then to purpose, process, and people.” This subsequent development, illustrated by this shift, exemplifies modern thought on the issue.

According to Chaffee (1985), strategy is interpreted academically in three separate but frequently contradictory ways: The strategies can be categorized into linear strategy, adaptive strategy, and interpretive strategy.

- (a) **Linear Strategy:** The predominant approach employed by most researchers is the linear model, which places significant emphasis on strategic planning and foreseeing potential future events. This model traces the sequence of events from past and present actions to their logical culmination in the desired future outcome or organizational objective. Achieving this objective requires a well-coordinated array of strategies and "hierarchical purposeful behavior" aimed at its attainment.
- (b) **Adaptive Strategy:** The adaptive strategy model, which is the second model discussed, is closely associated with the concept of strategic management. This particular paradigm prioritizes the means of achieving strategic goals and places significant emphasis on attaining a suitable "fit" between internal and external elements and a well-defined plan. In order to ensure organizational relevance and efficiency, as evidenced by a favorable cost-benefit ratio and the attainment of internal and external equilibrium, organizations—both public and private—must develop strategies that enable them to adapt to evolving environmental factors while maintaining internal policy consistency. These strategies are crucial for motivating and incentivizing employees towards voluntary cooperation amidst the dynamic nature of the external environment.

(c) **The interpretive strategy model reflects a minority viewpoint:** The interpretive approach perceives strategy as a metaphorical concept, emphasizing its qualitative nature rather than its measurability or quantifiability. It views strategy as the visible manifestation of the underlying elements or fundamental principles of corporate ideology. This perspective is more comprehensive as it enables the identification of long-term goals through a closer examination of specific solutions. The interpretive approach adopts an observational and deductive methodology, drawing conclusions based on the organization's purpose and culture, particularly its overall operational style.

The concepts of linear, adaptive, and interpretive strategies can sometimes be in conflict with each other. This is because short-term objectives and long-term goals may not always align perfectly, making it difficult or unrealistic to reconcile them completely.

Formulating Strategy

The process of formulating strategy involves expressing strategic intentions and effectively allocating and aligning resources with opportunities. This includes developing a strategic intent and implementing a resource-based strategy, which collectively aims to achieve a state of "strategic fit" or organizational strategy balance. The formulation and execution of strategy rely on the organisation's strategic capacity, which involves not only the identification of strategic objectives but also the creation and implementation of strategic plans using strategic management.

Let us now attempt to clarify the significance of each of the above listed variables:

1. Gaining a competitive edge;
2. Strategic purpose or strategic objective;
3. Strategy based on available resources;
4. Strategic Fit;
5. Strategic Capability; and

Now, let us attempt to clarify the significance of each of the aforementioned factors. Within the realm of strategic theory, the concept of Competitive Advantage holds considerable importance. An organization possesses a competitive edge when it offers unique and superior value to its customers. By strategically selecting markets in which it can thrive and consistently improving its own position, the company presents its competitors with a moving target.

Strategic Intent can be defined as the desired leadership position that an organization aims to achieve by clearly articulating its purpose and setting specific metrics for evaluating

its success. On the other hand, Strategic Fit emphasizes the importance of aligning a company's capabilities and resources with both the external opportunities and internal constraints it faces. This alignment is crucial in order to maximize the organization's competitive advantage.

The strategic ability of a company depends on its feasibility and resource capacity, especially unique resources that confer a competitive edge. Barney outlines four criteria for evaluating whether a resource qualifies as a distinctive capability:

- a. It should lead to the creation of value for customers;
- b. It should possess rarity or uniqueness compared to competitors.;
- c. It should be non-imitable and possess distinctiveness.
- d. Non-substitutability.

Strategic Capability refers to the organizational ability to develop and execute strategies that lead to the achievement and maintenance of competitive advantage. It is based on a thorough understanding of the competitive environment, the organization's resource base and potential, and the values that drive the dedication of stakeholders.

Strategic Management

Strategic management involves the implementation of strategic concepts and principles. It encompasses the managerial decisions that shape the organizational context, guide internal operations, and determine the path towards long-term organizational success (Stahl and Grisby, 1992). This process entails anticipating changes in the external environment and devising suitable responses. Strategic management is an ongoing endeavor that encompasses various stages, including strategy formulation, strategic planning, execution, and evaluation, with the possibility of policy adjustments and updates. While the chronological sequence may not always be strictly followed in practice, the overarching objective of strategic management is to encourage managers to adopt a forward-looking perspective and make appropriate preparations. The scope of strategic management extends to the functioning of the organization at a broader scale:

- A combination of choices and efforts that result in the creation and execution of strategies aimed at achieving the goals of an organization (Pearce and Robinson, 2005); and
- Concentrated on making policy decisions that affect the whole organization, with the main objective of positioning the organization to efficiently navigate its environment.

Strategic human resource management involves the harmonization of human resource strategy with strategic goals and objectives in order to enhance organizational performance and cultivate a culture characterized by innovation and adaptability. The management's attention is directed towards achieving desired outcomes while also considering the methods and approaches employed to attain them. The term 'end' in strategic management refers to the projection of future developments, while the term 'mean' signifies the pathway towards realizing the envisioned goals. Consequently, strategic management can be described as a form of visionary leadership that is dedicated to formulating and conceptualizing ideas for the future of an organization. It is also characterized as empirical management, as it entails making practical choices to navigate the dynamic and flexible business landscape in order to achieve those objectives (Pearce and Robinson, 2005).

2.1.2 Aspects of SHRM

Strategic human resource management (SHRM) encompasses;

- 1- All endeavors that impact the conduct of staff members in the development and execution of a company's strategic demands (Schuler, 1992).
- 2- The systematic arrangement of deliberate human resource allocation and undertakings aimed at enabling the organization to achieve its objectives (Wright and McMahan, 1992: 18).
- 3- The segment of the managerial process that centers on the effective management of human capital recognizes the crucial role employees play in attaining a sustainable competitive advantage. It emphasizes the importance of aligning human resource operations with the overall business strategy and emphasizes the collaborative relationship between human resource professionals and management. This collaboration aims to achieve operational efficiency and equity while striving towards the organization's overarching goals.

2.1.3 Features of SHRM

The delineated attributes of strategic human resource management can be inferred:

- Due to the inclusion of key determinations regarding primary objectives, significant policies, and resource distribution, plans are frequently formulated at the organizational level;
- Focus - The focus of strategies is centered on organizational effectiveness, prioritizing the achievement of strategic business objectives, whereby individuals are primarily viewed as valuable resources to be effectively managed.

- Framework - Inherent in their essence, strategies provide a broad, contingency-based, and integrative framework that serves to unify various aspects. They encompass a comprehensive range of HR objectives and initiatives designed to align with prevailing circumstances and foster mutual reinforcement and synergy (Morris and Jones, 2003).

2.1.4 Application of SHRM

Organizations vary in their utilization, form, and content of strategic human resource management. It is recognized that some organizations, due to their focus on immediate survival strategies and day-to-day operations, may neglect the development of a comprehensive corporate or business strategy for human resource management planning, possibly to their detriment. In such circumstances, which are prevalent in numerous organizations in the United Kingdom, the implementation of strategic human resource management becomes impractical. Only in an environment where a long-term strategic perspective is adopted towards corporate or company strategy, can a strategic approach to addressing human resource challenges be realistically pursued. In many businesses, the planning of the human resource function primarily revolves around administrative tasks and fails to address strategic considerations.

According to Mintzberg, there are unanticipated features inherent in strategies that are actually put into action, commonly known as "emergent strategies." These can arise due to inadequate strategic thinking, subpar execution, or the influence of practical realities. This concept challenges the notion that strategic management should solely reside at the upper echelons of an organization. Emergent strategies typically originate from inventive ideas and initiatives that arise at local levels, undergo practical testing, and subsequently get implemented.

In contemporary organizations, the advent of modern technology empowers us to establish distinctive entities that offer localized flexibility and autonomy while remaining interconnected. This integration of technology and human resources (HR) is evident in the support provided by information technology, such as human resource management information systems and workforce management systems, to augment HR strategy (Price, 2004).

2.1.5 Implications of SHRM

The academic domain of this field encompasses multiple disciplines, while its practical application necessitates an integrative approach. Strategic human resource management entails a comprehensive understanding of the political and economic

constraints within the broader context. Additionally, it requires insights into the internal sociological dynamics of the organization, with a particular focus on the psychological underpinnings of human behavior in the workplace (Youndtet *al.*, 1996).

Strategic human resource management (SHRM) entails the following distinct consequences:

1. Employing strategic planning to optimize the advantages derived from effective human resource management;
2. A philosophy-driven methodology for structuring and managing personnel systems, guided by employment policies and manpower strategies; and
3. The actions and policies of human resource management serve as integral elements of a formally articulated organizational strategy.

Strategic human resource management involves the recognition of the critical role played by the HR function in the formulation and implementation of an organization's strategy. This recognition is supported by the execution of specific human resource activities, which encompass employee recruitment, selection, training, and compensation. By effectively carrying out these distinct HR activities, organizations can strategically align their workforce with the overall strategic objectives, ensuring that the right individuals are recruited, selected, trained, and compensated to contribute to the successful attainment of the organization's strategic goals.

To offer additional elucidation, strategic human resource management recognizes the strategic partnership of HR and the formulation of HR strategies, which encompass specific policies and practices implemented to accomplish well-defined objectives. It is preferable that these objectives are quantitatively defined to facilitate the evaluation of outcomes. However, strategic HR goals go beyond mere numerical calculations, employee supervision, and cost control. Strategic thinking encompasses ethical and legal considerations, which profoundly impact the achievement of a diverse range of economic objectives. The following examples exemplify this concept (Youndtet *al.*, 1996).

- a) Applicants and workers should be treated equitably to reduce objections and unfavorable publicity.
- b) When making strategic decisions that impact the well-being of employees, it is imperative to consider their individual circumstances and aspirations, ensuring the preservation of their security, provision of opportunities, and preservation of their self-esteem.

- c) Commitment: The primary focus should be on cultivating the commitment and motivation of employees, as individuals are unlikely to be dedicated to organizations that do not demonstrate a reciprocal commitment to their well-being.
- d) Working Conditions: Creating secure, healthy, and appealing work environments contributes to enhanced well-being, decreased stress levels, and increased productivity. Both the physical and social aspects of the work environment have a significant impact on job performance and should be integral considerations in organizational strategy.

2.2 Strategic Human Resources Management Dimensions

Human resource management plays a pivotal role in the growth and competitiveness of a company by equipping it to effectively compete with other organizations. Its principal function within any business is to maximize employee performance in alignment with the organization's objectives. Human resources engage in a multitude of operations within the company to ensure its progress and profitability. These typically encompass activities such as recruiting new employees, overseeing and enhancing the performance of existing employees, conducting employee performance evaluations, designing employee benefits, providing employee training, and actively assisting underperforming employees in attaining their goals. Human resource management has evolved from past or conventional management methods to the contemporary HRM, which propels the company toward improvement for the present and the future. It is more necessary for a business to place its most qualified and experienced personnel in the appropriate positions. This will tremendously benefit the firm, as its performance will be automatically evaluated, resulting in its development. (Dessler 2013).

The fundamental pillars of human resource management practice encompass several key components, including the implementation of HR practices and performance management, organizational-wide re-engineering initiatives, the cultivation of effective leadership, and the establishment of a culture that promotes continuous learning and development in the workplace. These elements form the essential framework for successful human resource management within an organization.

2.2.1 HR practices and performance

HR practices and performance are essential to the firm's market competitiveness; a company that does not prioritize performance enhancements cannot compete fairly with other companies that provide identical items. Organizations must concentrate on performance improvement; failing to do so might result in their demise and loss of market

position. The establishment and execution of HR measurement should be positioned as a crucial aspect at the senior management level and serve as a central element of the business framework. The performance system and performance evaluation should consistently receive primary attention for any organization striving for growth. To elevate HRM to this level, it is essential to involve senior management and other stakeholders who can contribute insights and recommendations on enhancing employee performance during their deliberations. An instance illustrating HR practices and performance could be when a company implements a strategy to improve employee performance, such as offering incentives like purchasing a home or automobile for the top performers within a department. In such a scenario, the majority of employees are motivated to strive for the reward, leading to a positive impact on the overall performance of the company.

2.2.2 Re-engineering of the organizations

The management of the firm should constantly exert pressure on the organization, and anytime the performance falls short of expectations, they should continuously alter the organization of the staff, also known as employee rotation. Individuals who demonstrate exceptional performance within an organization should not be assigned to the same department. Instead, it is beneficial to integrate them with individuals who exhibit lower performance levels, as this arrangement allows for the former to aid the latter in improving their performance. In order to effectively support managers, Human Resources (HR) must consistently furnish them with up-to-date market information and internal trends, emphasizing the significance of HR possessing expertise in organizational design. Proactively, the HR department should eliminate superfluous tasks by clearly defining distinct roles and responsibilities for each employee throughout the organization (Valentine et al., 2013). Additionally, HR must continuously assess trends and processes, and introduce changes aimed at streamlining procedures. A notable example of this proactive dimension is when a company opts to restructure or rotate its personnel to enhance performance levels, thereby fostering potential growth opportunities.

2.2.3 Leadership

Every company has its leaders. The organization is driven by its leaders, who provide direction and answers for any problems that may occur. Good leadership in a business may lead to improved employee performance, but bad leadership that discourages individuals will inevitably discourage them and impair their success. Leadership in Human Resources should constantly concentrate on existing leadership practices and the organization's future leadership growth. In the realm of organizational dynamics, it is

incumbent upon Human Resources (HR) to assume a prominent role in eradicating any form of underestimation that employees may harbor towards their leaders. Moreover, HR should spearhead the endeavor to support managers in evolving into authentic leaders within their respective functional units. It is crucial to acknowledge that the development of future leaders necessitates early cultivation and preparation for executive positions. Exceptional leaders are not forged hastily, but rather require a nurturing and comprehensive training process that commences from an early stage (Hendon 2013). HR and managers of the firm have a crucial responsibility in identifying the top workers who can serve as leadership successors. Once identified, these individuals should constantly work closely with managers or current company leaders so they may learn and acquire valuable experience as they do so. A prospective leader within an organization should possess the ability to acknowledge the achievements of the company while propelling it towards further growth and expansion. Conversely, leaders who lack competence inevitably lead previously prosperous firms to failure. To secure the future success of the organization, Human Resources (HR) should identify individuals with the greatest potential as its forthcoming leaders. HR must design and implement tailored training programs to equip these individuals with the necessary skills and knowledge required for their future responsibilities. An illustrative instance of leadership within HR management is observed when company managers select the most exceptional performers, provide them with specialized training for future leadership roles, and subject them to rigorous assessments and evaluations.

2.2.4 The work place learning

In every organization, it is imperative to afford employees the opportunity to participate in in-house in-service training programs, which include attending seminars. The responsibility of organizing these seminars and securing external speakers to address the staff lies with the Human Resources department. Through such seminars, employees have the chance to acquire new knowledge and insights relevant to their respective areas of expertise. This becomes particularly crucial given the perpetual evolution of market trends. It is therefore essential for employees to stay abreast of the latest market developments in order for the business to maintain its competitive edge (Philips and Gully, 2013). Organizational learning is essential for motivating workers to do their tasks to the best of their abilities; workplace learning is about increasing the organization's knowledge and discovering methods to enhance it. HR must design programs inside the firm that involve people in innovation on a constant basis; to continue developing and defeating rivals, you must come up with something that your competitors do not have, and this is the significance

of innovation. Some firms have staff with the technical expertise to create breakthroughs, but lack the personnel to distribute and promote these ideas. HR should always be involved in such a situation by engaging the organization's upper management in recognizing and cultivating the technical expertise of such personnel.

2.3 Adaptability and Flexibility in Terms of Strategic Human Resources

2.3.1 Adaptability

Adaptation involves introducing new employees to the organization, teaching them the foundations of corporate operations, and acclimating them to the workplace and their new coworkers. By designing an HR strategic plan, you may evaluate past quarters' accomplishments and failures. This will enable you to successfully prepare for recruiting and maintaining the proper personnel, which is crucial to the success of your firm (Shirvani, 2013).

Adaptive actions enable a system to effectively respond and adjust to the dynamic environment surrounding it, thereby facilitating the acquisition of knowledge and resources from the external realm (Tonkenejad and Davari, 2010; Shirvani, 2013: 138).

2.3.2 Flexibility

Human resource flexibility emphasizes the versatile attributes of employees, as evidenced by the dynamic aspects of their personality domain, encompassing their knowledge, behavior, and ability to learn. It pertains to the ability to design, coordinate, and implement a comprehensive human resource system within an organizational framework that effectively manages the workforce, enabling the organization to compete based on responsiveness to the environment and fostering creativity. The flexibility of human resources has long been recognized as a critical attribute that empowers an organization to adapt to evolving external conditions (Snell *et al.*, 1996: 14). According to the research conducted by Beltran-Martin *et al.* (2008: 34), research has revealed that employees who have the opportunity to benefit from flexible work arrangements demonstrate heightened levels of commitment to the organization, thereby making significant contributions to its overall success. Human resource flexibility assumes a vital role in facilitating the performance management system, allowing it to not only recognize employees' present performance but also chart a path for their future development in terms of talents, skills, and knowledge enhancement. By embracing human resource flexibility, organizations can effectively align individual growth trajectories with the long-term objectives of the organization, fostering employee engagement and maximizing their potential contributions. This will instill motivation within them to maintain a positive attitude towards their job and

the organization. Likewise, it will inspire personnel to actively and efficiently address their respective roles and responsibilities, ultimately leading to accomplished organizational performance (Galinsky *et al.*, 2011: 141). Organizations with a high human resource flexibility system have more pleased employees than those with a lower flexibility plan. It positively affects staff performance (Ketkar and Sett, 2009: 1009). We suggest the following hypothesis based on the discussion.

Furthermore, human resource flexibility encompasses three specific sub-dimensions, specifically employee skill flexibility, behavioral adaptability, and adaptability of human resource practices. These dimensions collectively contribute to the overall flexibility of the human resource management system within an organization (Wright and Snell, 1998: 756).

2.3.2.1 Skill Flexibility

The organization-provided opportunity for employees to exploit their skills. It has two qualities:

- a) The quantity of possible alternate applications for employee abilities and the adaptability of resources.
- b) The capability to swiftly reconfigure individuals with diverse talents constitutes a crucial element of resource flexibility. Regarding employee skills, resource flexibility refers to the extent to which individuals possess or can rapidly acquire the competencies required to effectively engage in various work-related activities, including tasks, roles, positions, and the utilization of alternative technologies. This aspect emphasizes the importance of employees' versatility and their ability to adapt to changing demands and responsibilities within the organization.

In addition, skill flexibility shows how fast and successfully individuals adopt new abilities that their employer provides. (Boxall, 1999: 59).

Broadly speaking, there are two methods to enhance the adaptability of talent. Firstly, organizations can cultivate individuals who possess a diverse range of transferable skills that can be applied across various situations. These broad-based talents hold substantial value as they fulfill present requirements while also possessing the potential to generate output for future alternative needs. However, it is important to recognize that underutilized employee capabilities can present new business opportunities for the organization and even impact strategic decision-making (Lengnick-Hall and Lengnick-Hall, 1988: 454). Another approach involves employing a significant number of "specialized"

workers, which offers flexibility by allowing the company to adjust skill profiles in accordance with changing demands. This alternative strategy provides the organization with the ability to adapt swiftly and effectively to evolving market conditions and operational requirements. According to Neuman and Wright (1999: 376), organizations that possess this type of flexibility have the capacity to redistribute their workforce, such as through project teams, in order to meet the changed demands and achieve the necessary skill profile. Consequently, a diverse range of employee abilities plays a significant role in enhancing overall adaptability. By leveraging the varied skills and expertise of employees, organizations can effectively respond to dynamic market conditions, capitalize on emerging opportunities, and navigate through uncertainties with agility and resilience.

By implementing strategies such as job rotation, cross-functional teams, and project-based work structures, an organization can foster skill flexibility. This approach cultivates diverse skill combinations that are not easily replicated or duplicated. Employees with adaptable skills may readily adapt to a variety of job needs. They are able to successfully fulfill market and customer demands and are more likely to efficiently handle work stress than individuals who lack skill flexibility. In turn, this improves their performance, adding to the effectiveness of the company. It might be inferred that the degree of skill flexibility correlates positively with organizational success.

2.3.2.2 Behavior Flexibility

Behavioral flexibility pertains to the capacity to adapt and respond to changing circumstances, deviating from typical patterns of behavior. Behavioral adaptability is a fundamental aspect of resource flexibility, characterized by a flexible mindset and the ability to adjust behaviors in response to specific situational demands. It evaluates the extent to which individuals demonstrate a diverse range of behavioral traits that can be flexibly adapted to meet varying requirements. Resource flexibility pertaining to workforce behaviors encompasses the organization's employees' possession of adaptable behavior scripts and their motivation to employ them in different contexts and applications. This enables individuals to effectively navigate changing circumstances, contribute to problem-solving, and adapt their actions to align with evolving organizational needs (Wright and Snell, 1998: 756).

Behavioral flexibility distinguishes itself from skill flexibility by recognizing that individuals can possess talent or proficiency in certain areas but lack the inclination or motivation to adapt and change their behaviors. On the other hand, individuals can demonstrate high motivation and willingness to change, but may lack the necessary skills

or knowledge to make effective choices and bring about desired changes (MacDuffie, 1995: 197). The significance of flexibility in employee behavior lies in its ability to enable employees to adapt to various contexts and effectively implement change. When an organization has employees with strong learning behavior capacities, it may not be necessary to recruit new individuals with different attributes to adapt to environmental changes. Evidence suggests that organizational behavioral flexibility plays a significant role in enhancing overall organizational effectiveness. By fostering a culture of continuous learning and development, organizations can leverage the existing talent pool to effectively respond to changing circumstances and drive performance improvement. This highlights the importance of nurturing and harnessing the learning abilities of employees as a means to enhance organizational agility and success. The adaptability of organizations that foster a culture of flexibility to changing environments positively influences their organizational performance. Multiple research studies have consistently demonstrated that organizations that excel in learning and behavioral adaptation experience improved organizational performance by acquiring new knowledge and insights (Hunt and Morgan, 1996: 107). Furthermore, individuals who exhibit high levels of behavioral flexibility are often perceived positively in their job and have better interactions with coworkers, supervisors, and subordinates. They are more inclined to respond favorably in various circumstances and situations. As a result, both the individuals and the organization are better equipped to function effectively in diverse and challenging situations, ultimately contributing to overall success.

2.3.2.3 Human Resource Practice Flexibility

Human resource practice flexibility encompasses the agility of the human resource department to adapt and implement new practices in a prompt, effective, and efficient manner. Specifically, in the context of workforce development, human resource methodology flexibility pertains to the organization's capability to swiftly and effectively introduce alternative procedures and structures related to human resource practices. This entails the ability to implement practices that deviate from the existing approaches employed by the organization.

According to the national Study on the Changing Workforce conducted by the Families and Work Institute (2008), Human resource practice flexibility can be classified into five distinct categories, encompassing the following:

- 1- Time management options,
- 2- Flexi time and flexplace,

- 3- Reduced hours,
- 4- Time off, and ultimately
- 5- A culture of adaptation.

The Dension hypothesis (1998) has proposed a comprehensive model of human resource flexibility that encompasses four key dimensions: engagement, consistency, flexibility, and purpose. These attributes play a vital role in determining organizational performance. Among these dimensions, human resource flexibility is particularly associated with worker behavior adaptation and adaptability of human resource practices. As a result, countries and organizations prioritize this aspect of flexibility. The level of human resource flexibility directly influences various aspects of human resource management, including worker performance, employee retention, and job satisfaction (Ngo and Loi, 2008: 1654). The notion of flexibility in human resource practices relates to the organization's ability to adapt and implement its human resource policies in different situations, divisions, or business units, while also considering the speed at which these adaptations can be made (Wright and Snell, 1998: 756). By incorporating flexible human resource policies, employees have the opportunity to modify their work schedules when necessary, enabling them to effectively carry out specific tasks and demonstrate their expertise.

Human resource methodology flexibility, in the context of workforce management, refers to the design and implementation of human resource systems that can be effectively applied to various aspects of personnel management, such as staffing, development, dismissal, retention, and motivation, in a variety of environmental contexts. It entails the use of flexible approaches and practices that can suit varied organizational demands and changing conditions in order to achieve optimum human resource management. By implementing human resource practice flexibility, organizations can employ consistent human resource practices across multiple divisions, while also adjusting parameters to address local challenges. Organizations that prioritize human resource practice flexibility foster an environment where employees can readily adapt to external changes, thereby contributing to competitive advantage and overall organizational success. Furthermore, it cultivates a stress-free work environment, enhancing employee efficiency and productivity (Ngo and Loi, 2008: 1654).

2.4 The Objective of Strategic Human Resources Management

The objective of strategic human resource management (SHRM) is to plan for the workforce needs of the firm, conduct scientific selection and appointment of staff, develop workers' abilities and expertise, place personnel in roles based on their areas of expertise,

provide opportunities based on scientific evidence, compensate workers based on abilities, experience, and contributions, maintain motivation, satisfaction, and cooperation, enhance industrial relations and workplace concord, encourage collaboration, dedication, and enhanced job performance, leverage personnel capabilities to improve organizational performance and effectiveness, contribute to profitability, development, and reputation, and maintain company competitiveness and efficacy in the global market (Noe et al., 2017; Spreitzer, 1995; Huselid, 1995; Ali & Ahmed, 2019; Noe et al., 2021; Dessler, 2017)

SHRM should prioritize fostering positive human relationships, continuous development, and employee empowerment through leadership, effective communication, employee welfare and safety, and a high-quality work environment. Taking into account the interests of all internal stakeholders, including employees, employers, and management, is crucial for effective SHRM. This entails emphasizing leadership, effective communication, ensuring employee welfare and safety, and promoting a high-quality work environment (Noe et al., 2021; Huselid, 1995; Dessler, 2017).

2.5 Developing and Implementing Strategic HRM Plans

Human resource management (HRM), formerly known as the personnel department, has changed over time. Initially, the personnel department was only responsible for recruiting and accompanying documentation. The establishment of the first human resources department can be attributed to the National Cash Register Company (NCR) in 1901. Following a challenging period, which included a lockout and a significant strike, the company managed to overcome the union. Following this long effort, the corporation's president decided to enhance worker relations. As a result, a specialized personnel department was formed to handle employee grievances, terminations, and safety concerns. Following the lengthy fight, the corporation's president took a strategic choice to strengthen worker relations by establishing a specialized personnel department in charge of handling employee grievances, terminations, and safety issues. In 1913, Henry Ford faced a 380 percent employee turnover rate and sought to offset it by boosting pay from \$2.50 to \$5.00, despite the fact that \$2.50 was a decent income at the time. However, it became evident that this approach was not sustainable in the long run. Consequently, these prominent corporations recognized the need to go beyond mere recruitment and dismissal practices in order to meet customer demand effectively.

Over the course of the past century, the responsibilities encompassed by the personnel department have expanded significantly, leading to its division into distinct areas known as human resource management (HRM) and human resource development. HRM is

not only crucial for ensuring organizational performance, but it should also be integrated into the company's overarching strategic plan, especially considering the significant role individuals play in driving profitability for many businesses today. Strategic planning plays a pivotal role in enhancing organizational productivity and success (Losey, 2011).

Table 3: Examples of Differences between Personnel Management and HRM.

Personnel Management Focus	HRM Focus
Administering of policies	Enabling the accomplishment of strategic objectives through the utilization of individual capabilities.
Stand-alone programs, such as training	Human Resource Management (HRM) training initiatives that are harmonized with the organizational objectives and values.
The Human Resources department tasked with the responsibility of overseeing employee management.	Line managers share collective accountability for all aspects of personnel selection and administration.
Incurs expenses within an organization.	Contributes towards the financial objectives of the company.

Resource: (Losey, M., "HR Comes of Age," *HR Magazine*, March 15, 1998, accessed July 11, 2011, http://findarticles.com/p/articles/mi_m3495/is_n3_v43/ai_20514399).

The following responsibilities often belong within HRM, according to the consensus. Within the organization's overarching strategic plan, each of these components plays a unique role.:

1. **Staffing:** Staffing involves the development of a strategic approach to determine the required number of prospective hires. Based on this strategic approach, the HRM department subsequently implements the recruitment process to actively search for and select the most suitable candidates for the available positions.
2. **Basic workplace policies:** The HRM department holds the responsibility for formulating policies that contribute to the attainment of the strategic plan's objectives. Once the policies pertaining to safety, security, scheduling, vacation, and flextime have been established, the HR department should devise a communication strategy to effectively disseminate these policies. Naturally, HR managers work closely with supervisors to design these policies. The comprehensive coverage of workplace policies is extensively addressed in this book.
3. **Compensation and benefits:** HR managers are often responsible for 401(k) plans, health insurance, and other incentives in addition to salaries.

4. **Retention:** HR managers are in charge of appraising employees and developing retention strategies, while other managers inside the company will also contribute.
5. **Training and development:** The HRM department is also in charge of helping the acquisition of job-related skills for new workers and assisting existing employees in their skill development efforts. Identifying training requirements, devising training programs, and putting them into action are critical tasks for every firm. Succession planning include addressing manager departures and training existing employees to take over managing tasks when a manager leaves.
6. **Regulatory issues and worker safety:** The HRM department typically bears the responsibility of staying updated on new regulations and guidelines relating to employment, healthcare, and other relevant matters.

2.5.1 HRM vs. Personnel Management

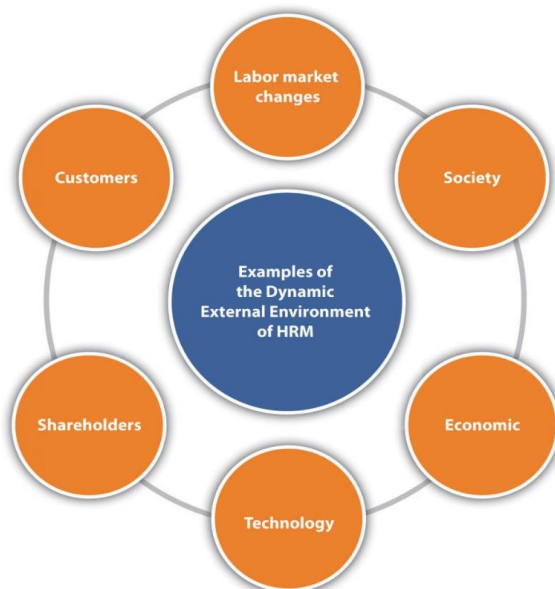
A human resource plan is a comprehensive and methodical blueprint developed by the human resources department. An HR strategy, according to this definition, delineates particular paths for the implementation of HRM strategic plans and HR plans. The HRM strategic plan represents the overarching goals of the organization, whereas the HR strategy consists of the specific measures adopted to achieve those strategic objectives. To provide clarity, the HR plan may encompass shorter-term goals that align with the broader strategic plan, while the strategic plan concentrates on longer-term objectives. As mentioned earlier in this chapter, personnel departments were previously referred to as human resource departments. This terminology implied that the department provided support to the rest of the company. However, in today's business landscape, organizations have come to recognize that people constitute their most valuable asset, particularly in the context of the current global economy. As a result, human resources (HR) are now far more important than they were two decades ago. Human resources, as opposed to personnel management, which consisted solely of hiring-related operations and legal compliance, includes much more, such as strategy planning. The Ulrich HR model, a commonly used framework for HRM strategic planning, gives a holistic perspective of an organization's HRM function. It is acknowledged that this concept sparked a transformative shift in the perception of human resources, positioning HR as a more integrated and collaborative function within the company. Over time, the model has undergone refinements, with its current iteration emphasizing the strategic partnership between HR operations and the overall global

corporate strategy (Ulrich and Brockbank, 2005: 9). This redesigned approach centers around five critical HR components:

1. **Strategic partner:** Establishing a collaborative partnership with the entire organization to ensure that the HR function is fully aligned with the enterprise's needs and objectives.
2. **Change agent:** The ability to anticipate and adapt to change within both the HR department and the organization as a whole.
3. **Administrative expert and functional expert:** Understanding and successfully implementing policies, procedures, and processes that are aligned with the HR strategic plan.
4. **Human capital developer:** Strategies for developing talent based on anticipated future needs.
5. **Employee advocate.** Applicable to the existing workforce of the organization.

According to Ulrich (Ulrich, 2011), implementing this approach requires a thorough awareness of the organization's broad goals, challenges, barriers, and opportunities. HR practitioners, for example, must understand the dynamic nature of the HRM environment, which includes changes in labor markets, company culture, values, stakeholders, consumers, and the economy. Once this understanding is obtained, HR can evaluate the best options for serving the needs of the business in these five core areas.

Figure 1: To successfully write an HRM strategic plan, one must comprehend the external environment's dynamism.



Resource: (Ulrich, D., "Evaluating the Ulrich Model," Acerta, 2011, accessed July 11, 2011, www.goingforhr.be/extras/web-specials/hr-according-to-dave-ulrich#ppt_2135261).

In order to effectively craft an HRM strategic plan, it is essential to have a thorough understanding of the dynamic nature of the external environment:

1. **Make it applicable:** Individuals frequently spend an inordinate lot of time developing plans, yet the plans are never implemented. The principles of a sound strategic strategy should govern the HRM function. When business elements change, it should be reviewed and altered. Participation of all HR department members (if there is a large department) and communication among all department members would improve the plan.
2. **Be a strategic partner:** The alignment of corporate values should be a key goal of the HRM strategy plan. Furthermore, the HRM strategic plan must be connected with the organization's broader goals and objectives. For example, if the organization's goal is to promote social responsibility, the HRM strategy plan should reflect this by establishing recruiting requirements that prioritize ethical and socially responsible behaviors.
3. **Involve people:** A strategy plan for HRM cannot be developed in isolation. It must be integrated with the entire organization. For example, throughout the strategy formulation process, the HR manager should collaborate with individuals from other departments to identify the top performers' core abilities and competencies. As a result, the HR manager may guarantee that the persons being recruited and interviewed have comparable characteristics to the excellent employees presently doing the job tasks. Furthermore, it is advisable for the HR manager to collaborate with the finance department and budgeting executives to identify the human resource requirements and effectively allocate resources for recruiting the right number of employees at the appropriate times. Additionally, sharing the HRM strategy with relevant stakeholders can elicit valuable feedback, ensuring that the plan aligns with the organization's business goals.
4. **Understand how technology can be used:** Many organizations face challenges in allocating resources and finding the motivation to explore software options and identify cost-effective deployment choices. Furthermore, individuals may have fears and apprehensions about the use of new technology. The most successful businesses, however, are those that embrace technology and actively seek out the most appropriate technical solutions to improve their operations. There are several HRM software options available that help expedite, simplify, and improve HRM practices. Effective strategic plans handle this issue by acknowledging the relevance of

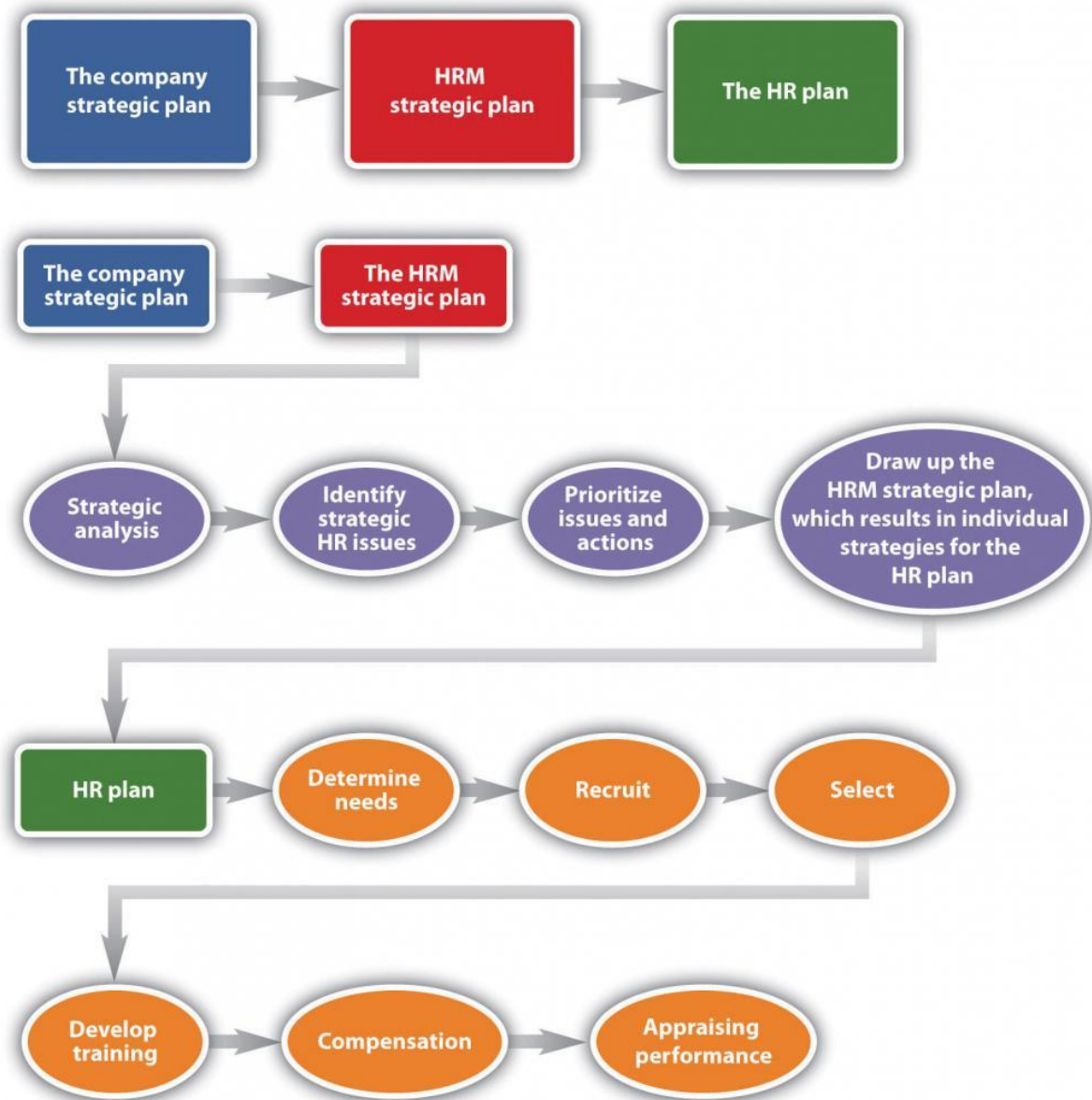
technology and adding relevant software solutions into their human resource management operations.

HR managers have a thorough awareness of the organization and can devise a plan to suit its needs. They also keep up with current events, which allows them to be aware of global changes that may have an influence on their strategic strategy. If companies become aware that an economic recession is on the horizon, for example, they will modify their strategic approach appropriately. In other words, the strategic plan must be a living document that adapts to economic and environmental changes.

2.5.2. Writing the HRM Plan

You have approved access to sensitive data, including pay information, as the HR manager. During your analysis of the compensation structure within the marketing department, you discover disparities in the pay of individuals holding the same job title and performing identical duties. Further investigation reveals that the employee with the shortest tenure really earns more than the one with the longest tenure. A glance at their performance scores indicates that they are both stars. You discover that the workers were recruited by two separate supervisors, one of whom has since departed the organization.

Figure 2: The link between firm strategic plan and the HRM strategic plan (The HR strategy may be derived from the HRM strategic plan).



Resource: (Crant, J.(2009), "How Long Does an Interview Process Take?", <http://www.jobsinminneapolis.com/articles/title/How-Long-Does-an-Interview-Process-Take/3500/422>).

The six components of the HRM plan are as follows:

1. **Determine human resource needs:** This section holds paramount importance in the strategic strategy as it encompasses key elements. It entails anticipating the organization's growth or downsizing, evaluating its implications on the workforce, assessing the prevailing economic conditions, and projecting sales figures for the upcoming year. These factors significantly influence the strategic planning process

and aid in making informed decisions regarding workforce management and resource allocation.

2. **Determine recruiting strategy:** Once you've devised a strategy, you must outline a strategy for hiring the right people at the right time.
3. **Select employees:** The interviewing and hiring phases are part of the selection method.
4. **Develop training:** What training requirements have evolved as a result of the strategic strategy? Is there any new software that all users must learn? Is there a problem with dispute resolution? Whatever the training topics are, the HR manager must include training initiatives in the HRM plan.
5. **Determine compensation:** The management must specify pay scales and other kinds of payment, such as health insurance, bonuses, and other incentives, as part of the HRM strategy.
6. **Appraise performance:** It is vital to create sets of criteria in order to evaluate your employees' performance and continue their development.

Determine Human Resource Needs

The first step in developing a human resources strategy will be to determine the number of personnel needed. This step comprises reviewing the previous year's company activity and presenting a number of questions:

1. Were enough people hired?
2. Did you have to scurry to fill positions at the eleventh hour?
3. What talents do your present staff have?
4. What skills do your staff need to acquire to remain technologically relevant?
5. Who will shortly retire? Have you identified their replacement?
6. What are the anticipated sales? How does this impact your hiring?

These are the questions that must be addressed during the initial step of the HR plan development process. Obviously, this cannot be done alone. Other departments, supervisors, and executives must be included in order to provide an informed evaluation of present and future manpower needs.

Many human resource managers will create a list of all current employees, including their educational history and talents. This gives the HR manager an idea of what current employees are capable of. If you are aware of your employees' current degree of development, it may serve as a tool for growing their abilities and talents. For example, an inventory may disclose that Richard will retire next year but that no one in his department

has been identified or is ready to take over his responsibilities. Keeping an inventory allows you to discover possible gaps and prepare for them.

Human resource managers will also investigate all work components and examine each role. By conducting this research, they may have a better knowledge of the skills needed to carry out a job efficiently. After the HR manager has done a requirements assessment and established exactly how many people, in what occupations, and within what time frame must be employed, he or she may begin recruiting, also known as a staffing plan (Crant, 2009: 422).

Recruiting

Recruitment is a crucial function of the HR management. Knowing how many people to hire, what skills they should have, and when to hire them are all key challenges in the world of recruitment. The most challenging component of recruiting may be finding individuals that have not just the necessary skills but also the proper attitude, manner, and fit. Depending on the type of position you're looking to fill, you could publish traditional classified ads online or use social networking sites. Some companies provide rewards for employee recommendations. No matter where you choose to recruit, keep in mind that the process should be fair and equitable, and diversity should be considered.

Some organizations may choose to outsource their hiring operations depending on time and resource availability. A head hunter will be recruited on a national and worldwide scale to locate candidates for certain types of executive posts. A head hunter is someone who works only with executive-level positions and specializes in matching people with jobs. As an alternative, choose a recruitment service that specializes in a variety of professions, including temporary and permanent employment. Some firms choose to hire temporary labor because they anticipate a short-term need and it may be less expensive to hire someone for a limited period.

Recruitment, regardless of the method utilized, is the collecting of résumés from persons who are interested in the post. Next, we evaluate the resumes, conduct interviews, and pick the most qualified candidate for the position (Crant, 2009: 422).

Selecting

Following the assessment of résumés for a post, the following stage is to select the best candidate for the role. It is also worthy of discussion here. Numerous studies have been undertaken, and while their conclusions vary, the majority of studies show that the average cost of hiring a new manager is \$45,000 (Herman, 1993). Despite the apparent exaggeration, consider the following cost contributors:

1. It's time to go over resumes.
2. It is now time to conduct candidate interviews.
3. Candidate interview expenses.
4. Travel expenditures for new hires or recruiters.
5. Potential relocation costs for a new recruit.
6. Extra paperwork, payroll, 401(k), and so on.
7. Additional record-keeping requirements for federal agencies.
8. Costs of unemployment insurance have risen.

Costs associated with a decrease of production while a new employee is getting up to speed.

Because hiring is so expensive, it is critical that it be done appropriately. First, resumes are analyzed, and candidates with the most relevant abilities are chosen for interviews. Numerous companies conduct preliminary phone interviews to further reduce the applicant pool. Typically, the HR manager is responsible for arranging interviews and creating the interview schedule for each applicant. In general, the more senior the post, the lengthier the interview process, which might go as long as eight weeks (Crant, 2009: 422). Before making an offer of employment to a new employee, it may be necessary to undertake reference checks, background checks, or testing. Typically, HR managers are accountable for this element. After meeting all requirements, the HR manager will offer the job to the chosen candidate. Salary, perks, and vacation time may be discussed at this stage. Compensation is the subsequent phase in HR administration.

2.5.3. Tips in HRM Planning

Human resource strategic planning requires an awareness of your employer's strategic plan and HR's function within the organization. The planning portion satisfies the requirements of the strategic plan by determining how many people should be employed, how many are required, and what sort of training they need to achieve the organization's objectives.

IBM in India, like many Fortune 500 businesses worldwide, finds it difficult to choose the finest candidates for job openings. Using a simple application, it tries to integrate the strategic strategy, staffing requirements, and the recruiting process via the use of sophisticated analytics. Initially conceived for internal project allocation of IBM employees, the project revealed that the tool not only facilitated the extraction of essential information, such as years of experience, but also enabled qualitative assessments to determine the individual's genuine suitability for the task at hand (Chari, 2011). This distinguishes the

program from the majority of résumé-scanning systems, which often focus on keyword searches and lack the capacity to evaluate job appropriateness or make a clear relationship between the criteria and the larger strategic objective. The effort makes use of IBM India's spoken web technology, in which potential candidates answer a series of questions in order to produce a voice-based résumé. The hiring manager may effectively find applicants that correspond with the organization's criteria and strategic objectives specified in the strategic plan by using these voice resumes.

- Language and dialect identification issues have been recognized as one of the program's challenges. However, IBM's human resources system is still one of the most advanced of its kind. People are largely reliant on services. Today, there is talk of a talent war, but finding the right people is challenging, and unemployment is high. According to Manish Gupta, head of IBM Research-India, our people management system makes use of sophisticated analytics (Chari, 2011).
- It is probable that this is simply the beginning of technology improvements that will allow HR practitioners to connect their HR strategy directly to a strategic plan with a few mouse clicks.

2.5.3.1 Link HRM Strategic Plan to Company Plan

Understanding the company's nature is critical for developing a successful HRM strategic approach. Because each organization is unique, a company's demands may alter depending on the economy, the season, and social trends in our country. To better estimate, for example, the number of employees required, the sorts of training required, and how to reward employees, HR managers must have a thorough understanding of all of these business factors. The strategic strategy created by the HR manager should address these concerns. To address these problems, the HR manager must establish departmental goals and HR strategies that are aligned with the organization's overall goals. In other words, HR should work with other departments rather than acting alone. This should be reflected in HRM strategy.

2.6 Monitor the Plan Constantly

A good strategic plan is frequently created, which takes a large amount of time, but it is not implemented for a variety of reasons, including the following:

1. The plan was not built with utility in mind.
2. The proposal was not shared to management or HRM department personnel.
3. The approach did not meet the organization's financial requirements.

4. The plan was not in line with the organization's strategic goals.
5. There was insufficient understanding on how to properly execute it.

There is no purpose in creating a plan that will not be implemented. To make a plan a significant asset for the business, it is essential to create it and then modify it as required. A strategic plan should be a living document that evolves in response to changes in organizational and external pressures. People may become overly dedicated to a certain approach or way of doing things, making it difficult for them to shift. Otherwise, the plan will be useless.

Measure It

A solid strategic strategy and HR plan will outline how "success" will be measured. For example, instead of saying "Meet the organization's recruiting requirements," be more specific: "Recruit ten qualified candidates this quarter to fill our ten available positions based on sales projections from our sales department." This goal is specific enough to be quantifiable. These quantitative data types also make it easier to explain the relationship between HR and the company, and, more crucially, how HR contributes to the bottom line. Similarly, if a company's strategic goal is to be a safe workplace, you might include the aim "create training to satisfy the organization's requirements." This is a noble goal, but how will it be measured? How will you know whether you met your obligations? With such a wide language, it may be difficult to measure. A goal like "create a safety training session and have all workers finish it by the end of the year" is more specific and can be tracked to determine success at the end of the year.

2.7 The Human Resource Management Practices in the Banking Industry

The banking industry is an important arena for innovation and a useful location for research on human resource management (HRM) methods (Rasool et al., 2019). According to one study, human resource management practices such as recruiting and selection, training and development, performance appraisal, and employee empowerment are predictors of employee abilities in the banking industry (Salman et al., 2022). According to a study, many employees in the banking industry continue to operate in traditional ways while others make an effort to adopt current HRM procedures (Rasool et al., 2019). HRM procedures are essential for improving organizational commitment and job satisfaction in the banking industry. Better work prospects are provided for employees by HRM practices, which also aid in career development opportunities (Cherif, 2020). The results of earlier studies demonstrated that HRM practices had a favorable impact on organizational performance (Anwar & Abdullah, 2021). Additionally, past research has indicated that HRM

practices should work in combination with the organization's competitive advantage strategy (Hamadamin & Atan, 2019).

In summary, HRM procedures are essential for improving organizational commitment, job satisfaction, and employee abilities in the banking industry. Some of the most widely employed HRM methods in the banking industry include recruitment and selection, training and development, performance appraisal, employee empowerment, and strategic HRM activities.

CHAPTER TWO

2. EMPLOYEE EMPOWERMENT IN HUMAN RESOURCES MANAGEMENT

In today's competitive environment, firms take all measure feasible to assure success and effective labor management. The phrase "Employee Empowerment" is gaining prominence in today's society. Employee empowerment has received a lot of attention in management circles, partly because it is considered as one of the fundamental components of managerial and organizational success that increases when authority and control are disseminated across the firm (Ergeneli, 2007: 41). In recent decades, empowerment has come to be acknowledged as an essential component of efficient management (Batten, 1995: 46).

Kotter (1995: 59) said that empowering people to act on the organizational vision is a crucial step in reforming a company. Leaders who empower people help them and their businesses to effectively navigate market volatility and unanticipated future needs (Lorsch, 1995: 107). Empowerment encourages more individuals to engage in choices affecting their activity (Smith, 2002). Empowerment is often discussed more at the cognitive level than in actuality.

Many businesspeople use the term "empowerment" without comprehending its core essence (Randolph, 1995: 19). In addition to Quinn and Spreitzer (1999: 37), there is a growing understanding that employee empowerment may provide modern firms with a competitive edge. Therefore, any organization should prioritize empowerment.

2.1 What Is Employee Empowerment

Empowerment is essential for a business's accomplishment, production, and expansion (Hunjra et al., 2011: 680). Employee empowerment is seen as a motivational strategy that seeks to improve performance by increasing involvement and engagement in

decision-making. It focuses on creating trust, motivation, decision-making involvement, and removing any obstacles between an employee and higher management (Meyerson and Dewettinck, 2012: 40). The practice of giving decision-making authority to a person is known as empowerment, and it is frequently related with the shift of responsibility from managers to other workers. Previously, empowerment was defined as providing employees of a company the authority to make decisions about their daily work obligations (Saif and Saleh, 2013: 250).

Employee empowerment means giving employees some decision-making ability and responsibility for particular organizational activities. It enables decisions to be made at the most basic levels of an organization, where employees have a unique perspective on the issues and difficulties confronting the company (Spreitzer, 1996: 483).

Although corporate empowerment has been extensively implemented for some time, scholars have only recently begun to analyze its nature and relevance (Lee and Koh, 2001: 684-695; Spreitzer, 1996: 483-504). According to Carless (2004: 405) and Haas (2010: 989-1008), empowerment is giving employees the flexibility to make decisions and determine how they behave themselves on a daily basis.

- Ettorre (1997: 26) defines empowerment as "workers with the ability to make independent decisions and who operate as business partners, all with an eye on the bottom line."
- Caudron (1995: 28) defines empowerment as "when workers 'own' their employment; when they are able to monitor and influence their own achievement as well as the success of their departments and enterprises."

2.2 The Role of Employee Empowerment

Empowerment is critical to the profitability, output, and development of a firm (Hunjra et al., 2011: 680). Employee empowerment is seen as a motivational strategy that seeks to improve performance by increasing involvement and engagement in decision making. It focuses on creating trust, motivation, decision-making involvement, and removing any obstacles between an employee and higher management (Meyerson and Dewettinck, 2012: 40). The practice of giving decision-making authority to a person is known as empowerment, and it is frequently related with the shift of responsibility from managers to other workers. Previously, empowerment was defined as providing employees of a company the authority to make decisions about their daily work obligations (Saif and Saleh, 2013: 250).

According to Jacquiline (2014: 1), empowered professionals are more likely to generate motivational feelings that allow them to gain authority and control, as well as apply the essential knowledge and talents to meet customer requests. As the empowerment program attempts to equip workers with power and authority by sharing responsibility with them, empowered employees will be able to improve their recognition and position. These individuals would cultivate a positive attitude and seek to attain success on the work (Wadhwa and Verghese, 2015: 280). Furthermore, Ripley and Ripley (1992: 20) discovered that empowerment enhances workers' desire to complete routine duties, improves job satisfaction, boosts loyalty and productivity, and lowers their intention to leave their positions.

Employee empowerment is widely recognized as a critical aspect in organizational success, and various authors have noticed its direct influence on employee performance, work happiness, and organizational commitment (Meyerson & Dewettinck, 2012: 40). Wadhwa and Verghese (2015: 280) observed that empowerment improved job satisfaction and organizational commitment. Furthermore, Laschinger, Finegan, and Shamian (2002) discovered that building an environment that strengthens and supports the usage of empowerment in the workplace has a positive impact on employee devotion, ultimately leading in increased organizational performance. Given the prior discussion.

2.2.1 Factors Employee Empowerment

Some experts believe that in order for employees to feel empowered, businesses must provide the correct situations and backdrops. Organization, management, and employees must all be ready. Scott and Jaffe (1991) cite as employee empowerment factors the transformation of a hierarchical organization into a circle, the modification of employee attitudes, the creation of motivation by granting power and respect, participatory management, the establishment of facilitative leadership, and the formation of empowered groups. Quinn and Spreitzer separate two attitudes and empowering viewpoints. The empowerment of vesting decision is in a clear frame in a static view, whereas the empowerment of accepting risk, development, and changes, understanding employees' needs, forming teams, encouraging collaborative behavior, encouraging intelligent risk-taking, and trusting others to perform effectively are in a more fluid context in a dynamic view.

In conclusion, they discuss four aspects crucial to mobility from a dynamic standpoint. These variables include establishing a clear viewpoint, gaining access to information, maintaining order and exerting control, and providing organizational support

(Quinn & Spreitzer, 1997: 41). According to Tubbs and Moss (2000: 256), in order for workers to be empowered, they need not just authority, but also enough training, a budget, and fundamental knowledge; they are then accountable for their actions. According to Ken Blanchard's book "Three Keys to Empowerment," the foundation of empowerment is an individual's knowledge, actions, and motivational strength. In their suggested model, Pardo Del Val and Lloyd (2003:103) address elements impacting empowerment, including collaboration, formalization, honesty, and degree of influence.

In this study, the researcher employed a content analysis technique to investigate aspects influencing empowerment. The researcher attempted to classify and identify the components after compiling a list of effective factors from the perspective of experts via the distribution of a Delphi questionnaire, and the indices of these factors were confirmed by academic and organizational experts via a second Delphi questionnaire. The following factors are summarized in Table 4:

Table 4: Identification of Factors Affecting Empowerment

Effective factors of Empowerment	Components
Personal Effective Factors	1- Individuals' attitude 2- Motivation 3- Organizational commitment
Interpersonal Effective Factors	1- Team work 2- Communications 3- Participation
Organizational Effective Factors	1- Organizational structure 2- Organizational culture 3- Leadership style 4- Vesting authority 5- Training 6- Clarity of perspective and goals 7- Job enrichment 8- Reward

Resource: Pardo del val.M. and Lloyd,B. (2003). "Measuring empowerment ". Leadership and Organisation Development Journal ,vol.24,No.2,pp.102-8.

2.2.2 Process of employee empowerment

In recent years, all those engaged in the activities of companies have considered the notion of empowerment, and researchers in both the public and commercial sectors have consistently used the empowerment of workers. Although organizational theorists have defined empowerment in various ways, it is commonly understood as the concept of power sharing, where empowerment is synonymous with delegating more organizational power to

employees, vesting authority, and encouraging employee collaboration at work (Carthwright, 2002: 106). The bulk of management theorists, however, emphasize the psychological and perceptual components of empowerment. According to these experts, in order to empower individuals, authority should be transferred from those in high positions to those in extremely low levels (Greasley and King, 2005: 354). According to this group of experts, empowerment is an internal action that is directly related to one's attitude, feeling, or opinion of the workplace. According to them, creating or maintaining a sense of capacity in a person's mental dimensions leads to empowerment (Perez, 2002: 6).

Empowerment is one of the new ideas being investigated in human resource development. This issue has a large body of literature due to the variety of works and investigations done, particularly because many approaches are studied. However, the diversity of the empowerment literature has increased its content, making a consistent and comprehensive paradigm of empowerment inaccessible (Littrell, 2007: 88). Experts' divergent perspectives on empowerment's operational definitions stem from their divergent perspectives on empowerment. Spreitzer et al. (2005) have identified three methods to empowerment and evaluated their origins and characteristics.

2.3 Three Perspectives on Empowerment in the Workplace

To investigate and grasp empowerment, contemporary management academics and practitioners have used three separate perspectives: (1) the social-structural view, (2) the psychological perspective, and (3) the critical perspective. We will offer a brief outline of each in the sections that follow.

2.3.1 The social-structural perspective

In general, the social-structural approach is based on democratic values and aims. According to this viewpoint, empowerment is linked to a belief in a democratic polity in which individuals have power at all levels of a system. The success and legitimacy of empowerment as a form of democracy are dependent on a system that supports and encourages the participation of the majority, if not the whole workforce. Clearly, in contrast to a formal democracy in which everyone has an equal vote and the majority rules, the great majority of businesses fall well short of the norms of voting equality and majority rule among workers (Eylon, 1998: 16).

Nonetheless, this social-structural perspective is concerned with the allocation of power within a system, where power is defined as formal authority or control over organizational resources (Conger and Kanungo, 1988: 471). Through increasing delegation of responsibility down the organizational chain of command, the focus is placed on

employee engagement. Workers, according to this viewpoint, are not empowered just because their bosses tell them they are or because firms issue statements stating they are. The social-structural viewpoint, on the other hand, emphasizes the need of moving organizational policies, procedures, and structures away from top-down control systems and toward high engagement practices (Bowen and Lawler, 1995: 73).

The emphasis is usually on how organizational, institutional, social, economic, political, and cultural forces may be used to eliminate conditions that cause weakness. Furthermore, in a study of a teacher-led empowerment initiative in a federation of independent schools, Bartunek and Spreitzer (1999) discovered that participation in change interventions was critical for the empowerment intervention to be effective, as participation facilitated the individual behavior change required for empowerment to take root.

Bowen and Lawler (1995) created a well-known social-structural model of empowerment. They observed that organizational tactics that convey authority, information, expertise, and incentives downward result in employee empowerment. Workers are more empowered when they are given additional authority, information, knowledge, and incentives. Because the four components are interrelated, they must be modified simultaneously for favorable outcomes. In other words, if a firm shares critical information with its workers but does not share authority, training, or incentives, empowerment will not take root.

However, from a structural viewpoint, empowerment creates a moral hazard for managers (Pfeffer et al., 1997). Employee empowerment's success or failure is dependent on managers' ability to balance the potential loss of control inherent in empowerment approaches with the need for goal congruence across the firm (Mills and Ungson, 2003: 143). Establishing defined boundaries for empowerment and cultivating trustworthy relationships are effective approaches for reducing the risk of this type of moral hazard (Blanchard et al., 2001).

Finally, the socio-structural perspective on empowerment is based on theories of social exchange and social power, with an emphasis on the allocation of authority between superiors and subordinates. However, empowerment theorists believe that this approach is insufficient since it fails to investigate the nature of empowerment as it is seen by employees. In other circumstances, workers were given authority, expertise, information, and incentives, yet they still felt helpless. In other cases, individuals who did not have the objective qualities of an empowering work environment felt and acted empowered. These

challenges inspired the creation of the psychological perspective on empowerment outlined in the next section.

2.3.2 The Psychological Perspective

The psychological qualities that allow people to feel in control of their own destinies are referred to as psychological empowerment. Conger and Kanungo (1988: 471) were among the first to define empowerment from a psychological standpoint. Conger and Kanungo (1988: 471) saw empowerment as promoting or improving personal effectiveness, as opposed to the social-structural position that associated empowerment with devolution of authority and resource sharing. This fundamental psychological concept was built upon by Thomas and Velthouse (1990: 666), who defined empowerment as intrinsic task motivation with four dimensions: meaning, competence, self-determination, and choice.

Meaning is defined as a fit between a person's beliefs, values, and behaviors with the demands of their professional position. Competence is related to job-specific self-efficacy, or the belief that one is capable of doing work obligations competently. The ability to start and manage one's own actions is referred to as self-determination (Deci et al., 1989: 580).

Control over the initiation and maintenance of work-related behaviors and activities (e.g., making judgments regarding work techniques, speed, and effort) is referred to as self-determination. The amount to which one may influence strategic, administrative, or operational outcomes at work is referred to as impact. These four comprehensions show an active, rather than passive, approach to one's professional role (Bell and Staw, 1989: 232).

Spreitzer et al. (1997: 679) conducted a comprehensive review of the literature on empowerment in a variety of domains, including psychology, sociology, social work, and education. Her examination of these works indicated support for the same four-dimensional view of psychological empowerment. Spreitzer (1995: 1442) developed a four-dimensional scale to measure these four aspects, using the Thomas and Velthouse (1990) model as a theoretical foundation. Kraimer et al. (1997) offered additional validation for this statistic.

In contrast to the social-structural approach, where other techniques of measuring empowerment (such as measures of delegation, participation, and decentralization) exist, one single measure has dominated empirical research from a psychological standpoint. As research investigations have been able to clearly build upon one another in the construction of a nomological network of empowerment in the workplace, empirical study on the psychological viewpoint of empowerment has grown.

Psychological empowerment studies have been undertaken with a wide range of people and organizations, including a big service organization, a Fortune 50 manufacturing business, lower-level insurance personnel, and a varied group of hotel workers (Spreitzer, 1995, 1996). Personnel of healthcare institutions, nurses (Brancato, 2000), Israeli bankers, rehabilitation center therapists, British civil officials, aerospace business workers and managers, and state personnel (Feldman and Khademian, 2003: 343). Because of the range of scenarios covered by the empirical data, we may conclude that the generalizability of the psychological viewpoint on empowerment has been successfully demonstrated. Furthermore, recent research has developed the notion of team-level empowerment (Kirkman and Rosen, 1999: 58).

2.3.3 The critical perspective

Traditional empowerment attempts, according to critical and postmodern empowerment theorists, are really disempowering (Wendt, 2001), because real power stays at the top of the organization in the absence of formal power structures such as direct worker ownership and representation (Boje and Rosalie, 2001: 90). According to these views, feeling strong is not the same as being empowered (Jacques, 1996). Hardy and Leiba-O'Sullivan (1998: 451) highlight that concepts of power are strikingly lacking from the literature on empowerment. Furthermore, these models recognize that empowerment initiatives may result in improved employee control through less obvious means. Barker (1993: 408) observed, for example, that an intervention aimed at empowering workers by putting them in work teams resulted in significant peer pressure, leaving employees feeling more confined and disempowered. Critical theorists argue that empowerment initiatives cannot be really empowering until employees have actual ownership and control of the firm (through industrial democracy interventions such as worker councils and cooperatives).

Boje and Rosalie (2001: 90) employ Mary Parker Follett's concept of co-power and Clegg's theory of power circuits to bridge the gap between these diverse opinions in the empowerment literature in an attempt to resolve the disagreement between mainstream empowerment theorists and critical theorists. They demonstrate how understanding power as "power to" rather than "power over" reconciles the empowerment theory idea of where power rests. Therefore, although the critical viewpoint helps in reintroducing the concept of power into the discourse on empowerment, it is still in its infancy and requires additional development.

When these three perspectives are compared, it is evident that, while they each approach empowerment in somewhat different ways, they are complementary. Each

provides a distinct lens through which to view workplace empowerment (a summary is provided in Table 5). The organization is the focus of the socialstructural approach. The psychological perspective is concerned with the individual's experience. The critical approach, on the other hand, highlights the political side of empowerment and the prospect of dominance. The goal is to develop a more integrative empowerment strategy that integrates the three views and more clearly connects empowerment theory to organizational change and growth. In this spirit, we will now discuss potential opportunities for empowerment work that may cross these various points of view, particularly in the context of organizational change (Boje and Rosalie, 2001: 90).

Table 5: Three Perspectives on Empowerment

	Roots	Essence	Level of Development
Social/Structural	Democratic principles and sociology	Sharing power and decision making	Extensive theoretical development and practitioner writing. Focus. Some empirical research.
Psychological	Social psychology and intrinsic motivation	Experiencing meaning, efficacy, self-determination and impact	Extensive theoretical development and empirical research. Rigorous measurement.
Critical	Postmodern theory and deconstructionism	Understanding who controls formal power structures	Initial conceptual ideas

Resource: Boje, D. M. & Rosalie, G. A. 2001. Where's the power in empowerment? Answers from Follett and Clegg. *Journal of Applied Behavioral Science*, 37(1): 90-117.

2.3.4 Human Capital, Employee Empowerment and Firm Performance

1- Human Capital

Human capital is defined as knowledge, skills, and abilities at the unit level that are employed to accomplish a specific set of results. Human capital is defined as the sum of an organization's employees' knowledge, skills, and capacities (Snell and Dean, 1992: 467). Human capital is the result of a company's deliberate investment in hiring people with strong broad abilities (or formal education) and in developing people with more specialized skills through "in-house" training programs (Skaggs and Youndt, 2004: 85). Consequently, firms may enhance their levels of human capital via human resource management strategies

including personnel selection and training. Organizations may grow their generic human capital via selection while concentrating on developing their firm-specific people capital through training. Human capital produces value via investments in enhancing the knowledge, skills, abilities, and expertise of people. Education is one kind of investment. Education levels correlate with increased expenditures in human capital. A highly educated person is more informed, performs better, and has more prospects for advancement (Hitt et al., 2001: 13).

Human resources are essential for the creation of human capital since organizations can not generate their own knowledge. Organizations may enhance their human capital by recruiting highly skilled employees from the external labor market and/or by enhancing the abilities of its present members. In the latter, staff retention plays an important role. In terms of human capital, senior managers have a critical role in recruiting, selecting, and maintaining the appropriate individuals in the business, as well as in identifying and resolving training gaps to increase employee and volunteer engagement (Hudson, 1995).

2- Employee Empowerment

Tulloch (1993) defined empowerment as "the delegation of authority to." According to Legge (1995), empowerment should be viewed through the lens of a redistributive paradigm that fosters power equality in the sake of trust and collaboration. According to Hales and Klidas (1998: 88), empowerment is described as providing subordinates with access to knowledge, information, and authority. The concept of empowerment is giving the workers a higher degree of flexibility and autonomy over work-related choices. This stands in stark contrast to conventional management practices that have stressed control, hierarchy, and rigidity (Greasley et al., 2005: 364).

Conger and Kanungo (1988) stressed power as the lynchpin of empowerment, either to strengthen or weaken the belief in personal helplessness. Power is frequently transferred so that employees have the authority to make and carry out their own decisions. The authors distinguish between the relational and motivational meanings of empowerment. The relational aspect studies the relationship between managers and employees before and after empowerment. For workers to feel inspired, the motivational component specifies a process through which initiative will need to pass. Pastor (1996: 5) remarked, "It is part of a process or an evolution - one that occurs anytime two or more individuals are in a personal or professional connection." Lee and Koh (2001: 684) created this idea by investigating the intersubjective nature of the subordinate and supervisor. They define empowerment as a mix of a subordinate's psychological state and the supervisor's empowering activities.

According to Conger and Kanungo (1988: 471), empowerment is a critical notion that denotes "enabling," rather than just handing authority and resources to subordinates. Furthermore, Thomas and Velthouse (1990: 666) proposed the concept of psychological empowerment, which has four widely accepted dimensions: meaning, competence, self-determination, and effect. Meaning refers to a person's interpretation of the work's goals, objectives, and values in light of their own value systems and standards. Competence or self-efficacy refers to a person's belief in his or her ability to complete a task. Self-determination refers to a person's capacity to direct their own work. Impact refers to the amount to which an individual's tactics, administration, management, and operations may influence the outcomes of the company in which he or she is working. The four pillars of psychological empowerment represent people's favorable perspectives on their professional positions. Empowered employees will not wait passively for instructions but instead actively modify and impact their work environment, resulting in increased productivity (Sigler and Pearson, 2000: 27). Employee engagement has been the subject of research and practice for many years. It evolved into the present empowerment model through the concepts of employee engagement and participatory decision-making. Entrepreneurs, managers, and management experts regard the employee as the most significant source of competitive advantage for organizations, and they feel that employee engagement and empowerment are critical to the success of enterprises (Siegall and Gardner, 2000: 703).

When the nature of empowerment is examined, it is determined that it has good repercussions. When delving into the components of employee empowerment, it is underlined that the notion will benefit both workers and companies. Employee empowerment, according to research, promotes organizational devotion, motivation, and consumer satisfaction (Han et al., 2009: 15).

3- Firm Performance

Firm performance is defined as "the economic consequences of an organization's characteristics, activities, and environment interacting" (Combs et al., 2005: 261). According to Lynn and Cox (1997), without performance feedback, individual, group, or organizational performance growth is impossible. The transmission of job outcomes to an individual, work group, or organization is known as feedback. The link between organizational decisions and organizational objectives for an organization or its work unit is defined as performance measurement. Before you can improve something, you must first be able to measure it, which implies that the goal of your improvement must be established in some way. In addition, it has been said that performance may be enhanced just by

measuring it. Whether or whether this is accurate, measuring is the first stage in the improvement process. Despite the fact that measuring is the process of quantification, it has the impact of encouraging positive action. Managers should be mindful that almost all measures have negative repercussions if employed improperly or in the wrong circumstance. Before implementing performance metrics, managers must examine the prevailing environmental circumstances and assess the possible adverse effects.

According to Kaplan and Norton (1992: 71), the balanced scorecard approach is based on the idea that more than financial data is necessary to measure company performance and that non-financial data should be included to successfully assess firm performance. They claimed that any performance measurement system should encompass financial, internal company, customer, and innovation and learning aspects. A financial perspective; return on capital employed, economic value added, sales growth, and cash flow Customer satisfaction, customer retention, client acquisition, profitability, and market share are all factors to consider. Internal business process perspective - Includes metrics for: Innovation - measurements of the company's capacity to predict future customer wants; Metrics for quality, cycle time, and cost in operations post-sale support consists of procedures for warranty, repair, defect, and return handling. Perspective on learning and development - Includes personnel indicators such as employee retention, training, skills, and morale. System availability – a measure of the availability of critical real-time data required by frontline personnel.

4- Human Capital, Employee Empowerment and Firm Performance

Barney and Wright (1998: 31) claimed that a strategic asset is just human capital with valuable and distinctive knowledge. Therefore, as suggested by Boxall (1996: 59), businesses should pick and keep individuals of this kind, since they produce "human capital advantage."It has been shown experimentally that when a firm's human capital has important and unique information, it becomes a strategic asset of the company, contributing to increased competitiveness and, eventually, profit (Subramaniam and Youndt, 2005: 450).Knowledgeable personnel (knowledge workers), as defined by Collins and Smith (2006: 544), contribute more to organizational learning. Skilled and original employees are more inclined to test out novel approaches to business and implement the most successful ones. Moreover, only this sort of human capital is capable of providing the internal circumstances that foster learning, since it is essential that knowledge offers value and is rooted inside the company so that unique skills may be produced (López-Cabrales et al.,

2011: 344). The concept of empowerment is giving the workers a higher degree of flexibility and autonomy over work-related choices (Greasley et al., 2005: 354).

Many writers have seen a clear correlation between the amount of employee empowerment and employee performance (Spreitzer, 1995: 1442), employee work happiness, and employee commitment. Empowerment of employees has been generally acknowledged as a crucial contributor to organizational success. Individual and organizational performance may increase as a result of empowering people to make companies more flexible and responsive. Similarly, it is said that employee empowerment is essential for the innovation and efficiency of a firm (Bartram and Casimir, 2007: 4).

Employee empowerment decreases task time by bringing decision-makers and workers closer together. Employee empowerment will arise from any management style that promotes the development of a sense of self-efficacy. Individuals that are empowered will take a more active position in the organization, take more initiative, and engage more in its activities. Entrepreneurs, managers, and management experts regard the employee as the most essential resource that provides firms with a competitive advantage, and they feel that employee engagement and empowerment are critical to the success of organizations (Siegal and Gardner, 2000: 703).

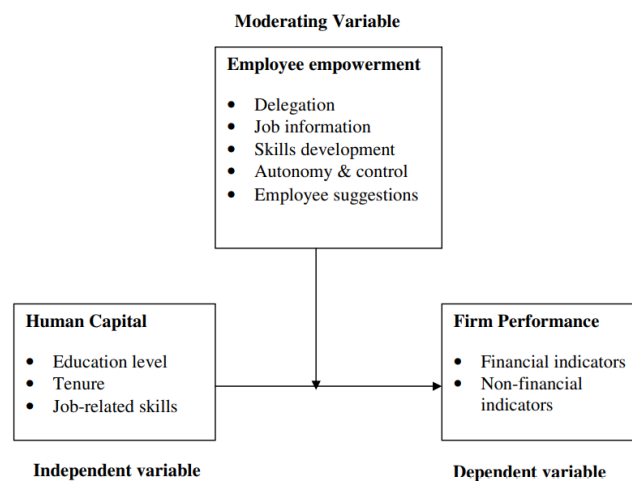
When the nature of empowerment is examined, it is determined that it has good repercussions. When delving into the components of employee empowerment, it is underlined that the notion will benefit both workers and companies. Employee empowerment boosts organizational commitment (Han et al., 2009: 15; Sigler and Pearson, 2000: 27), motivation (Janssen et al., 1997: 175), performance, and customer satisfaction (Han et al., 2009: 15; Sigler and Pearson, 2000: 27) (Sigler and Pearson, 2000). (Chebat and Kollias, 2000: 27). For empowerment to actually operate and for trust to be maintained, there must be a steady stream of good outcomes, according to Diab (2011), who observes that this is an often-overlooked factor. If trust is extended to workers and they are given decision-making authority, but the outcome has a negative effect on the firm, one would be less inclined to maintain this empowerment and faith in those people would be shattered.

Employee empowerment is more vital in today's competitive market, as knowledge workers are becoming more significant (Jarrar and Zairi, 2002: 266) and organizations are changing toward decentralized, organic organizational structures (Houghton and Yoho, 2005: 65). Every company has a knowledge base that is made up of previous experiences, human expertise, and work methods. If a corporation wishes to create an empowering structure, it must be able to create an architecture that aids in its knowledge of its employees'

abilities and competencies. The organization must be aware of what it intends to enable. On the other hand, workers must be aware of the skills and competence profiles specified for the different responsibilities inside the organization and must be able to do some kind of matching to assist them in selecting the appropriate growth opportunities (Houtzagers, 1999: 27).

It is crucial to give employees a vote in the company's future since it saves companies money and fosters a feeling of ownership among employees. It is considered that the contributions of engaged workers have a major influence on corporate productivity, revenue, and the overall success of the firm. People have a basic urge to contribute to the success of the organization and see the concrete benefits of their efforts. Empowering workers as they take on increasing responsibilities in establishing the company's culture is crucial to achieving success. By including workers at all levels of a company in strategic goals, employee engagement programs devolve power to employees. Employees are encouraged to propose ideas, develop worthwhile activities, and implement strategies. Empowering workers to have a larger part in defining the company's culture is crucial to achieving success. Delegating power disperses the decision-making process, invites feedback from those closest to the issues, and develops a collaborative atmosphere. When leaders include everyone in advancing the company, synergy and dedication are developed at all levels. Firms may engage workers at all levels in delivering better service, enhanced productivity, and fulfilled purpose by developing a culture of engagement (Cameron, 2010: 5).

Figure 3: Conceptual Model.



Resource: Cameron K. (2010). Employee Involvement: A New Blueprint for Success, Journal of Accountancy, 209, 5.

A workforce that is empowered has more freedom and flexibility to make choices about their job (Greasley et al., 2005: 254). Competence is a fundamental aspect of empowerment. Empowered workers with the necessary knowledge and abilities have the option to participate to decision making, which might improve decision quality. For empowerment to be possible, the workforce must possess a high level of expertise, and the business will profit from delayering the personnel. Employee participation in decision-making fosters motivation and commitment to the company, as well as the desire to work harder. The quantity of information, skills, and competencies gained by the staff, as well as their ability to contribute to strategic decisions, determines firm performance. As a result, H1: Employee empowerment moderates the influence of human capital on company performance is proposed (Appelbaum et al., 2000).

2.4 Benefits of Employee Empowerment

When the benefits of worker empowerment are recognized, the necessity for it becomes clear. There are various areas where empowerment has a positive impact, but the five listed below are arguably the most visible.

- 1- When workers are given the authority to influence product or service results, they will create higher-quality work. The finished product will become a source of personal pride, and the benefits to both the consumer and the employee will become clear. The ultimate benefit of enhancing quality to a firm is an increase in client loyalty, which immediately leads to increased revenues.
- 2- Multiple studies have shown that empowered workers are happier with their jobs and less inclined to seek employment elsewhere. This reduces personnel expenses and the need to train new employees.
- 3- With improved self-assurance, workers are more likely to exchange knowledge and best practices with one another. This has a direct effect on teamwork. Participation becomes more active and proactive, and this enhanced cooperation will contribute to the organization's capacity to accomplish strategic objectives.
- 4- Productivity will increase as confidence and self-esteem grow, as will a more quality-focused and collaborative mindset. People who are accountable for their job become owners of the process and results, which motivates them to perform the task more successfully. Organizations that have recognized the value of empowering people find that they cut waste, decrease bureaucracy, and spend time more effectively.
- 5- Empowering employees decreases costs: Costs will be decreased organization-wide:

- An empowered workforce is happier with their job and career path, resulting in a reduction in employee turnover.
- Retention rates increase, training expenses decrease, and in-house expertise stays.
- Operations become more productive and efficient.
- Proactively finding solutions to consumer issues enhances customer loyalty. This minimizes marketing and consumer acquisition expenditures.

2.4.1 Employee Empowerment Benefits for Staff

Employee empowerment is viewed as a motivating strategy when properly created and implemented in businesses. As a result of increased employee involvement and autonomy, employee empowerment will improve organizational performance (Greasley, 2005:364). According to Ziyakashany (2009: 94), empowerment is one of the effective ways for improving human resource quality and organizational efficiency. Employees that are empowered have a higher sense of ownership inside the organization.

Employee empowerment is a notion that has measurable benefits for a firm. These benefits enable a firm to gain a competitive advantage. Many firms that wish to boost employee productivity and overall performance believe that employee empowerment would help them achieve their goals. According to studies and the opinions of several authors, employee empowerment strategies provide the following outcomes:

- A significant benefit of employee empowerment is a high degree of employee satisfaction. A higher degree of employee satisfaction results in greater loyalty.
- Empowered workers are more devoted to their jobs and less likely to endure stress or consider quitting their jobs. The longer a person remains with a firm, the more experienced they become, making them invaluable mentors for new workers and important members of the management team.
- Employees that are empowered have a greater feeling of duty, accountability, and ownership over their job, resulting in higher productivity.
- When workers are engaged in goal formulation, their values, ideas, information, and experiences may bring value.
- Empowered personnel generate outcomes that have a positive impact on both sales and profit.
- Good people who are empowered to make choices and act independently are a competitive force capable of transforming all facets of company.

- When workers are given autonomy and regarded as integral parts of the business, they build confidence in their skills, which has a good effect on the organization.
- Employees with strong self-esteem are more inclined to collaborate with others. These actions foster teamwork.
- Empowered people take pleasure in their work and accept responsibility for producing quality results. By offering high-quality goods and services, firms get the advantages of having empowered people.
- Empowerment, which provides staff the authority to make choices, offers other advantages, including improved management of service interruptions and increased responsiveness to customer demands.
- Empowering employees may foster creativity. An empowered employee may see a certain problem differently than a management and be able to come up with a creative explanation.
- Empowered personnel contribute to the reduction of customer service-related costs.
- Empowering employees may build connections between managers and workers.

2.4.2 Employee Empowerment for Business

Motivated workforce: Self-disciplined and self-managed workers are empowered personnel who are more familiar with their jobs and do not need special guidance from their supervisors to reach their goals. They are aware of their roles and what is expected of them in order to present the organization's vision to the market for more profit and improved results.

Trust in Administration: When workers are aware of their worth and value inside their organization, they are more likely to perform well and be motivated to complete more work more quickly. Empowering workers may be advantageous for both the firm and the person. Thus, they will implement improvements and innovations that set the standard in order to bring their firm to its full potential. Trust or openness in administration may enhance employee engagement, relationships, communication gaps, progress, performance, and outcomes.

More satisfactory service: Employees that are empowered perform better in all fields, including sales and marketing, teamwork, customer service, and help. When workers are empowered, they operate with more zeal and devotion and give more satisfying services to customers.

Enhanced creativity: A corporation whose workers are empowered produces creative and loyal work. The empowerment of workers serves to link people, exchange information, and motivate individuals to interact, take a position for others, and try innovative approaches to solve problems and produce results.

Talent Retention: Empowering employees has a crucial part in acquiring top talent for any organization. It allows them to demonstrate their skills and talents. Therefore, successful individuals are more equipped to attract and retain brilliant individuals than those who are not. Individuals are constantly looking for a firm where they can learn, overcome obstacles, and advance their careers.

2.5 The Organizational Empowerment Scale

The idea of employee empowerment has received a lot of attention in recent years. It refers to the procedure of granting employees the right and authority to decide what to do and how to do it. This section examines the idea of employee empowerment, as well as its causes and effects. According to one study, the key influencing variables in carrying out an empowerment effort include job design, training, and leadership (Zhu et al., 2015). Employee empowerment is associated with improved organizational performance, according to a similar study (Tan, 2007). Additionally, an analysis of the literature on employee empowerment revealed a number of elements of empowerment, including autonomy, decision-making power, and information access (Tanjeen, 2013). The literature has also examined the contextual, societal, and individual aspects that affect employee empowerment (Thompson, 2013). Last but not least, a study examining the relationship between employee empowerment and customer satisfaction discovered that empowering employees can result in better levels of customer satisfaction (Rodrguez Delgado & Korshenko, 2013). This suggests that employee empowerment may be beneficial for both employees and customers.

Empowering employees is now recognized as a key component of enhancing organizational performance and creating long-term competitive advantage. By granting individuals the tools, opportunity, and support they need to take charge of their job and make decisions, human resource management (HRM) practices play a crucial role in promoting employee empowerment. In conclusion, there has been a lot of research done on the idea of employee empowerment in the literature. Employee empowerment's components, results, and contextual, cultural, and personal determinants of effectiveness have all been established. Exploring how employee empowerment can be successfully applied in various

organizational environments would require more research (Yin et al., 2019; Spreitzer, 1995; Tanjeen, 2013).

Measuring empowerment in companies is important because it can assist human resource departments in identifying contextual elements that support empowerment and provide suggestions for improvements that can be made to enhance employee views of empowerment. It's crucial for businesses to decide what has to be done to raise employee sense of empowerment because it's thought that an empowered workforce would help them gain a competitive advantage. (Matthews et al., 2003).

In this research, the Organizational Empowerment Scale by Matthews et al., (2003) was used. Matthews et al., (2003) in their article discussed the development of a scale, called the Organizational Empowerment Scale, to measure three environmental factors that affect an employee's perception of empowerment: Dynamic Structural Framework (DSF), Control of Workplace Decisions (CWD), and Fluidity in Information Sharing (FIS). The authors argued that understanding these factors can help human resource departments make changes to improve perceptions of empowerment among employees. They also discuss other scales related to empowerment and suggest that companies should look at both relational and psychological perspectives of empowerment to create effective empowerment programs. They argued that their scale is very different from other common scales (Specifically, Thomas & Velthouse, 1990; Randolph, 1995; Spreitzer, 1995; Leslie et al., 1998; and Wilkinson, 1998).

They suggested that the Organizational Empowerment Scale (OES) is a unique scale that distinguishes and measures three contextual elements that influence an employee's perception of empowerment include a dynamic structural framework, decision-making authority at work, and fluid information sharing. The OES was developed to provide human resource departments providing them with information that will identify environmental improvements they may make to enhance the perceptions of employee empowerment (Matthews et al., 2003). The other popular scales in literature, in comparison, may measure different aspects of empowerment or may not be specifically designed for organizational contexts. For example, Spreitzer's Psychological Empowerment Scale measures an employee's sense of purpose, skill, influence, and self-determination but does not focus on environmental factors (Matthews et al., 2003).

The Organizational Empowerment Scale (OES) includes three distinct dimensions—Dynamic Structural Framework (DSF), Control of Workplace Decisions (CWD), and Fluidity in Information Sharing (FIS)—measures empowerment on an

environmental level. These three elements have a conceptual connection to and an impact on how an employee perceives their level of empowerment. The three scale factors representing DSF, CWD, and FIS had Cronbach alpha coefficients of 0.91, 0.90, and 0.81, respectively, indicating high internal consistency reliability (Matthews et al., 2003).

The three components of the Organizational Empowerment Scale (OES) are briefly defined below.:

- 1- Dynamic Structural Framework (DSF):** This factor emerges when an organization offers a clear set of flexible rules that support employee decision-making both procedurally and behaviorally in a changing workplace. DSF, then, refers to the extent to which individuals have access to policies and procedures that support their decision-making in a dynamic work environment.
- 2- Control of Workplace Decisions (CWD):** This element relates to the degree to which employees have control over their work environment and can make decisions that affect their job performance. CWD is about giving employees autonomy and authority over their work.
- 3- Fluidity in Information Sharing (FIS):** This factor refers to the extent to which information is shared freely within an organization, allowing employees access to information that can aid individuals in making sound choices. FIS is about creating an open communication culture where information flows freely between different levels of the organization.

These three factors are believed to be important environmental variables in companies that affect how employees perceive their level of empowerment (Matthews et al., 2003).

The Organizational Empowerment Scale (OES) can be a useful tool for HRM research because three specific dimensions—Dynamic Structural Framework (DSF), Control of Workplace Decisions (CWD), and Fluidity in Information Sharing (FIS)—are used to assess empowerment on an environmental level. By using the OES, HR professionals can identify aspects in the environment that encourage empowerment and suggest changes that can be implemented to improve employee perceptions of empowerment (Matthews et al., 2003).

Additionally, the OES is a accurate and valid scale that has been tested in various workplace settings. It has high internal consistency reliability, indicating that Measures what it is intended to measure consistently. The OES can also provide valuable information for

companies seeking to achieve a competitive advantage by creating an empowered workforce (Matthews et al., 2003).

Overall, the OES can help HR professionals better understand how employees perceive their work environment and identify areas where changes can be made to improve employee perceptions of empowerment (Matthews et al., 2003).

2.6 HRM Practices and Employee Empowerment

Several studies have emphasized how important HRM practices are in determining employee empowerment. Employee empowerment has been found to be positively impacted by HRM practices such training and development, performance management, compensation, and employee involvement (Gile et al., 2018; Salman et al., 2022). These practices enable employees to acquire the skills and knowledge required to perform their tasks effectively, set performance goals, and get evaluations for their work, which contributes to their sense of empowerment. Additionally, employee involvement in decision-making processes and fair compensation practices can further enhance their empowerment by providing them a feeling of freedom, control, and ownership of their work (Salman et al., 2022).

Employee empowerment is a process that involves giving employees the power and the ability to decide what to do and how to do it that will effect their work. Practices in human resource management (HRM) can make a significant contribution to increasing employee empowerment. One study proposed as antecedents of the abilities of employees, four HRM practices—recruitment and selection, training and development, performance evaluation, and employee participation—have been identified (Salman et al., 2022).

These practices can enhance employee skills and knowledge, which can lead to increased empowerment. Another systematic literature review discovered that HRM bundles that included techniques to boost empowerment, skills, and motivation were more successful at enhancing employee outcomes like task performance, retention, motivation, and satisfaction (Gile et al., 2018).

This implies that combining several HRM techniques can improve employee empowerment. Additionally, a study on how HRM practices affect organizational performance discovered that those practices have a favorable impact (Anwar & Abdullah, 2021). Employee empowerment is one of the better organizational outcomes that can result from good HRM procedures. Finally, HR managers can encourage employees to go above

and beyond the scope of their roles by implementing progressive HRM practices (Delaney & Huselid, 1996).

This can include providing opportunities for employees to take on additional responsibilities or participate in decision-making processes. In conclusion, HRM practices can significantly improve employee empowerment. Important aspects to take into account include recruitment and selection, training and development, performance evaluation, employee involvement, and activities that boost motivation, skills, and empowerment (Salman et al., 2022; Cherif, 2020; Salman et al., 2022).

Following are some of the best HRM strategies for fostering employee empowerment in the banking industry, as determined by the findings of prior studies:

- Recruiting and selection: Good recruiting and selection procedures can assist find candidates that are a good match for the organization and have the potential to be empowered (Yin et al., 2019).
- Training and development: Offering employees training and development opportunities can assist them in acquiring the abilities and information they require to be successful in their roles, which can increase their confidence and sense of empowerment (Yin et al., 2019; Islam & Ali, 2019).
- Performance appraisal: Regular performance reviews that assist them understand how their work contributes to the organization's goals and offer feedback on areas for development can increase employees' sense of control over their work (Yin et al., 2019).
- Delegation of authority: This entails granting employees the authority to decide and execute actions that have an impact on their work. (Kraatz & Block, 2008).
- Sharing of information and resources: This entails giving staff members access to the data and resources they need to succeed (Kraatz & Block, 2008).
- Employee participation: This entails providing employees a say in decision-making processes and the way work is done (Achievers, 2023).
- Feedback orientation: This entails giving staff members feedback on their performance and encouraging them to offer feedback on the company (Johnson, 2022).
- Motivation-enhancing practices: These procedures, like incentive and recognition programs, are meant to boost employee engagement (Gile et al., 2018).

- Skills-enhancing practices: Through initiatives like training and development programs, these procedures seek to improve employee skills and expertise (Gile et al., 2018).
- Empowerment-enhancing practices: The practices, which include authority delegation, information sharing, and resource sharing, are designed to improve employee empowerment (Gile et al., 2018).

It is significant to remember that depending on the organizational environment, the efficacy of these HRM strategies may change. Therefore, more study is required to examine how various HRM approaches might be successfully combined to increase employee empowerment in various organizational circumstances.



CHAPTER THREE

KEY ELEMENTS OF PERSONNEL EMPOWERMENT

Personnel empowerment is the creation of a professional atmosphere in which employees may actively participate in decision-making, problem-solving, and goal-setting activities. It requires delegating authority so that workers may make educated judgments. The goal of this study is to look at the available literature and viewpoints on employee empowerment. The expansion of employees' duties and the improvement of job quality are central to the idea of employee empowerment. Employees have a more positive attitude toward the organization when they are empowered. This research delves into the perspectives, components, kinds, tactics, advantages, and obstacles of employee empowerment. It is based on a thorough examination of secondary data. This research provides as a methodical beginning point for managers looking to understand the notion of empowerment. Furthermore, employers may use the study's findings as a great learning tool when implementing employee empowerment. In today's competitive environment, firms use a variety of tactics to assure success and effective personnel management. The concept of "Employee Empowerment" has gained significant prominence in contemporary society. It has become widely acknowledged in management circles due to its pivotal role in managerial and organizational effectiveness, which is amplified when power and control are shared within the organization (Ergeneli, 2007: 41). In recent years, empowerment has emerged as a crucial attribute of effective management (Batten, 1995: 46). According to Kotter (1995: 59), empowering employees to act upon the organizational vision constitutes a critical step in transforming an organization. Leaders who empower employees facilitate their organizations in effectively navigating market volatility and unforeseen future demands. Empowerment entails fostering greater participation of individuals in decisions that influence their activities (Smith, 2002). However, it is important to note that while empowerment is often discussed at a cognitive level, its practical implementation remains a challenge.

3.1 Personnel Training and Development

Personnel represent invaluable resources within an organization. Despite the presence of advanced technology, machinery, and financial resources, the absence of skilled and knowledgeable employees renders these assets ineffective. Knowledge encompasses the aptitude, expertise, understanding, and information that employees must acquire to fulfill their roles effectively, thereby enabling the smooth functioning and efficiency of the business. Hence, the provision of training and development programs assumes great

significance in improving employee performance and enhancing overall productivity, positioning businesses in a favorable position to confront competition and maintain their leading position. This highlights a significant distinction between companies that invest in the training of their personnel and those that neglect this crucial aspect (April, 2010: 24).

Training and development encompass systematic activities aimed at enhancing the skills, knowledge, and competencies necessary for effective and efficient job performance (Gordon 1992: 37). The objective of organizational efficiency revolves around optimizing production while minimizing costs. Through the positive impact it has on employee performance, training contributes to the development of employee knowledge, skills, abilities, competencies, and behavior, yielding benefits for both individuals and the organization (April, 2010: 24).

Aside from competitiveness and productivity, efficiency and effectiveness are important characteristics of performance, and training may help to improve organizational performance by boosting individual employee contributions (Cooke 2000: 9). Individuals are deemed high achievers when they satisfy these business goals and defined criteria. While there is substantial knowledge about the economic implications of training in prosperous nations, there is a scarcity of research investigating training-related concerns in less-developed countries. Organizational efficiency, according to Sheri-Iynne and Parbudyal (2007: 45), refers to an organization's capacity to achieve its goals, retain its market position in the face of competition, and enhance profitability.

3.1.1 The Principles of Training and Development

A number of guiding principles are routinely used to guarantee the effectiveness of training efforts. Positive reinforcement, learner engagement, feedback systems, and the transferability of gained information to real work performance are among these concepts. These concepts were identified after significant investigation, as evidenced by studies done by Anastasi (1969: 33) and Flippo (1984: 16). Beach (1980) emphasizes that learning is the underlying core of the training process. Learning refers to the human process of learning skills, information, habits, and attitudes in order to change one's behavior. When trainees are highly motivated, learning becomes more effective, resulting in faster and more efficient information acquisition. Consequently, training should align with the desires and needs of trainees, such as job recognition, prestige, and promotion. Essentially, the most effective learning occurs when trainees recognize that their training can fulfill certain needs they possess (Obisi 2001: 1).

Positive reinforcement implies using prizes such as promotions, pay increases, recognition, and better working conditions, whereas negative reinforcement requires using penalties or punishments on employees. Negative reinforcement could include asking an employee to redo a training course owing to poor performance during the original training session (Mamoria, 1995). Learner involvement refers to trainees' active participation in the learning process. This active participation is necessary for optimal learning since using different human senses leads to a more thorough learning experience. As a result, well-designed practice techniques are critical in promoting optimal learning results (Dixon 1999: 10).

Feedback is crucial in allowing pupils to assess their own performance. It is critical that feedback contain information on how trainees might avoid making the same mistakes in the future. Individuals learn more successfully when their successes are recognized, according to research. Employees should utilize the abilities they learned during training to improve their work performance, according to the concept of knowledge transferability. Consequently, information, abilities, and attitudes that are not utilized in the workplace fail to contribute to organizational objectives. When employees' roles do not align with their training areas, they lack motivation to pursue further education. This underscores the importance of ensuring that training exercises closely resemble job responsibilities to the greatest extent possible (Dixon 1999: 10)

3.1.2 Training and development techniques

As per the findings of Obisi (2001: 1), the Job Rotation approach to training is designed to offer trainees a diverse range of work experiences through the transfer from one job or department to another. This method enables them to acquire comprehensive job knowledge and experience, thereby preparing them for increased responsibilities in the future. The rotation of trainees across various departmental tasks or assignments facilitates a deeper understanding of interdepartmental concerns for both trainers and trainees, relating to the job or the employees within different departments.

Through internship training, learners have the opportunity to develop a comprehensive and practical understanding of the relationship between theoretical knowledge and its application in real-world contexts. However, internships are characterized by a relatively slow learning process due to the time required to gain relevant work experience. Nonetheless, internships face significant challenges during periods of economic recession and layoffs, which may limit the availability of new opportunities for internships (Leibowitz, 1981: 10). In the case of the Understudy Assignment method, the

trainee is mentored by an experienced manager who prepares them for higher responsibilities. The objective is to equip the trainee with the necessary skills and knowledge to perform at the same level as their superior. The effectiveness of this approach hinges on the amount of time and interest the superior invests in guiding the subordinate to assume their future role (Steinmetz and Lawrence, 1996: 15).

The vestibule training approach involves students receiving instruction in a simulated environment closely resembling their future workplace. The primary objective of this strategy is to replicate authentic work settings and offer trainees fundamental learning experiences before they engage in actual job practice. Consequently, this approach reduces the challenge of transferring acquired knowledge and skills from the learning environment to the actual work station, as trainees are already performing the tasks, they will eventually carry out in their job roles (Kenny and Reid, 1995: 10).

The classroom approach serves as a cost-effective method of training wherein the trainer imparts essential knowledge, fundamental concepts, and factual information to a group of learners simultaneously. Apart from its cost-effectiveness, this approach stands out by providing direct interaction between instructors and trainees, facilitating the exchange of ideas and fostering meaningful discussions within the learning environment (Mamoria, 1995).

3.2 Open Communication

Extensive research has consistently highlighted the paramount importance of open communication as a critical determinant of business success. Open communication has been linked to various traditional business and management concepts such as job satisfaction, organizational performance, and decision-making. Previous studies have demonstrated a positive and statistically significant correlation between communication transparency and employee motivation. Additionally, it has been observed that open communication positively influences employee empowerment and significantly contributes to employee loyalty, job satisfaction, and the intention to remain within the organization. The positive effects of open workplace communication extend to shaping employees' attitudes, including their attitudes towards organizational norms and perceived behavior control (Al-Omari, 2008, p. 25). Furthermore, open communication fosters the exchange of information and expertise among employees, thereby creating an environment conducive to effective communication practices and a robust management system closely aligned with sound decision-making processes (Al-Gahiani and Himg-Pin, 2009: 20).

Open communication is critical for promoting successful group cooperation, allowing active participation of team members in strategic planning, and providing a seamless flow of information to senior decision-makers for the goal of organizational transformation and growth. Furthermore, open communication, together with accurate information and openness, is essential for developing solid judgment and fostering trust among organizations. Open communication in the workplace promotes the interchange of ideas and the sharing of information among employees (Al-Omari, 2008: 25). Conversely, a lack of communication openness can hinder organizational progress and transformation. When communication is constrained, individuals may feel isolated and disconnected from their work, and lower levels of communication openness have been found to be associated with more destructive responses to conflict, instances of bullying, and emotional reactions to bullying within groups (Ayoko 2007: 105).

Oral and written communication represent the two essential modes of interaction, each possessing its own advantages and limitations. Managers frequently encounter a significant volume of written communication from their superiors and colleagues, leading them to perceive written communication as the primary form of interaction. Additionally, written communication serves as a documented record of conversations and actions, making it particularly relevant in larger organizations where maintaining accurate records is crucial (Ayoko 2007: 105).

Contemporary business enterprises tend to prioritize textual communication to an excessive extent. Face-to-face communication involves conversing with another person or group, whereas textual mediums involve speaking at another individual. While textual communication can convey warmth and enthusiasm to some extent, the connection and understanding achieved through direct face-to-face interaction between individuals are unparalleled and cannot be adequately substituted (Robin, 2007; 41).

- Face-to-face communication, often known as one-on-one or belly-to-belly communication, is likely the most effective type of employee communication.
- Help the supervisor fulfill his communications responsibilities by requesting he clarify specific policy and procedure elements. Instruct the supervisor to inquire about specific job-related facts and the workers' responses to rules and/or procedures impacting their occupations.
- Provide the supervisor with self-expression 10 and listening training. Do not attempt to mold bosses into a certain style. Let them to be themselves and to utilize their own

ways when interacting with staff. But, ensure that they have the training and support necessary to manage employee interactions independently and effectively.

- Teach managers to identify natural staff leaders and assist them in comprehending job-related regulations and procedures via the interchange of ideas. But, be truthful and avoid manipulation.
- Utilize a variety of individuals as employee opinion sources to prevent obtaining a narrow perspective. Conduct employee surveys with the knowledge of supervisors to assess how successfully supervisors are carrying out their communications obligations.
- Recommend to managers information that should be communicated to workers, keeping in mind that they cannot do so until they fully comprehend it themselves.
- Ensure that the supervisor's work responsibilities provide him enough time to perform his employee communications duties properly.

To avoid the mistake of overcommunication, an open communications system should use two control techniques. They include:

- Management and staff specialists conduct an impartial audit and assessment.
- Employee and supervisor input on the quantity and kind of information they are getting.

The communications program must be well-balanced. Hence, asking workers and supervisors whether they are receiving the necessary information should be paired with a question about whether they would have employment difficulties if they were to stop receiving this information. The worst blunder is to prolong a program just because it exists, long after it has ceased to be helpful at assisting with the completion of tasks. It is uncommon to discover a company or organization that fails simply due to a lack of employee communication. Even more difficult to discover are studies indicating that poor employee communications led to the demise of a firm. Yet, it is pretty evident that inadequate or badly designed and executed employee communications may be a significant hindrance to corporate performance (Robin, 2007; 41).

3.3 Providing Feedback to Personnel

Feedback is particular information sent to the employee on the impact of his or her behavior on the workplace. Feedback may be either factual (based on observations of the employee's conduct and its results) or emotional (based on how others respond to the

employee's behavior). At a feedback meeting, both sorts of comments should ideally be given with the employee.

- Positive feedback entails communicating an employee's positive performance. This sort of feedback should be fast, detailed, and regular, since good performance acknowledgment is a potent motivator.
- A constructive critique directs an employee to areas requiring improvement. Feedback should be descriptive, specific, and centered on the action, rather than the individual. The primary objective is to assist individuals in understanding where they are in regard to anticipated performance and conduct.

"How successfully is an employee utilizing his or her present talents, and to what degree is he or she getting the intended results?" is the most important question facing management today. As a result, team members complete their tasks, and the measures used to assess their success are clearly related to organizational performance. A performance management system is used to assess all of these actions. With the expansion of organizational learning, the role of human resource management is acquiring more impact and involvement in the formulation of performance evaluation as a feedback mechanism for the firm's overall progress (Whitaker et al., 2007: 570).

It is believed that feedback and goal setting provide both informative and motivating purposes that boost an employee's job performance. Feedback may give information on the correctness, precision, and sufficiency of work-related behaviors. Workers may need feedback to establish a feeling of competence, success, and control. Researchers have observed that an insufficient comprehension of several crucial features of feedback is still prevalent. There is a known gap in the research about the influence of organizational feedback culture on feedback results (Baker et al., 2013: 260). Employees often seek feedback from others (e.g., peers, subordinates, or supervisors) rather than passively waiting for it, according to early research on feedback in businesses. Employees may enhance their work performance, lessen their uncertainty, and "learn the ropes" of a new position by soliciting feedback. The input comes from a variety of sources, including official regulations and emotional sentiments. According to Dahling and O'Malley (2011, p. 211) and Steelman et al. (2004, p. 165), managers are increasingly responsible for offering staff development tools, notably in the form of feedback and coaching. To assist managers as trainers and coaches, businesses must provide them with the necessary tools for success.

Steelman et al. (2004:165) expanded the idea of feedback by concentrating on informal feedback interactions between supervisors and their subordinates, as well as

between peers. Pulakos and O'Leary (2011: 146) indicated that regular informal feedback exchanges between managers and workers, such as articulating clear job objectives, setting urgent targets and deadlines, and offering continuing mentorship, can improve performance management. Feedback orientation, as defined by London and Smither, refers to an employee's entire process of seeking and receiving feedback, as well as guiding the reaction to the feedback toward behavioral change and performance improvement. An organization's feedback culture refers to its support for feedback and mentorship, with the goal of using feedback to improve performance and results (London and Smither, 2002: 81). As per London and Smither, to understand and influence the implications of feedback on self-awareness, self-assurance, and job performance, human resource research and practice should regularly evaluate the feedback culture of an organization.

The concept of feedback

Communication stands as the most critical element of human interactions. In the present era, feedback is a consistently utilized tool in both personal and professional settings. It serves as the outcome of the communication process, the culmination of the messages we deliver, our self-reflection, and our relationship with our surroundings. In the process of evaluation, feedback is the performance-related information that employees receive. According to London (2001: 368), feedback is "the act of providing employees with information about their performance assessment of job tasks." Thus, feedback is a fundamental component of the learning journey. In the educational setting, examination results inform students about their learning progress and indicate areas requiring further study to enhance performance. In the professional context, feedback is employed to both endorse and critique appropriate behavior. The recipient of the feedback assesses it and makes a decision to either accept it and respond accordingly, reject it, or simply overlook it.

Feedback serves varying functions, contingent on an employee's stage in their career. For those at the onset of their career journey, feedback serves as a navigational guide, helping them understand their role and purpose. For mid-level employees, it operates as a mechanism for performance enhancement and the identification of growth opportunities. For those at a senior level, it is a tool to maintain productivity levels. Managers represent a crucial source of feedback as they set performance targets and deliver rewards for their accomplishment. Other feedback channels include peers, subordinates, and clients. Throughout the twentieth century, research on feedback within organizations largely concentrated on formal feedback routes, such as explicit communication or rewards. As the twenty-first century dawned, research shifted to emphasize the interpretation of feedback

by individuals. The prevailing thought is that feedback should not merely be delivered correctly, but should also consider the recipient's readiness to assimilate it and implement corrective measures. This led to the development of a theoretical model referred to as "Feedback-seeking behavior," centering on the methods employed by individuals actively seeking feedback (Ghorpade, 2000: 140).

3.4 Encouraging Teamwork

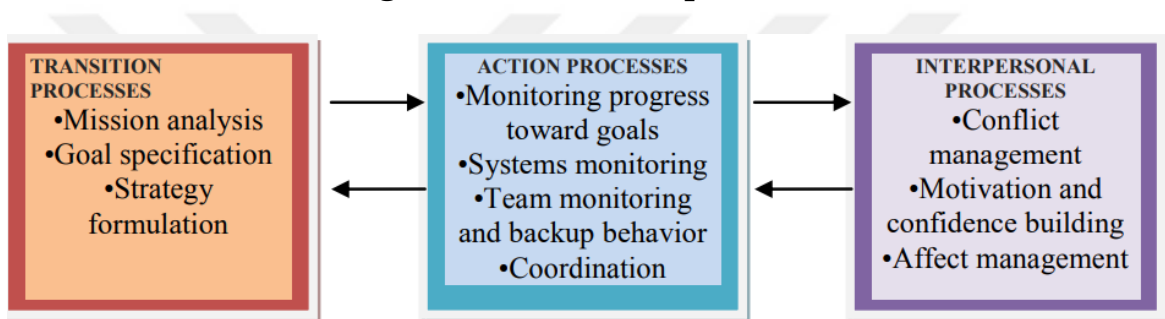
The impact of teams on the operational outcomes of organizations has been the focal point of numerous scholarly and practitioner studies in recent years. The rationale for this heightened attention can be attributed to the assumption that teams have the potential to transform the performance metrics of organizations. A number of scholars posit that teamwork is particularly essential in achieving organizational goals and stimulating enhanced performance among subordinates. There are several reasons to anticipate a correlation between teamwork and performance. Both researchers and practitioners propose that fostering effective team behaviors can aid organizations in improving their performance when navigating unprecedented challenges. Comprehending the influence of teamwork on performance is of utmost importance, as several researchers consider it a pivotal element in boosting an organization's prosperity (Jones et al, 2007: 35).

The concept of teamwork entails individuals collaboratively working together in various settings such as a sales team or a sports team. The significance of teamwork has escalated to such an extent that numerous large-scale corporations have integrated assessments to evaluate the team collaboration abilities of potential employees. The belief that teamwork imparts a sense of ownership among workers and facilitates cooperation has established it as a primary goal in most workplaces. Teamwork has been a longstanding practice, and it would be challenging to find organizations that haven't utilized it in some form. Management teams, production teams, support teams, and even whole companies are frequently referred to as teams in the language. In other words, many firms nowadays use a "team-based" approach to work, indicating that teams are the primary vehicle via which these organizations carry out their activities. As a result, companies emphasize the necessity of employees functioning as a team and favor employing individuals with great collaboration abilities (Conti and Kleiner, 2003: 26).

Indeed, the remarkable evolution of humans as a species can largely be attributed to our ability to function collectively as a team from a very young age. As West (2012: 7) mentions, humans' social history is characterized by experiences of living, loving, maturing, and working together in groups. Societies and families are interconnected through the shared

knowledge derived from coexisting and functioning in unity. When tasks are undertaken as a team, the collective output often surpasses what could be achieved individually. A team is therefore described as the ability to cohabit, cooperate, and interact with others to achieve a specified purpose. A team, according to John Newstrom et al. (1993), is "the process of appraising employees' performance, imparting information, and exploring methods to augment performance." By observing keenly, one can identify instances of social units (teams) operating effectively or otherwise in various settings such as corporations, educational institutions, workplaces, households, and so forth. Belbin (2010: 193) succinctly puts it: "Orchestrating the actions of individuals is akin to constructing a sandcastle with a single grain of sand."

Figure 4: Teamwork processes



Resource: (Le Pine, et al (2008). "A Meta-Analysis of Processes: Multidimensional Model and Relationships with Team Effectiveness Criteria". *Personnel Psychology* Vol. 61 (2): p.273–307).

Collaboration reduces work-related stress for each member, enabling them to perform crucial organizational duties; it also offers members a chance to demonstrate commitment towards each other. Moreover, it encourages the establishment of relationships among individuals who initiate teamwork, as they often experience a sense of value upon successful task completion. This can be best exemplified by a surgical team; while the surgeon receives assistance from nurses, anesthesiologists, and other professionals, everyone understands that their success depends on effective cooperation. Furthermore, their shared objective - human life - facilitates the achievement of success through collaboration.

The primary task of a manager is to cultivate teamwork, trust, and assurance in order for the team to complete the assigned work. When every team member contributes to a task, it nurtures positive relationships within the team and augments members' trust in each other. "To function effectively, a team requires its members to be adaptable, committed, trustworthy, and supportive of each other's progress and goal achievement."

The accountability of each team member must be reinforced so that they don't disappoint each other, but rather contribute their utmost efforts towards the team's success. Conversely, while individual work often incurs substantial pressure, working in a team with a low confidence level exerts less impact on members. Team members' skills, knowledge, and abilities often differ, but collaborative work provides opportunities to learn and acquire previously unfamiliar skills and information. Completing a task individually can be challenging, but pooling ideas can lead to a consensus and task completion.

Presently, theoretical advancement and research heavily rely on the emergence of cooperation as a critical function within organizations. According to Ilgen, teamwork has stimulated a shift in research and development regarding the inputs and outputs that bind, restrict, and influence team activities within organizations (1999: 129). Given the constant flux in the world, a single set of instructions is inadequate. Instead, individuals, teams, and organizations need to be adaptable to succeed. This study suggests that team members should leverage their unique human capabilities. Cannon et al. (1995:333) have categorized team dimensions into three groups.:

A. Team dimensions

- 1- **Cognitions:** Incorporate affiliations, attributes of task team members, team mission, objectives, standards, and resources, interaction patterns of team roles, abilities, roles, and team orientation.
- 2- **Skills:** Include flexibility, collective situational awareness, and a shared understanding of dispute resolution.
- 3- **Attitudes:** Demonstrate drive, collective efficiency, a shared vision, team cohesiveness, reciprocal trust, and shared direction, as well as the significance of these characteristics.

Teamwork is highlighted across various businesses and sectors with the aim to enhance worker performance and foster a unified work culture. Firms that habitually generate novel ideas or products using a project-oriented approach assemble teams to concentrate on their duties to realize their objectives. The term "teams" has been assigned various meanings by scholars.

Dyer (2007, p. 171) defines "teams" as "assemblies of individuals that depend on collaboration; if members are knowledgeable, the likelihood of achieving objectives increases." This concept is significant due to the involvement of multiple problem-solving minds from team members striving to address challenges.

Through interaction, trust, and cooperation, team members' involvement in devising problem-solving strategies enhances the quality of the end result. Teamwork is described as "work done by several associates, each performing a specific job while subordinating personal prominence to the collective success" (Moxon, 2008: 92).

Furthermore, unified employees are perceived to exhibit less antagonism and greater acceptance of each other's opinions. The cohesiveness of staff can augment operational efficiency within a business. When individuals function as a team, they glean insights from one another, derived from their individual experiences and interactions with peers. Employees from different departments stand to learn from each other. The paramount objective of businesses is to generate outputs and quality through teamwork: teamwork is indispensable for achieving quality productivity.

B- Benefits of Teamwork

- 1- Improving employee work-life balance
- 2- Lowering absenteeism while boosting turnover
- 3- Expanding innovation and transformation
- 4- Increasing the adaptability and flexibility of the organization.

Teamwork within an organization endows employees with a sense of unity, fosters mutual understanding, and diminishes conflict. Furthermore, collaboration within a company promotes impartiality among employees by ensuring that no one is overlooked and that all individuals are treated equitably. It is widely acknowledged that an organizational team, dedicated and sincere in its efforts, paves the way to success. As members of the organization, employees can significantly contribute to its triumph if they are committed and comprehend the collaborative principles and benefits. Formal instances of teams can be observed within departments, functional groups, and other organizational units. Informal instances of teams manifest within families, societies, communities, tribes, and work groups, among others. Employees experience a heightened sense of accomplishment and affiliation with the organization when they participate in successful teamwork and are not compelled to work.

The said methodology optimizes performance, enabling employees to earn recognition and acclaim from their supervisors, which in turn boosts their commitment to enhance organizational performance. Each participant is cognizant of their responsibility and the method of task execution. The genuine essence of collaboration proves beneficial for an organization to uphold its distinguishing standard. Appreciation is contingent upon

the team's uniqueness and the style of task execution as perceived by the company and its management.

Employees discern their values, embedded within their belief systems, and are subsequently motivated to modify their viewpoints for performance improvement. Numerous definitions of collaboration abound in literature, and the term "team" is often employed to denote a group of individuals who have assimilated shared values, attitudes, and cooperation. The research extols the relationship between collaboration and team performance. Wagner (1995: 152), for instance, stated that "in a team, the individual is less valued, and the group is more cherished, with." Both individualism and collectivism dictate the ties between team size, status, and collaboration, but individualism wields a more potent influence on the cooperation of individualists than collectivism.

3.5 Establishment of Motivation and Reward System

The reward system serves as a crucial managerial instrument for directing employee motivation towards the intended trajectory. Put differently, incentive structures are designed to attract individuals to an organization, retain them as employees, and motivate them to excel in their performance. The reward system encompasses all organizational elements, including personnel, procedures, regulations, and decision-making processes, that are involved in disbursing salary and benefits to employees in reciprocation for their contributions to the business. For an organization to fulfill its obligations towards stakeholders, employees, and society, its senior management needs to foster an organization-employee relationship that adapts to the dynamic needs of both parties. At the very least, the organization anticipates employees to consistently execute the tasks assigned to them according to the established standards and comply with the norms governing the workplace. However, management often harbors higher expectations: proactivity, self-governance, continuous skill enhancement, and responsiveness to organizational needs. Conversely, employees anticipate their company to provide just compensation, a secure working environment, and equitable treatment as the bare minimum.

An employee incentive system encapsulates a company's consistent rules, processes, and methods for recognizing an employee's accomplishments, abilities, potential, and market worth. This system is built in accordance with the organization's incentive philosophy, plans, and rules. It refers to a framework within the context of "progression, regularity, and organization" that manages and maintains the appropriate type and degree of

"remuneration, benefits, and other forms of compensation." The incentive system's goal is to "attract, retain, and inspire" personnel (Wasiu and Adebajo, 2014: 14).

This method plays a critical role in sustaining employee engagement by giving each employee with the most appropriate motivation. Recognizing that each individual possesses distinct desires and goals, they are stimulated by diverse elements, such as the anticipation of a bonus or the prospect of a promotion to a superior role. As a result, these characteristics have an impact on their performance, conduct, and devotion to the work. Therefore, it becomes critically important to craft a reward system that accommodates the specific needs of each employee (Bhattacharya and Mukherjee, 2009: 160).

3.5.1 Importance of Rewards System

Employees are an organization's core foundations. As a result, a company's success is dependent on its employees' willingness to put in more effort and contribute to the overall aim. This determination originates from an aspiration to realize personal objectives intertwined with their professional roles. The crucial link between personal aspirations and work motivation is rewards. Employees perceive job satisfaction when they feel justly compensated for their talents, knowledge, intellect, and contributions, leading to enhanced performance (Bhattacharya and Mukherjee, 2009: 160).

Providing a bonus to an employee for surpassing sales targets, coupled with recognition and praise for their endeavors, serve as key motivational factors. Elevated job satisfaction correlates to improved employee retention and reduced attrition rates. In their research, (Ngwa et al., 2019: 1) observed that frequent distribution of incentives and recognition amplifies their performance consistently, instills a sense of accomplishment, and facilitates career progression.

In a separate study, Bhattacharya and Mukherjee (2009: 160) championed an innovative approach towards employee remuneration. According to their findings, actions such as providing breakfast and lunch or arranging workplace vacations and celebrations when objectives are met or profits are generated serve as gestures of employee appreciation and engagement. Such activities assist to the creation of a pleasant working environment and the recruitment of fresh talent.

3.5.2 Types of Rewards Systems

Wasiu and Adebajo (2014: 14) delineated incentives into two distinct categories: intrinsic and extrinsic rewards. Intrinsic rewards, often referred to as "non-monetary awards", are inherently associated with an activity and their implementation does not depend

on the "presence or actions" of another individual. These rewards include recognition and applause for excellent work, as well as engagement and active participation in a given task. Intrinsic rewards offer a sense of significance, autonomy, progression, and community. In juxtaposition, extrinsic rewards pertain to monetary incentives granted by an external entity. These comprise of fiscal rewards such as cash, retirement provisions, health coverage, wages, salaries, and bonuses, among others. The amalgamation of these two reward categories sustains employee engagement and motivation. Although it can be challenging to ascertain which type of incentive holds more value, both reward forms can coexist within an organization, provided there is a balanced approach.

Given the current state of affairs, where nations are enforcing lockdowns and a majority of organizations are transitioning to a remote work model, there is a need to reassess the company's reward strategy to align with its employees' needs. In times of global health crises, the workforce requires augmented motivation, steady compensation, and recognition for their accomplishments. Therefore, the introduction of incentives like promotions might not necessarily be appealing to some employees under these circumstances.

3.5.3 Impact of Reward Systems on Employee Motivation

The degree of progress, the efficacy of an employee, and the productivity within their respective roles are greatly influenced by their level of job satisfaction and dedication. A significant proportion of the workforce might find their jobs unsatisfactory due to numerous factors, including an overwhelming number of responsibilities, excessive workload, inadequate rewards, and so on. Therefore, establishing strong rapport with employees and prompt resolution of issues becomes critical. Frequently, reward systems are employed to bolster employee performance. The predominant reward strategy implemented typically involves elevating salaries and earnings, which essentially functions as a financial inducement (Pinto and dos Santos, 2018: 58).

Each staff member requires competitive remuneration along with additional benefits, including bonuses, allowances, medical insurance, and so forth. However, due to the pervasive spread of the coronavirus, the imposed lockdowns have hampered and complicated employees' tasks. Staff members are concluding their work via digital platforms like online calls and video conferences, with a marked decrease in interest due to the monotony of working from home. Nevertheless, the organization is relentlessly endeavoring to offer both financial and non-financial incentives to maintain employee engagement. To ensure uninterrupted compensation, employees' agreed salaries are

transferred directly to their bank accounts. When addressing non-financial incentives, primary consideration should be given to offering educational and training opportunities to those employees who lack comprehensive knowledge in their field of expertise. During this unique period of remote work, there is an optimal opportunity to enhance and inspire employees' skills, an endeavor that can be particularly challenging during standard operational hours. Moreover, employee recognition is deemed paramount, acknowledging their participation in meetings and appreciating their dedicated efforts to accomplish their tasks amidst challenging circumstances (Pinto and dos Santos, 2018: 58).



CHAPTER FOUR

THE RESEARCH AT BANKING SECTOR OF IRAQI

4.1 The Aim of The Research

The section focused on the empirical evidence on how HRM practices, such as training and development, performance management, compensation, and employee involvement, influence employee empowerment. This chapter also examined this relationship in banking sector in the Iraqi Region. The purpose of this chapter was to look into how HRM practices affected employee empowerment in the banking industry in the Iraqi region.

4.2 Research Importance

The study on how human resource management (HRM) affects employee empowerment in banking sector is of significant importance for several reasons;

First, it can provide insights into how HRM practices can positively affect employee empowerment in banking sector, which can aid in the creation of efficient HRM strategies and policies to enhance employee empowerment. This could result in more organizational commitment and productivity as well as enhanced employee job satisfaction, motivation, and performance (Boxall & Macky, 2014; Huselid, 1995).

Second, the study can provide insight into the particular HRM practices, such as hiring and training, development and performance evaluations, job design, job security, compensation, and employer engagement that are most successful in fostering employee empowerment in the banking industry. This can help banking organizations identify the key HRM practices that need to be emphasized in their HRM policies and practices to foster employee empowerment and create a supportive work environment (Gong et al., 2009; Spreitzer, 1995).

Third, the results of the study can shed light on the potential advantages of employee empowerment in banking sector, such as increased employee creativity, innovation, and job satisfaction, as well as reduced turnover and absenteeism. This can help organizations in banking sector understand the positive outcomes associated with employee empowerment and the potential competitive advantage it can bring (Guest, 2017).

Fourth, results of the study may have applications for HRM professionals and decision-makers in banking industry, providing them with evidence-based insights on how to design and implement HRM practices that effectively promote employee empowerment. This can help organizations in banking sector develop strategies and policies that align with

best HRM practices, ultimately leading to improved employee performance, satisfaction, and retention (Appelbaum et al., 2017; Fan et al., 2014).

4.3 Purpose of the Research

This study aims to determine how human resource management (HRM) practices affect employee empowerment in bank sector. The study's goal is to investigate how HRM practices, such as hiring and selection, training and development, job design, job security, and compensation and rewards, affect how empowered employees feel in banking industry. The research aims to advance knowledge of the role of HRM in increasing employee empowerment in the banking sector by examining the relationship between HRM practices and employee empowerment and its potential implications for organizational performance. The goals of the study are to:

- Examine the current state of employee empowerment in the banking industry and the current level of human resources management activities; and
- Assess the influence of HRM practices on employee empowerment in the banking industry in the Iraqi Region.
- To determine the HRM practices that have the greatest impact on increasing employee empowerment in the banking industry.

In order to achieve the study's overall purpose and its specific goals of determining the effect of the independent variable on the dependent variable, study hypotheses were developed based on the issue and its related questions:

H1: The practices used for managing human resources significantly affect the dynamic structural framework (DSF) of the organizational empowerment.

H2: The practices used for managing human resources significantly affect the Control of workplace decisions (CWD) of the organizational empowerment.

H3: The practices used for managing human resources significantly affect the organizational empowerment's fluidity in information sharing (FIS).

The conceptual framework and study hypotheses are displayed in Figure 5.

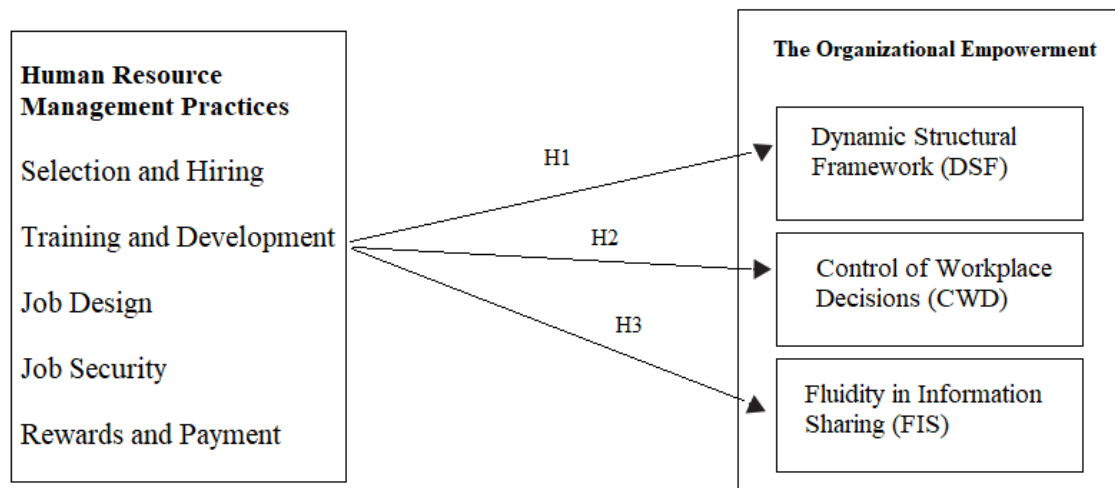


Figure 5: Suggested Research's Conceptual Model.

4.3.1 The Scope of the Research

The study's limitations and boundaries are referred to as the research's scope, which also includes the particular facets of employee empowerment and human resource management (HRM) that will be examined in the banking industry. The scope of the research can be delineated by specifying the key variables, populations, and geographical areas. This study emphasized a particular region which was banking sector in the Iraqi Region in the north of Iraq. The research was done in April and May of 2023.

Specifically, the study will investigate the HRM practices, such as the processes of recruiting and hiring, training and development, job design, job security, and compensation, and their influence on employee's organizational empowerment in three selected banks in the Iraqi Region which was selected based on their size, diversity, and representation of banking sector in the region. These banks were chosen to provide an extensive knowledge of HRM procedures and how they affect employee empowerment in banking sector in the specific context of the Iraqi Region.

4.4 Methodology

A quantitative survey research design was used for this study. Data gathered utilizing a standardized questionnaire from employees of the banking sector in the Iraqi region. A convenience sampling method was employed, and data analyzed using SPSS statistical software, and statistical tests such as linear regression analysis, to test the research hypotheses.

The quantitative research method involves the collection and analysis of numerical data to look into the connection between HRM practices and employee empowerment in banking sector. The survey can include structured questionnaires that measure various HRM

practices such as employee interactions, recruiting and selection, development and performance management, and compensation, as well as employee empowerment, which can be assessed using established scales or constructs from existing literature (Sekaran & Bougie, 2016; Creswell & Creswell, 2017).

4.4.1 Questionnaire Design

The research questionnaire was created using scales that had already undergone validation. To evaluate the responses, the researcher employed a five-item Likert scale with five choices from strongly disagree to strongly agree. To measure human resource management practices, the study adopted the five practices from Saad et al. (2021). Five questions from Rathnaweera (2010) were modified to measure hiring and selection practices. Four items were modified from a research by Lee and Bruvold (2015) to assess training and development practices. Four items were modified from Rathnaweera's (2010) work to assess job design practice, and four from Van Zyl et al.'s (2013) work to assess job security practice. Four questions were modified from Barrick et al. (2015) to assess rewards and payment practices. In this study, employee empowerment was measured using the organizational empowerment scale from Matthews et al. (2003).

Table 6: The Source of Questionnaire Items

Variables	Items	Reference
Human Resource Management Practices		
Selection and Hiring Practice	5	Rathnaweera (2010), Saad et al. (2021)
Training and Development Practice	4	Lee and Bruvold (2015), Saad et al. (2021)
Job Design Practice	4	Rathnaweera (2010), Saad et al. (2021)
Job Security Practice	4	Van Zyl et al. (2013), Saad et al. (2021)
Rewards and Payment Practice	4	Barrick et al. (2015), Saad et al. (2021)
The Organizational Empowerment Scale		
Dynamic structural framework (DSF)	7	Matthews et al. (2003)
Control of workplace decisions (CWD)	7	Matthews et al. (2003)
Fluidity in information sharing (FIS)	6	Matthews et al. (2003)

Source: Prepared by the author (2023).

A sample of 226 banking industry employees were given questionnaires, and information was gathered on a variety of demographic factors including age, gender, education level, job title, and years of experience. The collected data was analyzed using statistical techniques such as regression analysis to examine the relationship between HRM practices and employee empowerment. In addition to controlling for any confounding variables, regression analysis can be used to determine the direction and strength of the

relationship between HRM practices and employee empowerment (Hair et al., 2014; Sekaran & Bougie, 2016; Creswell & Creswell, 2017).

4.5 Results

The analysis got underway by looking at the sample's descriptive statistics. The findings from the scale reliability study, descriptive analysis, correlation (R) test, and regression analysis for testing hypotheses are presented in this section. The outcomes of these analyses can be utilized to come to conclusions about the study's findings and provide answers to the research questions.

4.5.1 Demographic Statistics

Demographic data reveals details about respondents, including their age, gender, level of education, job title, and work experience. It is possible to interpret the sample and draw conclusions about the population from which it was taken using this information. The study selected respondents from 5 banks in the cities of Erbil, Soran, and Dohuk. A total of 260 questionnaires were distributed, out of which 226 were complete and correct, resulting in a response rate of about 86%. The number of samples is similar to previous research in the field of human resource management and related subjects (Saad et al., 2021; Workineh & Gebremeskel, 2021; Anwar & Abdullah, 2021; Salman et al., 2022).

The descriptive statistics of the sample were first looked at in the analysis. Table 7 displays the respondents' demographic information.

Table 7: Demographics Information of the Respondents

Characteristics		Frequency	Percentage
Age	Under 30 years	140	62
	30 - 35 years	40	17.7
	36 - 40 years	14	6.2
	41 years and above	20	9
Gender	Male	124	56
	Female	98	44
Marital Status	Married	70	31.5
	Single	152	68.5
Job Experience	Under 5 years	138	61.1
	6 – 10 years	52	23.0
	11 – 15 years	12	5.3
	More than 15 years	24	10.6
Job Position	Frontline employee	180	79.6
	Middle manager	30	13.3
	Top manager	12	5.3

Education	Diploma or below	78	34.5
	Bachelor degree	137	60.6
	Master Degree or higher	11	4.8

Source: Prepared by the author (2023).

The results revealed that 124 (56%) of the 226 respondents were men and 98 (44%) were women. Figure 6 shows this.

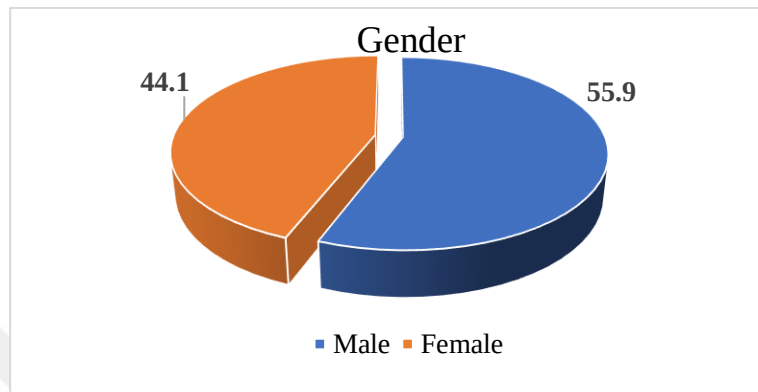


Figure 6: Gender distribution within the study sample

The majority of the participants (n = 140, 62% of them) were between the ages of 23 and 29, 54 between 30 and 40 (23.9%), 20 more than 41 years old (9 %). This result represented in the following graph.

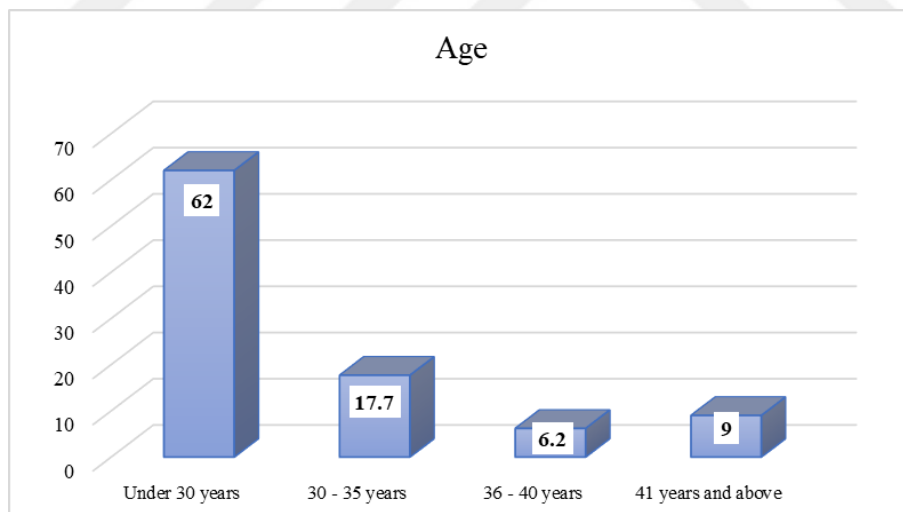


Figure 7: Age distribution within the study sample

Of the 226 respondents, 152 (68.5%) were single and 70 (31.5%) were married. This result represented in the following graph.

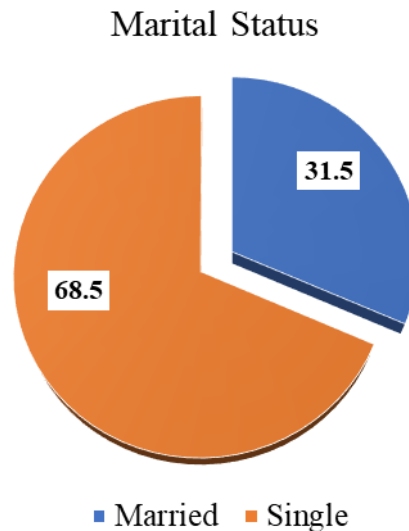


Figure 8: Marriage status of the study sample

Also, the results indicated that the 88 of the respondents (39%) have experience more than 5 years in banking sector, whilst 138 respondents (61%) have less than 5 years of experience in banking sector. This result represented in the following graph.

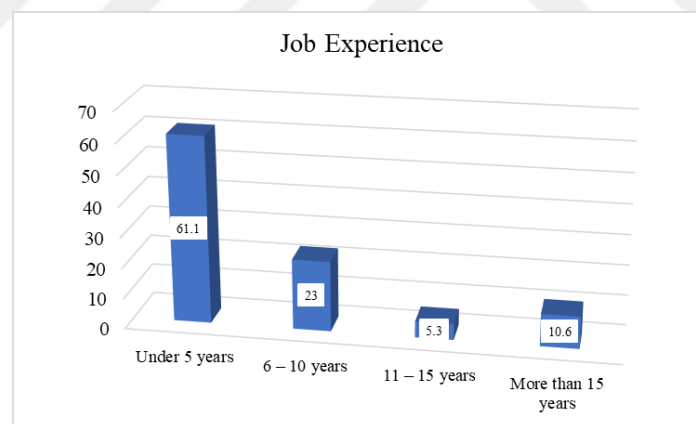


Figure 9: Distribution of the sample for the study based on job experience

As in Table 4.2, the results indicated that the 180 of the respondents (79.6%) worked as Frontline employee in banking sector, 30 respondents (13.3%) have middle manager positions and 12 respondents (13.3%) have top management positions in banking sector. This result represented in the following graph.

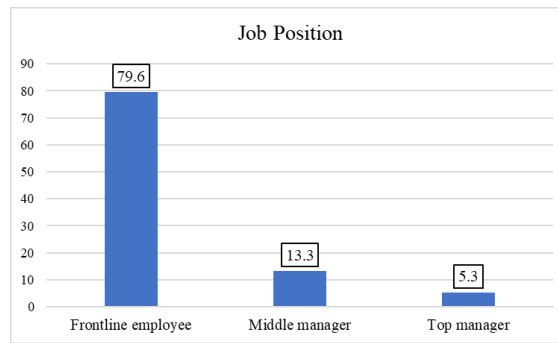


Figure 10: Distribution of the sample for the study based on job position

Finally, the analysis showed that as for the educational background, the majority of participants (60.6 %) had a bachelor's degree ($n=137$), 78 (34.5 percent) were holding a high school diploma or below and 11 (4.8 percent) were holding a master's degree or higher.

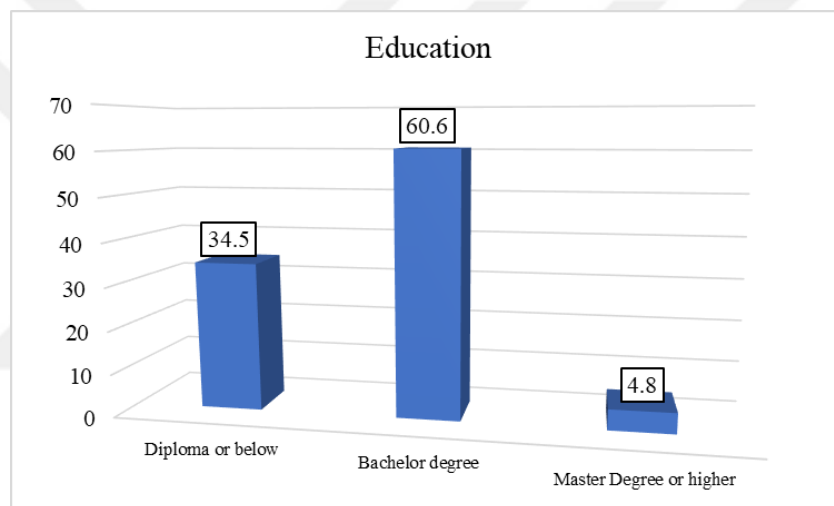


Figure 11: Distribution of the study sample according to education

4.5.2 Scale Reliability Analysis

Scale reliability analysis is used to determine if the survey items are measuring the same construct and if they are reliable measures of that construct. The Cronbach Alpha Test was used to assess reliability because it measures the consistency and constancy of the measurement. A Cronbach Alpha coefficient of more than 60% indicates that the analysis and interpretation of the data is reliable. A Cronbach Alpha coefficient approaching one indicates that the research instrument is highly reliable (Hair et al., 2014; Sekaran & Bougie, 2016; Anwar & Abdullah, 2021; Salman et al., 2022).

Table 8 shows the Cronbach's alpha values of the study constructs. The formulas are considered sufficiently reliable because the Cronbach Alpha study rates in this research are higher than 0.6.

Table 8: Reliability Analysis and Internal consistency coefficients (Cronbach Alpha)

Variables	Number of items	Cronbach's Alpha	Cut Off	Information
Human Resource Management Practices (HRMPs)				
Selection and Hiring Practice	5	0.723	> 0.60	Reliable
Training and Development Practice	4	0.690	> 0.60	Reliable
Job Design Practice	4	0.711	> 0.60	Reliable
Job Security Practice	4	0.684	> 0.60	Reliable
Rewards and Payment Practice	4	0.728	> 0.60	Reliable
Total	21	0.869	> 0.60	Reliable
The Organizational Empowerment Scale				
Dynamic structural framework (DSF)	7	0.773	> 0.60	Reliable
Control of workplace decisions (CWD)	7	0.740	> 0.60	Reliable
Fluidity in information sharing (FIS)	6	0.745	> 0.60	Reliable
Total	20	0.827	> 0.60	Reliable
All Questions	41	0.858	> 0.60	Reliable

Source: Prepared by the author (2023).

4.5.3 Descriptive analysis

By providing measurements of variability (such as standard deviation) and central tendency (such as mean), descriptive analysis provides a summary of the data. The sample may be explained using this information, and any trends in the data can be found. The central tendency and level of variability in the distribution of the variables are assessed using the mean score and standard deviation. There are three degrees of mean score interpretation—low, moderate, and high—because the variables were rated on a 5-point Likert scale. In particular, mean scores of 1 to 1.99 are regarded as low, 2 to 3.49 as moderate, and 3.5 to 5 are regarded as high (Lopes, 2012).

Table 9: Summery of Descriptive Analysis

Mean score interpretation	Mean score interpretation
1.00 – 1.99	Low
2.00 – 3.49	Moderate
3.50 – 5.00	High

Source: (Lopes, 2012)

Descriptive statistics for Human Resource Management Practices (HRMPs) and employee Empowerment are given in here. The descriptive statistics of variables provided in Table 10.

Table 10: Descriptive Statistics of the Research Variables

No	Variables	Mean	Std. Deviation
1	Selection and Hiring Practice	3.5469	0.75590
2	Training and Development Practice	3.3595	0.83394
3	Job Design Practice	3.4690	0.83309
4	Job Security Practice	3.4336	0.80968
5	Rewards and Payment Practice	3.3031	0.99244
6	Dynamic structural framework (DSF)	3.3571	0.71805
7	Control of workplace decisions (CWD)	3.1454	0.70733
8	Fluidity in information sharing (FIS)	3.3012	0.76004

Source: Prepared by the author (2023).

The respondents' agreement or disagreement with human resource management practices is summarized using means and standard deviations. The higher the mean, the higher they reflect the HRM practices. Table 4.5 shows that the respondents are moderate in training and development practice ($M = 3.35$; $SD = 0.833$), in job design practice ($M = 3.46$; $SD = 0.833$), in job security practice ($M = 3.43$; $SD = 0.806$) and in rewards and payment practice ($M = 3.30$; $SD = 0.992$). They are just near high in selection and hiring practice ($M = 3.54$; $SD = 0.755$).

The respondents' agreement or disagreement with organizational empowerment is summarized using means and standard deviations. The higher the mean, the higher they reflect the HRM practices. Table 4.5 shows that the respondents are moderate in dynamic structural framework (DSF) ($M = 3.35$; $SD = 0.718$), in control of workplace decisions (CWD) ($M = 3.14$; $SD = 0.707$), and in fluidity in information sharing (FIS) ($M = 3.30$; $SD = 0.760$).

4.5.4 Normality Tests of Research Variables

The most popular techniques to check the normality of the data are the Shapiro-Wilk test and the Kolmogorov-Smirnov test, which are both well-known tests of normality (Mishra et al., 2019). Table 11, provides information on the results of normality tests for the research variable using Shapiro-Wilk and Kolmogorov-Smirnov tests. These tests are often used in statistical analysis to determine if a given data set is normally distributed or not. The results in Table 11 indicated tht the data sets for the research variable types are normally distributed and thus further statistical analysis can be performed. If the data set fails to meet

the assumptions of normality, there are alternative options such as non-parametric tests that can still be used for analysis.

Table 11: Normality Tests for Research Variables

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
HRM1	.051	226	.200*	.989	226	.094
HRM2	.049	226	.200*	.984	226	.012
HRM3	.053	226	.200*	.979	226	.002
HRM4	.038	226	.200*	.992	226	.245
HRM5	.049	226	.200*	.980	226	.003
DCF	.049	226	.200*	.982	226	.007
CWD	.035	226	.200*	.993	226	.328
FIS	.041	226	.200*	.992	226	.255
*. This is a lower bound of the true significance.						
a. Lilliefors Significance Correction						

While the Kolmogorov-Smirnov test is employed for $n > 50$, the Shapiro-Wilk test is more appropriate for small sample sizes ($n < 50$ samples), however it can also handle larger sample sizes. The null hypothesis for the two tests mentioned above states that the data are drawn from a population that is normally distributed. The null hypothesis is accepted and the data are referred to as regularly distributed when $P > 0.05$ (Mishra et al., 2019). Table 11 demonstrates that every ratio (sig) is bigger than (0.05), indicating that the variables follow the normal distribution.

4.5.5 Correlation Analysis

The Pearson's correlation coefficient (r), which measures the degree of the association between the two variables, is a method for examining the relationship between two quantitative, continuous variables. The statistical significance, extent, and direction of the link between the variables can be ascertained using the R-value of the correlation coefficient (Hair et al., 2007).

The correlation analysis results presented in Table 12 suggest that HRM practices can significantly impact the different dimensions of organizational empowerment.

Table 11: Correlation Analysis

Pearson Correlation	HRM1	HRM2	HRM3	HRM4	HRM5	DSF	CWD	FIS
HRM1	1	.624**	.504**	.390**	.412**	.588**	.468**	.254**
HRM2		1	.533**	.429**	.553**	.553**	.534**	.223**
HRM3			1	.460**	.559**	.537**	.504**	.310**
HRM4				1	.177**	.497**	.447**	.007
HRM5					1	.494**	.365**	.371**
DSF						1	.672**	.307**
CWD							1	.272**
FIS								1
** Correlation is significant at the 0.01 level (2-tailed).								

Specifically, almost all the HRM practices were found to have positive correlations with the different dimensions of organizational empowerment at a significance level of $p < 0.01$. For instance, the recruitment and hiring practice had a strong positive correlation with the dynamic structural framework (DSF) dimension of organizational empowerment, indicating that this practice is critical in creating a work environment that fosters empowerment among employees. Likewise, the training and development practice had a strong positive correlation with all three dimensions of organizational empowerment, indicating that investing in employee training and development opportunities can have a substantial impact on empowering employees. Job design and compensation practices were also positively related to different dimensions of organizational empowerment, emphasizing the importance of ensuring that job design matches employees' knowledge and abilities, and that the compensation system is just and fair. When it comes to job security, it was found to be positively correlated with DSF and CWD dimensions of organizational empowerment, indicating that providing job security to employees can help in fostering employee empowerment. However, Job security was not found to have any significant correlation with FIS dimension of organizational empowerment. These results suggest that organizations should focus on implementing effective HRM practices such as recruitment and hiring, training and development, job design, job security, and compensation to promote different dimensions of organizational empowerment. When implementing these HRM practices, organizations should also consider tailoring them to match the needs and objectives of different groups of employees within the organization. In doing so, organizations can create a positive work environment that fosters empowerment among employees, leading to better organizational outcomes and a more engaged workforce.

4.5.6 Regression Analysis for Hypotheses Testing

This section presents the results of a linear regression analysis that aimed to explore how independent variables affect the dependent variable in order to increase employee empowerment in the banking sector. The analysis findings for the hypotheses are discussed. Additionally, details about the variables included in the study are provided.

H1: The practices used for managing human resources significantly affect the dynamic structural framework (DSF) of the organizational empowerment. (Supported).

Table 12: Model summary for the predictors of Dynamic structural framework (DSF)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.715 ^a	.512	.501	.50739

a. Predictors: (Constant), HRM5_Reward, HRM4_Job_Security, HRM1_Selection, HRM3_Job_Design, HRM2_Training

ANOVA^a

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	59.372	5	11.874	46.124	.000 ^b
	Residual	56.638	220	.257		
	Total	116.010	225			

a. Dependent Variable: OES1_DynamicSF

b. Predictors: (Constant), HRM5_Reward, HRM4_Job_Security, HRM1_Selection, HRM3_Job_Design, HRM2_Training

The findings of the linear regression analysis supported hypothesis 1, which stated that the practices used for managing human resources have a significant effect on the dynamic structural framework (DSF) of organizational empowerment. As presented in Table 13, the analysis revealed a significant relationship between HRM practices and DSF ($\beta = 0.715$, $p = 0.000$). Moreover, the R square value of 0.512 (Table.13) indicates that approximately 51.2% of the variability in DSF can be predicted by the five HRM practices, which are selection and hiring, training and development, job design, job security, and rewards and payment.

H2: The practices used for managing human resources significantly affect the Control of workplace decisions (CWD) of the organizational empowerment. (Supported).

Table 13: Model summary for the predictors of Control of Workplace Decisions (CWD)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.625 ^a	.391	.377	.55829

a. Predictors: (Constant), HRM5_Reward, HRM4_Job_Security, HRM1_Selection, HRM3_Job_Design, HRM2_Training

ANOVA^a

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	43.998	5	8.800	28.232	.000 ^b
	Residual	68.572	220	.312		
	Total	112.570	225			

a. Dependent Variable: OES2_ControlWD

b. Predictors: (Constant), HRM5_Reward, HRM4_Job_Security, HRM1_Selection, HRM3_Job_Design, HRM2_Training

Hypothesis 2, which stated that the practices used for managing human resources significantly affect the Control of workplace decisions (CWD) of the organizational empowerment, was supported by the findings of the linear regression analysis. As presented in Table 14, the analysis revealed a significant relationship between HRM practices and CWD ($\beta = 0.625$, $p = 0.000$). The R square value of 0.391 (Table 4.8) indicates that approximately 39.1% of the variability in CWD can be predicted by the five HRM practices, which are selection and hiring, training and development, job design, job security, and rewards and payment.

H3: The practices used for managing human resources significantly affect the organizational empowerment's fluidity in information sharing (FIS). (Supported).

Table 14: Model summary for the predictors of Fluidity in Information Sharing (FIS)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.427 ^a	.182	.163	.69523

a. Predictors: (Constant), HRM5_Reward, HRM4_Job_Security, HRM1_Selection, HRM3_Job_Design, HRM2_Training

ANOVA^a

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.355	5	4.671	9.664	.000 ^b
	Residual	104.887	217	.483		
	Total	128.242	222			

a. Dependent Variable: OES3_FluidityIS

b. Predictors: (Constant), HRM5_Reward, HRM4_Job_Security, HRM1_Selection, HRM3_Job_Design, HRM2_Training

The results of the linear regression analysis supported hypothesis 3, which stated that the practices used for managing human resources significantly affect the organizational empowerment's fluidity in information sharing (FIS). As shown in Table 15, the analysis revealed a significant relationship between HRM practices and FIS ($\beta = 0.427$, $p = 0.000$), indicating that any changes in HR practices can have a significant impact on FIS. Additionally, the R square value of 0.182 (Table 15) indicates that approximately 18.2% of the variability in FIS can be predicted by the five HRM practices, which are selection and hiring, training and development, job design, job security, and rewards and payment. This indicates that HRM practices play a significant role in influencing an employee's perceived fluidity in information sharing within an organization. To enhance FIS, organizations should consider implementing effective HRM practices such as providing continuous training and development opportunities, guaranteeing job security, designing jobs that match employees' skills and abilities, recognizing and rewarding high-performing employees. These practices can facilitate a positive work environment that encourages employees to actively participate in information sharing, leading to enhanced FIS and stronger organizational empowerment.

4.6 Limitations of the Research and Future Research Directions

In general, little information is known about the typical HRM practices in the banking industry of the Iraqi region. The precise HRM practices in use and their effects on employee empowerment and organizational performance need to be further investigated in further research.

In a small number of Iraqi region banks, this study looked into the impact of human resource management practices on employee empowerment in banking industry. It is crucial to keep in mind that the efficiency of certain HRM practices may change depending on the organizational situation. Exploring the best ways to integrate various HRM practices to increase employee empowerment in various organizational circumstances would require more study. (Kraatz & Block, 2008).

A questionnaire was used to collect data using a quantitative approach in this research. While questionnaires have the advantage of speed in accessing data, they also have limitations and disadvantages, such as the lack of communication between the researcher and the respondents (Einola & Alvesson, 2021). Therefore, it is recommended to use qualitative methods like grounded theory or limited ethnography to gain a better understanding of the topic (Austin & Sutton, 2014; Sutton & Austin, 2015).

Field research in behavioral sciences is indeed limited by various factors, such as time and cost. Conducting field research can be time-consuming, as it often requires researchers to spend extended periods in a specific setting to gather data and observe the subjects within their natural environment. Additionally, the cost of field research can be high, as successful execution often requires funding for travel, equipment, and other expenses (Austin & Sutton, 2014). Therefore, promoting and supporting the field to perform applied research can raise the standard of living for those who work in organizations in the area.

Furthermore, the study identifies several issues with the banking system in the region, such as the lack of trust in banks by the people and weak competition between banks in improving services and satisfying customers, which leads to less attention to job satisfaction of bank employees. The role of internal marketing in better management of employees is suggested as a suitable topic for future research.

The study also suggests that every organization, industry, or region has its own culture that can affect how employees act within the organization and HRM. In the Iraqi Region, where banking sector is experiencing unique socio-cultural dynamics, cultural norms, values, and traditions may affect the way HRM practices are perceived and implemented, and subsequently impact employee empowerment. The relationship between HRM practices and employee empowerment in this area must therefore be examined while taking the contextual elements into account. As a result, investigating the part culture plays in enabling human resource management may be a good subject for future research.

Despite methodological differences, mixed data gathering techniques, such as semi-structured interviews and structured questionnaires, can be used to perform a thorough study and produce conclusive results.

4.7 The Result of the Research

The focus of this study was to investigate how human resource (HR) practices impact empowerment within the banking sector of the Iraqi Region. By analyzing the relationship between HRM practices and employee empowerment, this study aimed to contribute to the existing knowledge in this field provide valuable insights for practitioners and policymakers operating within this sector. The findings of this also help in enhancing understanding of how effective HRM can promote employee empowerment and improve their performance within the specific context of the Iraqi Region.

The study's findings emphasize the crucial role of HRM practices in increasing employee organizational empowerment dimensions, including dynamic structural framework (DSF), control of workplace decisions (CWD), and fluidity in information sharing (FIS). The study highlights the significance of five essential HRM practices: selection and hiring, training and development, job design, job security, and rewards and payment. These findings are consistent with previous research that has demonstrated the critical importance of HRM practices in enhancing employee empowerment and other related constructs, such as employee engagement, organizational performance, and competitive advantage. Effective HRM practices can play a vital role in encouraging employee engagement, creating a positive work environment, promoting employee satisfaction and well-being, and ultimately driving organizational growth and success. The study's findings indicated that HRM practices can have positive effects on different dimensions of employee empowerment. By considering the unique contextual factors of the Iraqi Region, the study can provide valuable insights for practitioners and policymakers in designing effective HR strategies. Therefore, a focus on HRM practices and related employee empowerment is essential for organizations to create a work environment that fosters employee growth and success, which leads to increased organizational performance and competitiveness. These findings suggest that organizations should pay close attention to their HRM practices, implement relevant employee empowerment strategies to build an engaged workforce, and positively impact organizational performance and growth.

Here are some additional details about the five HRM practices mentioned in the study:

- Selection and hiring: This practice includes identifying and hiring qualified employees who fit the values and culture of the company.

- Training and development: Providing employees with the abilities and information necessary for efficient work performance falls under this practice.
- Job design: This practice involves structuring jobs in a way that allows employees to use their skills and knowledge, and to feel that they are in charge of their work.
- Job security: Giving employees a sense of job stability through the procedure might help to boost their motivation and dedication to the company.
- Rewards and payment: This practice involves providing employees with fair and equitable rewards and payment, which can help to increase their satisfaction and motivation.

According to the study's findings, businesses that use good practices in human resources management can promote employee empowerment, which can result in a number of beneficial results like more employee engagement, better organizational performance, and competitive advantage

For instance, Yin et al. (2019) indicated that a variety of Antecedents such as HRM practices, career development, leadership support, organizational culture, and employee skills and knowledge are important to enhance the employee organizational empowerment. These findings have also been confirmed the result of Dahou & Hacini (2018), which indicated that HRM practices can create a supportive environment that allows employees to feel empowered and to contribute to the organization. Additionally, they claim that employee empowerment can result in a range of advantageous outcomes, including improved organizational performance, employee engagement, and competitive advantage.

Similar to the result of Saad et al. (2021), Anwar & Abdullah, (2021) and Salman et al. (2022), the results of this study demonstrated the significance of hiring and selecting practices in raising all organizational empowerment levels. This view was supported in the literature, which indicated that organizations should focus on implementing HRM practices that are designed to create a supportive environment for employees, such as training and development, job security, and rewards and payment, which are positively related to employee empowerment (Dahou & Hacini, 2018).

The results of this study demonstrate that by implementing efficient HRM practices, organizations in Iraq can increase employee empowerment. This can be achieved by giving employees the chance for training and development, designing jobs that let them put their talents and knowledge to use, and giving them just and equal rewards and recognition.

The study's results add to the body of knowledge on organizational empowerment by giving a more thorough description of the concept. This can be helpful for organizations that are looking to enhance employee empowerment.

4.7.1 Implications to Theory and Practice

This research contributes to the literature on HRM and employee empowerment by offering empirical evidence on the impact of HRM practices on employee empowerment in the banking sector in the Iraqi Region. Through an empirical study of employees in this sector, the research demonstrates the significant role of various HRM practices in enhancing employee empowerment. This study is one of the few that examines the impact of HRM practices on employee empowerment in Iraq, which is a developing country.

The study also explores the three dimensions of organizational empowerment proposed by Matthews et al. (2003): dynamic structural framework (DSF), control of workplace decisions (CWD), and fluidity in information sharing (FIS). Investigating these dimensions of organizational empowerment offers a comprehensive understanding of the concept in the fields of organizational behavior and human resource management studies.

Practitioners and policymakers in the banking industry can use the findings of this research to understand the importance of HRM practices in empowering employees and improving their performance. Some key practices include efficient recruitment and selection processes, effective training and development programs, well-designed job roles, job security measures, and fair rewards and recognition systems.

As the banking industry is a growing sector worldwide, it faces crucial HRM challenges. Effective HRM practices and employee empowerment strategies can lead to higher job satisfaction and engagement, ultimately enhancing organizational performance and ensuring the success of businesses in the competitive landscape.

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APPENDIX 1 RESEARCH QUESTIONNAIRES

Hello dear colleague, we have created a questionnaire for our university research on human resource management and employee empowerment. Your honest and accurate responses can greatly contribute to improving the results of this study. Thank you for your cooperation in advance.

1. What is your gender? Male --- Female ----
2. Married ----- Single ---- Other -----
3. What is your age? -----
4. How many years of experience do you have in banking sector? -----
 - () Less than 1 year
 - () 1-5 years
 - () 6-10 years
 - () 11-15 years
 - () More than 15 years
5. What is your current job position in the bank?
 - () Frontline employee (e.g., teller, customer service representative)
 - () Middle manager (e.g., branch manager, department head)
 - () Top manager (e.g., CEO, CFO)
6. What is the level of your education? -----

Note: This questionnaire has been designed for research purposes only and should not be used as a tool for organizational evaluation or decision-making.

HRM Practices Questionnaire

Instructions: Please indicate your level of agreement or disagreement with each statement based on your current experience in the organization.

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1- Our recruitment system focuses on hiring the best candidates.					
2- It's important to our organization to choose employees who fit to its strategic objectives.					
3- I think that my organization is effective in matching employees to its operational requirements.					
4- Selecting workers in our organization does not depend on favoritism.					
5- The recruitment system in our organization focuses on employees' skills and qualifications.					
6- My organization focuses on the career development of its employees.					
7- Career planning assistance is offered in our organization.					
8- My organization offers ongoing training for its employees.					
9- We are updated about job openings inside the organization.					
10- The jobs inside the organization are designed to be inspiring.					
11- I am interested in the job I do.					
12- I have the complete freedom in doing the job in the way I think is right.					
13- The organization offers me flexibility in doing the job.					
14- Providing employment security is important to our organization.					
15- We will stay in our jobs as long as we do it in a right manner.					
16- I think I will work in the same organization for many years.					
17- I am not worried about quitting my job.					
18- The organization rewards its employees based on their effort and performance.					
19- Payments and bonuses are based on the effectiveness of the employees.					
20- I think that the organization pays us fair salaries if compared to other organizations.					
21- I think that the payment system in the organization is fair.					

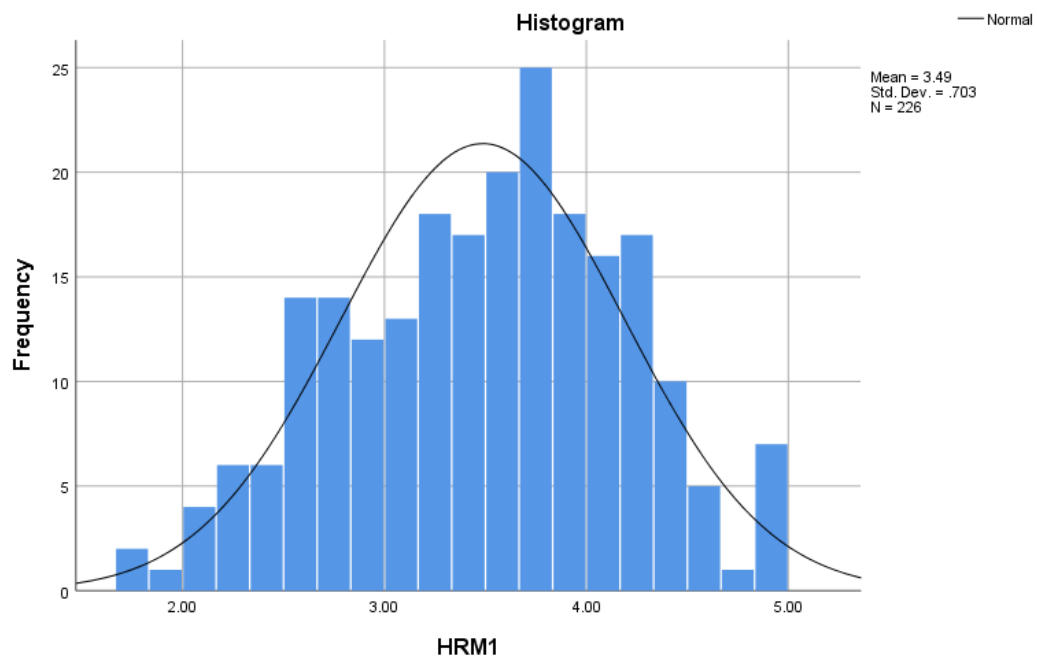
Organizational Empowerment Scale

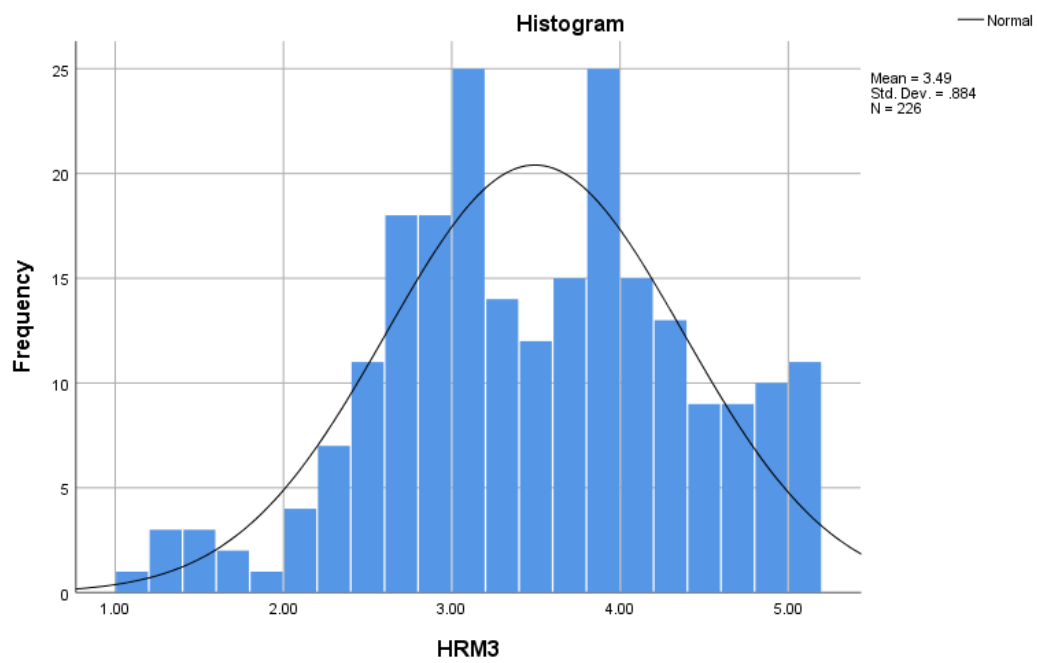
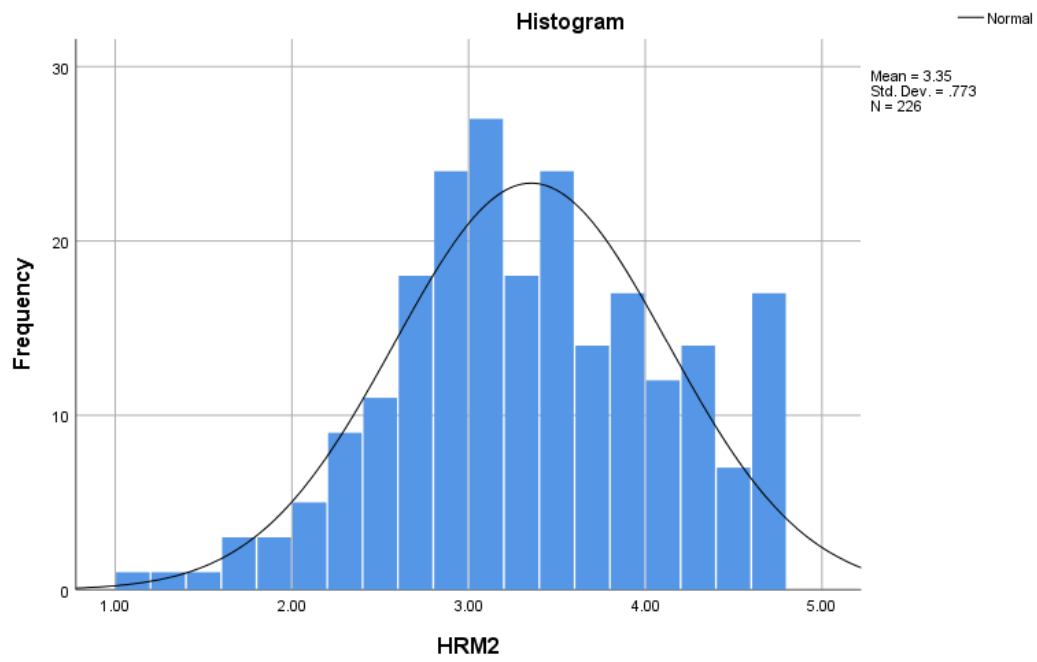
Instructions: Please indicate your level of agreement or disagreement with each statement based on your current experience in the organization

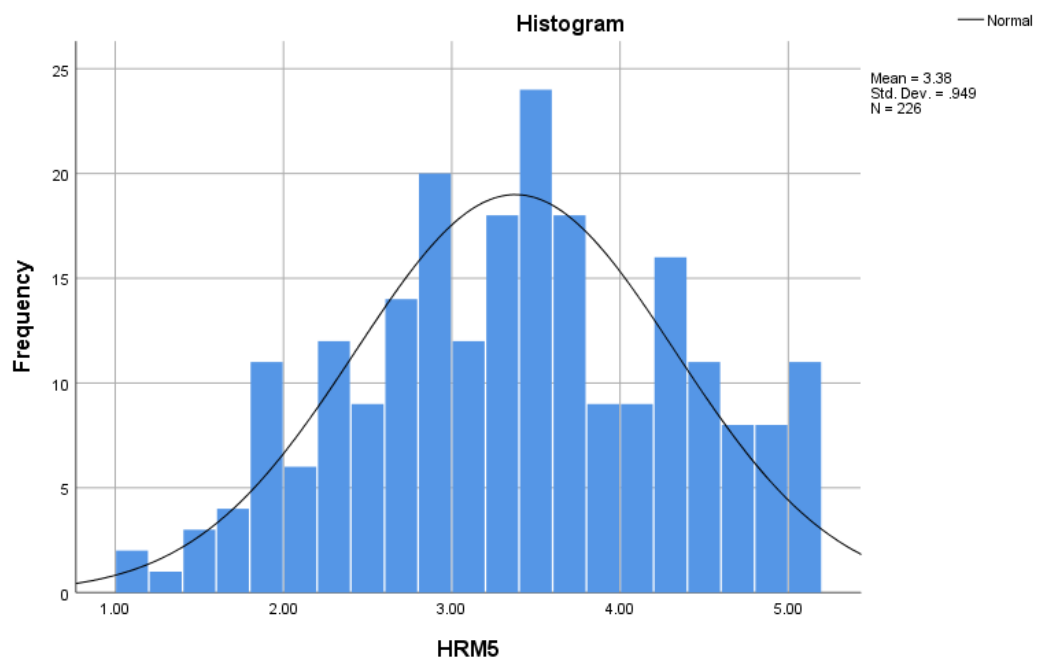
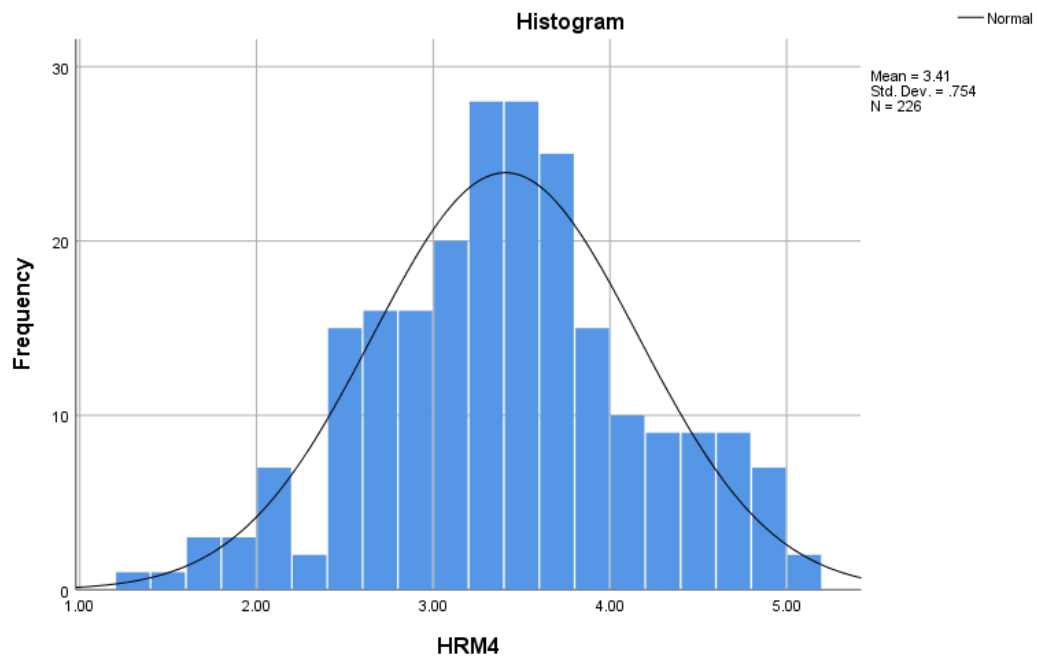
Statement	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1. "Thinking out of the box" behavior is appreciated.					
2. The company provides information on what it wants to accomplish in the future.					
3. The company provides information on how company objectives are going to be achieved.					
4. Employees have a say in changing company policies.					
5. The company does not encourage risk taking with regard to work production.					
6. While performing job duties, employees are not encouraged to use independent problem-solving skills.					
7. The company has established production guidelines.					
8. Employees have a say in defining their job responsibilities.					
9. Employees have a say in setting their own production standards.					
10. Employees have discretion in when they take their paid leave of absence.					
11. Employees have a say in the production teams to which they are assigned.					
12. Employees have input in the hiring of new employees.					
13. Employees do not have a say in the establishing of their own retirement plans.					
14. Employees do not provide reviews of their manager.					
15. Employees are not provided with financial records of the company.					
16. The company does not have an efficient way to disseminate information to all levels of employees.					
17. Employees have access to the information in their personal work files.					
18. The company publishes information on the company's reward structure.					
19. The company provides employees with information on company clients.					
20. Employees do not have knowledge of company-provided professional development programs.					

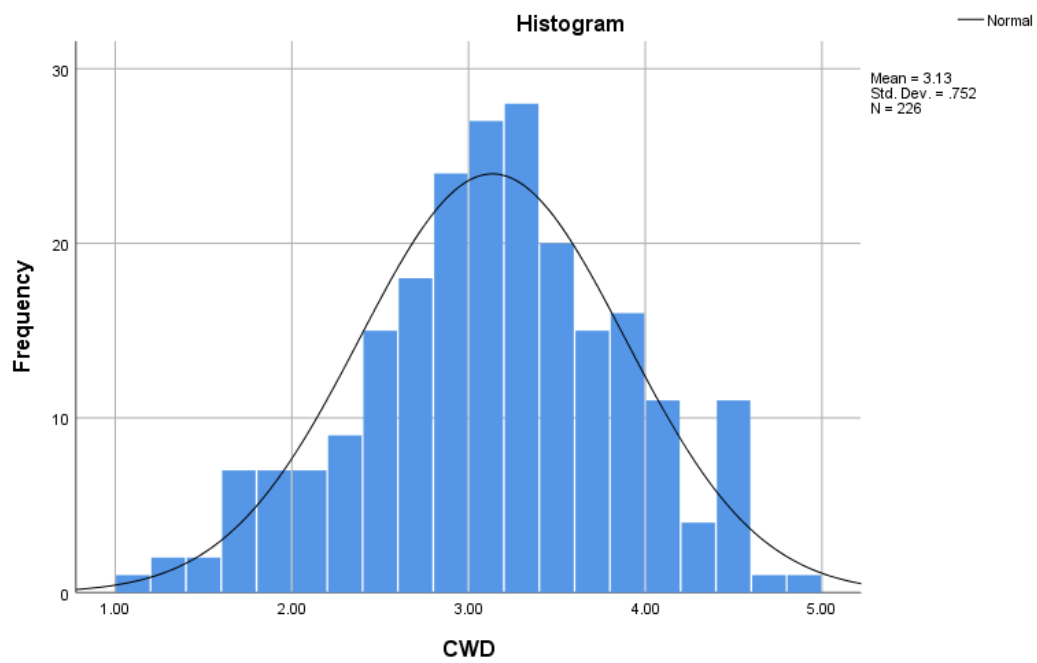
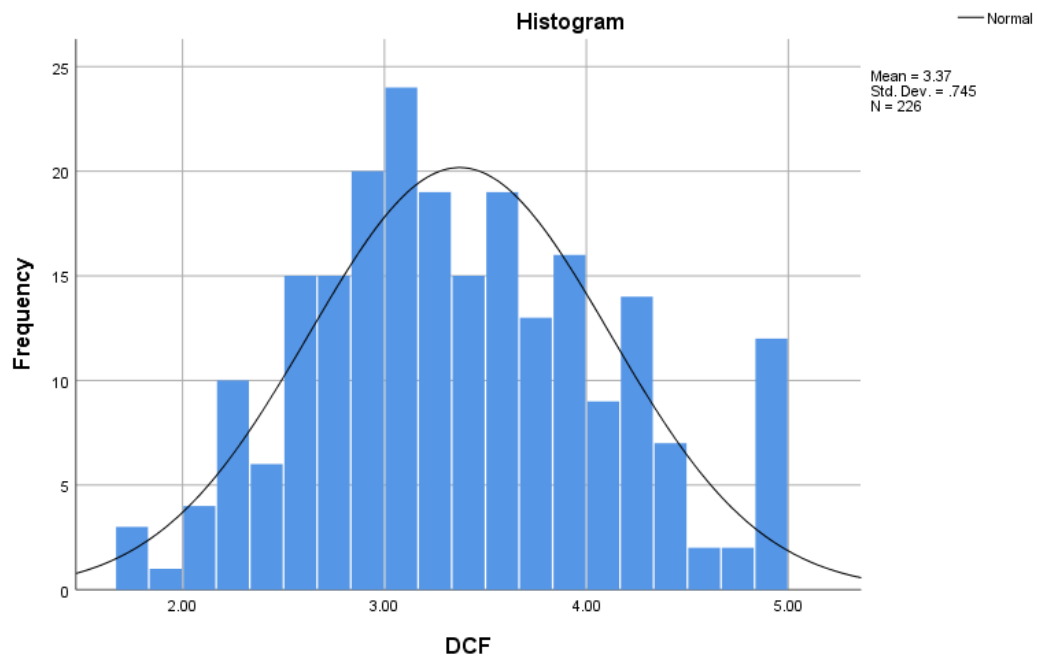
APPENDIX 2 : OUTPUT STATISTICS SPSS V26

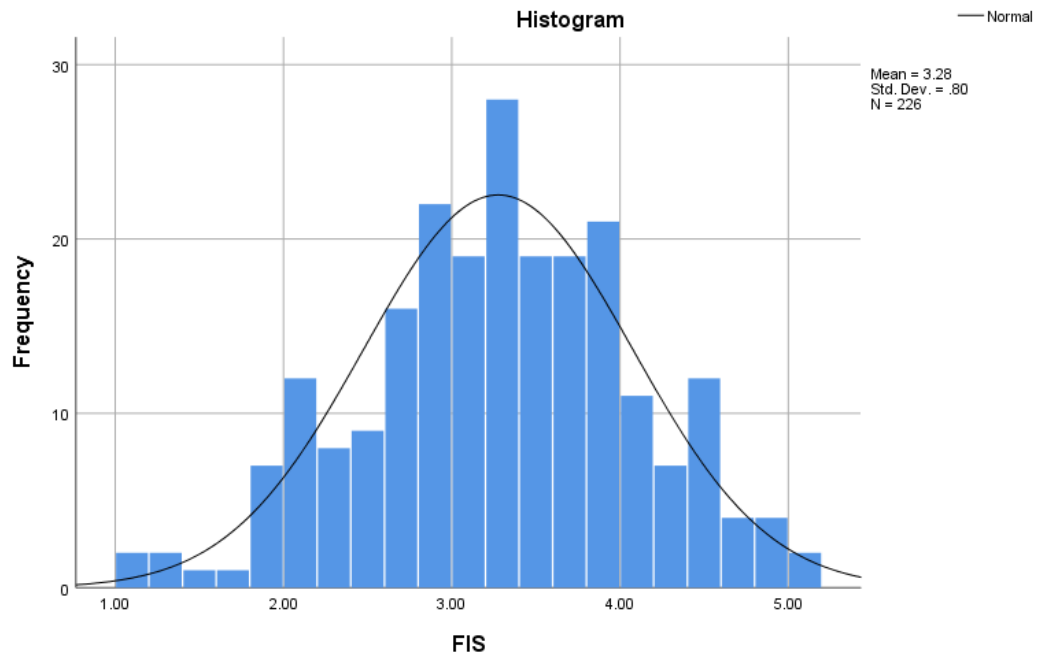
Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
HRM1	.051	226	.200*	.989	226	.094
HRM2	.049	226	.200*	.984	226	.012
HRM3	.053	226	.200*	.979	226	.002
HRM4	.038	226	.200*	.992	226	.245
HRM5	.049	226	.200*	.980	226	.003
DCF	.049	226	.200*	.982	226	.007
CWD	.035	226	.200*	.993	226	.328
FIS	.041	226	.200*	.992	226	.255
*. This is a lower bound of the true significance.						
a. Lilliefors Significance Correction						











Results of correlation analysis

Correlations									
		HRM1_Selection	HRM2_Training	HRM3_Job_Design	HRM4_Job_Security	HRM5_Reward	OES1_Dynamic_SF	OES2_Control_WD	OES3_Fluidity_IS
HRM1_Selection	Pearson Correlation	1	.624**	.504**	.390**	.412**	.588**	.468**	.254**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000	.000
	N	226	226	226	226	226	226	226	223
HRM2_Training	Pearson Correlation	.624**	1	.533**	.429**	.553**	.553**	.534**	.223**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000	.001
	N	226	226	226	226	226	226	226	223
HRM3_Job_Design	Pearson Correlation	.504**	.533**	1	.460**	.559**	.537**	.504**	.310**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000	.000
	N	226	226	226	226	226	226	226	223
HRM4_Job_Security	Pearson Correlation	.390**	.429**	.460**	1	.177**	.497**	.447**	.007
	Sig. (2-tailed)	.000	.000	.000		.008	.000	.000	.911
	N	226	226	226	226	226	226	226	223
HRM5_Reward	Pearson Correlation	.412**	.553**	.559**	.177**	1	.494**	.365**	.371**
	Sig. (2-tailed)								
	N	226	226	226	226	226	226	226	223

	Sig. (2-tailed)	.000	.000	.000	.008		.000	.000	.000
	N	226	226	226	226	226	226	226	223
OES1_DynamicSF	Pearson Correlation	.588**	.553**	.537**	.497**	.494**	1	.672**	.307**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000	.000
	N	226	226	226	226	226	226	226	223
OES2_ControlWD	Pearson Correlation	.468**	.534**	.504**	.447**	.365**	.672**	1	.272**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000		.000
	N	226	226	226	226	226	226	226	223
OES3_FluidityIS	Pearson Correlation	.254**	.223**	.310**	.007	.371**	.307**	.272**	1
	Sig. (2-tailed)	.000	.001	.000	.911	.000	.000	.000	
	N	223	223	223	223	223	223	223	223

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

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.715 ^a	.512	.501	.50739

a. Predictors: (Constant), HRM5_Reward, HRM4_Job_Security, HRM1_Selection, HRM3_Job_Design, HRM2_Training

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	59.372	5	11.874	46.124	.000 ^b
	Residual	56.638	220	.257		
	Total	116.010	225			

a. Dependent Variable: OES1_DynamicSF

b. Predictors: (Constant), HRM5_Reward, HRM4_Job_Security, HRM1_Selection, HRM3_Job_Design, HRM2_Training

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.502	.193		2.604	.010
	HRM1_Selection	.278	.060	.293	4.661	.000
	HRM2_Training	.068	.060	.079	1.141	.255
	HRM3_Job_Design	.085	.057	.099	1.510	.132

	HRM4_Job_Security	.233	.050	.263	4.665	.000
	HRM5_Reward	.165	.045	.228	3.639	.000

a. Dependent Variable: OES1_DynamicSF

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.625 ^a	.391	.377	.55829

a. Predictors: (Constant), HRM5_Reward, HRM4_Job_Security, HRM1_Selection, HRM3_Job_Design, HRM2_Training

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	43.998	5	8.800	28.232	.000 ^b
	Residual	68.572	220	.312		
	Total	112.570	225			

a. Dependent Variable: OES2_ControlWD

b. Predictors: (Constant), HRM5_Reward, HRM4_Job_Security, HRM1_Selection, HRM3_Job_Design, HRM2_Training

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.780	.212		3.676	.000
	HRM1_Selection	.113	.066	.121	1.719	.087
	HRM2_Training	.214	.065	.252	3.269	.001
	HRM3_Job_Design	.175	.062	.206	2.811	.005
	HRM4_Job_Security	.168	.055	.193	3.059	.002
	HRM5_Reward	.019	.050	.026	.373	.710

a. Dependent Variable: OES2_ControlWD

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.427 ^a	.182	.163	.69523

a. Predictors: (Constant), HRM5_Reward, HRM4_Job_Security, HRM1_Selection, HRM3_Job_Design, HRM2_Training

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.355	5	4.671	9.664	.000 ^b
	Residual	104.887	217	.483		
	Total	128.242	222			

a. Dependent Variable: OES3_FluidityIS

b. Predictors: (Constant), HRM5_Reward, HRM4_Job_Security, HRM1_Selection, HRM3_Job_Design, HRM2_Training

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.607	.351		4.576	.000
	HRM1_Selection	.182	.085	.153	2.134	.034
	HRM2_Training	-.026	.082	-.025	-.318	.751
	HRM3_Job_Design	.168	.078	.162	2.160	.032
	HRM4_Job_Security	-.058	.072	-.054	-.805	.422
	HRM5_Reward	.220	.063	.267	3.519	.001
a. Dependent Variable: OES3_FluidityIS						

Personal Information:

