
Culture of empowerment in Insurance industry: A study on Public Sector Corporation

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ABSTRACT

People make for the real bottom line in business. In an organizational context, empowerment is a process of assigning decision-making authority to executives and employees. The present study has attempted to understand the issues of culture of empowerment from the perspectives of individual attitudes, aspirations and perception of empowerment of employees in a public sector insurance corporation through an intensive micro-level field study. The methodology of the study was based on the primary data collected through structured questionnaire. The findings point to an overall poor level of empowerment of employees. The item-wise analysis of empowerment data has revealed a conflicting picture- a gap between belief and practice in the organization in respect of empowerment processes and practices, thus pointing to a 'revealing' organizational reality. The cadre-wise item-analysis has shown that the managerial personnel have only perceived moderate level of empowerment status. Empowerment, thus, is negligible and it is still in the primitive stage in the organization.

Key words: Empowerment culture, Employee cadres, Item analysis, Organizational reality.

1. Introduction

There is the all-round realization that people make for the real bottom line in business. Trust in employee competence, commitment and contributions to the organization are the central themes of this new 'mantra' of empowerment. And, sharing information about current and emerging problems- as well as opportunities and insights- is bound not only to help in closing the wide gap that exists between management and employees, but also in optimizing employee commitment, motivation and performance in the organization.

In the organizational context, the concept of empowerment is a planned exercise for transforming a bureaucracy-centric organization into a people-centric organization, thus shifting the location of power in favour of employees. It is a process of assigning decision-making authority to executives and employees in their designated areas of work and creating an 'enabling' and 'facilitative' organization. Empowerment has been defined in a simple equation of Direction X Support X Autonomy, where all the three elements are equally important in enhancing or reducing empowerment (Koestenbahr, 1991). Through empowerment, the decision-making authority, structurally and functionally, rests with the job-holder. Autonomy at work is the central theme of empowerment.

The present study has attempted to understand the issues of culture of empowerment from the perspectives of individual attitudes, aspirations and perception of empowerment of

employees in a public sector insurance corporation. It is an intensive micro-level field study on empowerment culture operating at the lowest and operating level of a public sector insurance behemoth, which is exploratory as well as descriptive in nature.

2. Review of literature

Power can never be given. Empowerment helps people to recognize their internal power and exercise it for the benefit of themselves and others. The individual runs the core process of empowerment. In a general sense, empowerment can be defined as a process of carrying out more controlling power to face the questions on existing power, and have control over the sources of power. Empowerment is a process and, at the same time, the result of process (Haider and Akhtar, 1999). It involves 'power to, power with and power within'. Empowerment, then, may be defined as the process of multiplying power, or creating autonomy in an organizational system, to help people take charge of their efforts, promoting the ability to act collectively to solve problems, influence important issues and contribute to the achievement of the main objectives and goals of their life in an organization.

Here, the individual employees run the core process of empowerment. They need to take charge of themselves and take steps for self-empowerment as "the process by which the powerless gain greater control over the circumstances of their lives. It includes both control over resources (physical, human, intellectual, financial) and over ideology (beliefs, values and attitudes). It means not only greater extrinsic control but also a growing intrinsic capability- greater self-confidence and an inner transformation of one's consciousness that enables one to overcome external barriers to accessing resources or changing traditional ideology" (Sen and Batliwala, 2000). According to Kabeer (1999), empowerment entails a process of change, through which a person makes a choice. Choice necessarily implies the possibility of alternatives and the ability to choose one among others.

Connecting is empowerment. Connecting with other employees in the organization provide an individual employee a higher degree of empowerment by going beyond the self and serving other individuals, groups and the organization, thus discharging his organizational responsibility. This is the link between individual empowerment and organizational empowerment. Such concern for others, called 'extension motivation' (Pareek, 1997), along with internal locus of control is the basis of individual empowerment, and is considered a building block of organizational and social empowerment. Therefore, empowerment cannot be reduced only to legal rights or economic bargaining power, because it has personal as well as organizational dimensions.

Randolph (1995) has suggested a pragmatic concept of empowerment as recognizing and releasing into the organization the power that people already have in their wealth of useful knowledge and internal motivation. From the perspectives of Organization Development (OD) approach, empowerment is "giving people the skills and the information they need to make good decisions and take informed deliberate actions so that organizational members can solve problems and manage change on their own" (Smith and Tesmer, 1995). The end goal of empowerment process is to develop the performance and potential of the individual as well as that of the organization (Long, 1996). Bowen and Lawler (1992) have described empowerment as a mean to enable employees to make decisions, and this definition of empowerment is related to how management facilitates and implements the empowerment culture.

3. Research objectives

The specific objectives of the study have been as follows:

1. To ascertain perceived empowerment levels of individual employees at the lowest level of the organization.
2. To explore the aspirations of the employees, their commitment, motivation and performance in the organization.
3. To examine the causal relationship between the organizational structural levels and perceptions of empowerment levels of employees.
4. To study the effects of management of empowerment in effecting organic linkages among different organizational units in achieving corporate goals and objectives.

4. Research methodology

The present study was carried out at the branch level of LIC of India, the only public-sector life insurance corporation, in the month of November 2013. The survey of insurance employees was carried out at a branch office of LIC of India in the metro city of Kolkata, West Bengal, India. The empowerment survey was based on the primary data collected through structured questionnaire, consisting of 40 items using 5-point Likert Scale (5=Almost always true, 4=Mostly true, 3=Sometimes true, 2=Rarely true, and 1= Not at all true), primarily based on the 'Empowerment Scale' of Das (1992), through complete enumeration survey of all office- employees, available and willing to participate in the survey. The response-sheets (34 in totality) have been received from the three types of cadres as follows: Managerial-4, Supervisory-7, and Clerical-23.

Each employee is required to score each of the 40 items of the assessment instrument and the average of the responses of all employees on a particular item is taken as item-score for the organization. The overall empowerment level score is obtained by adding the average scores on all 40 items. Items that show low scores indicate areas for intervention or corrective action. The item analysis has been used for more intensive in-depth study of empowerment level, and attitudes and opinions of employees of three types of cadres- managerial, supervisory and clerical cadres- towards different dimensions of organizational life.

4.1 Analysis and interpretation

From the Table-1, the overall empowerment level of the organization of LIC of India at a sample branch office has come out to be 119, by adding the item-scores of all 40 items. It indicates a poor level of empowerment culture operating at the lowest level of the organizational structure of LIC of India. Now, the items that show low scores indicate areas for intervention or corrective action.

Table 1: Item-wise Average Scores (1-5 point scale)

Item No.	Item Score	Item No.	Item Score	Item No.	Item Score
Item 1	3.85	Item 16	2.67	Item 31	2.35

Item 2	2.82	Item 17	2.94	Item 32	2.76
Item 3	2.82	Item 18	3.32	Item 33	2.73
Item 4	2.94	Item 19	3.2	Item 34	3.41
Item 5	2.85	Item 20	2.17	Item 35	3.23
Item 6	2.85	Item 21	3.17	Item 36	2.73
Item 7	3.38	Item 22	2.35	Item 37	3.06
Item 8	3.53	Item 23	3.7	Item 38	2.76
Item 9	2.71	Item 24	3.7	Item 39	3.06
Item 10	2.38	Item 25	2.67	Item 40	3.15
Item 11	2.64	Item 26	3.62		
Item 12	2.55	Item 27	3.2		
Item 13	2.94	Item 28	3.05		
Item 14	2.17	Item 29	3.56		
Item 15	2.67	Item 30	3.18		

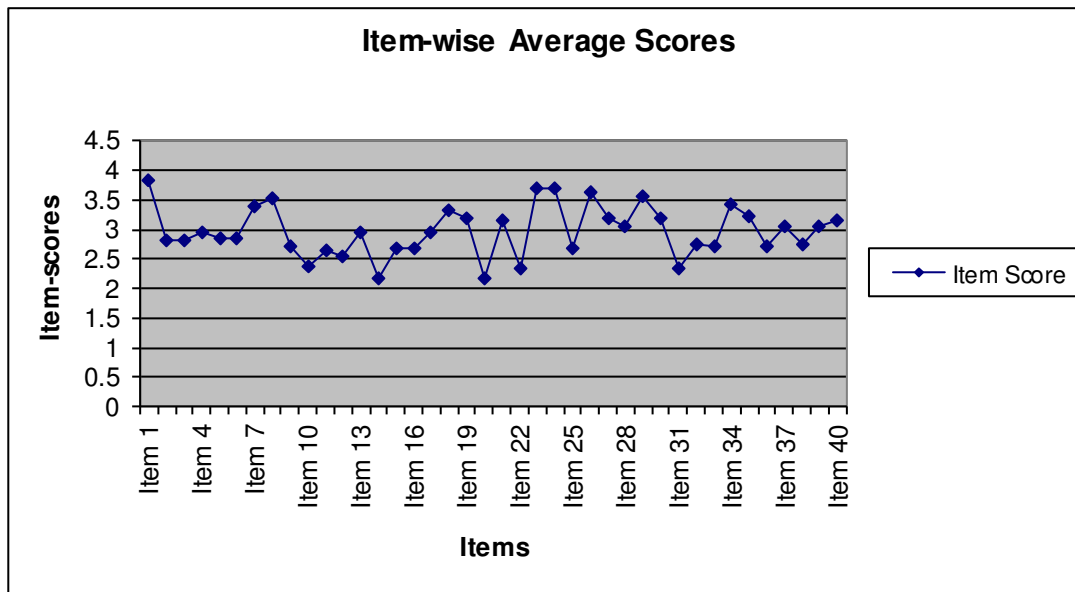


Figure 1: Item-wise Average Scores

The Table-1 shows the components, which are favourable and not favourable. The following are the items with respect to which the empowerment status are not favourable, i.e., the average item-wise scores are below 50%: Item No. 10, Item No. 14, Item No. 20, Item No. 22, and Item No. 31.

Again, the following are the items with respect to which the empowerment status are favourable, i.e., the average item-wise scores are above 60%: Item No. 1, Item No. 8, Item No. 23, Item No. 24, Item No. 26, and Item No. 29.

The overall findings reveal a conflicting picture- a gap between belief and practice of the organization. The top management does not seem to do much in developing their human resources and empowering the people in the organization. The employees have thought that their capabilities and potentialities are not fully utilized in the organization. The employees do not simply enjoy their works and the management has been apathetic in attitude in making the employees enjoy their work.

Except for promotional decisions, the reward mechanisms are not seemed to be favourably implemented. There exist no other mechanisms of rewarding the employees individually, who are doing good and innovative works. The employees are not encouraged to experiment with new methods and ideas.

It is unfortunate that the organization is not fostering any creativity and encouraging any initiative on the part of the employees to perform their own tasks. The management is not ready to empower the employees. The study has revealed that the employees are not afraid to express or discuss their feelings with their superiors, which imply that the organizational climate is open enough. But the employees have been reluctant to accept the feedback given by their superiors and use it for their development. This indicates that the organization has created a climate for openness in so far as expression of feelings is concerned, but not for receiving feedback. The periodic meetings are not held to review and share experiences at all levels of the organization.

Several of the items for which the average-scores are less than 50% together with the items for which the average-scores are more than 60% indicate that the employees, in general, are seemed to be 'I am OK, YOU are NOT OK' type. There is no doubt that productivity and autonomy are among the major significant contributors to the empowerment of the employees. However, the related items (like Item nos. 3, 4, 6, 10, 11, 13, 15, 22, 25) score either very low (below 50%) or in the range of 50% to 60%. Another interesting feature has come out of the Item-wise frequency distribution of empowerment data of the Table-2. It has been interesting to note that none of these distributions, when plotted, is flat. This implies that there are no contradictions in the empowerment status of the organization. The empowerment practices and processes as per the HRD systems in the organization have been still in primitive stages.

Table-2: Item-wise Frequency Distribution for Empowerment Data

Item	Bad 0-29%	Poor 30-49%	Average 50-59%	Good 60-69%	Very Good 70+%
Item 1	1	1	6	20	6
Item 2	4	6	17	6	1
Item 3	7	4	13	8	2
Item 4	4	7	14	5	4
Item 5	3	12	9	7	3
Item 6	6	10	5	9	4

Culture of empowerment in Insurance industry: A study on Public Sector Corporation
Sujit Roy

Item 7	3	6	8	12	5
Item 8	0	5	11	13	5
Item 9	9	3	13	7	2
Item 10	10	10	8	3	3
Item 11	7	7	14	3	3
Item 12	8	11	6	6	3
Item 13	3	9	13	5	4
Item 14	12	9	9	3	1
Item 15	5	12	9	5	3
Item 16	7	9	9	6	3
Item 17	3	7	14	9	1
Item 18	1	9	9	9	6
Item 19	3	4	13	11	3
Item 20	12	10	8	2	2
Item 21	2	9	10	7	6
Item 22	9	11	9	3	2
Item 23	3	2	7	12	10
Item 24	2	3	7	13	9
Item 25	6	10	10	5	3
Item 26	5	2	3	15	9
Item 27	2	7	11	10	4
Item 28	1	13	8	7	5
Item 29	0	7	11	4	12
Item 30	5	6	7	10	6
Item 31	12	10	4	4	4
Item 32	4	8	16	4	2
Item 33	5	9	14	3	3
Item 34	1	7	9	14	3
Item 35	1	5	16	7	5
Item 36	5	11	10	4	4
Item 37	3	7	14	5	5
Item 38	8	4	13	6	4
Item 39	3	10	8	8	5
Item 40	3	8	10	7	6

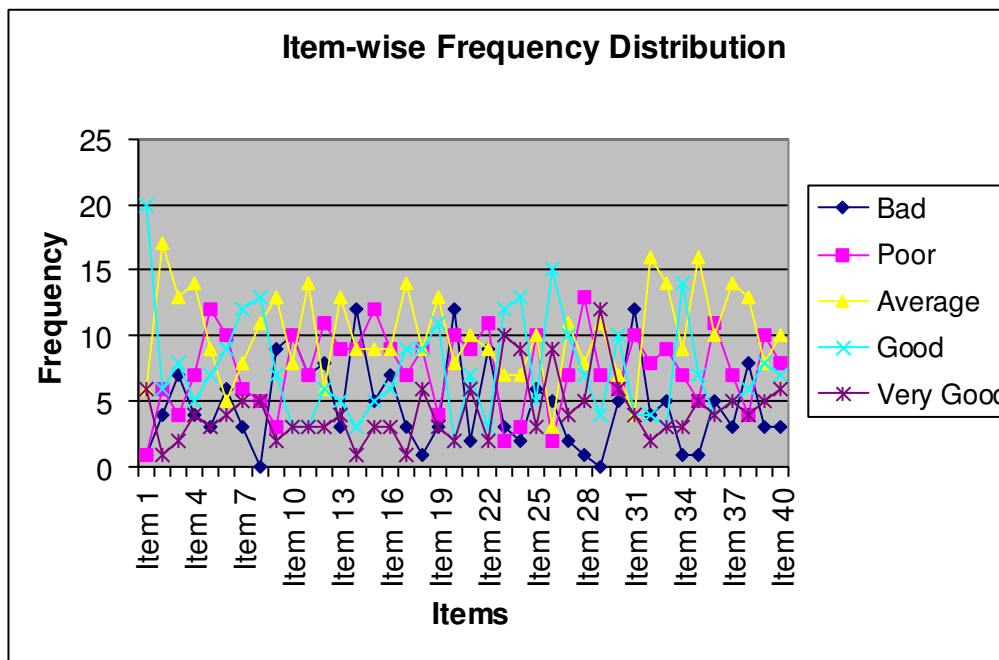


Figure 2: Item-wise Frequency Distribution

An interesting picture has come out from the cadre-wise findings on empowerment status. The Table-3, 4 and 5 have provided the cadre-wise item-scores for empowerment data. While the overall empowerment status for the managerial cadre has come out to be moderate, it has been poor for both the supervisory and clerical cadre. From the cadre-wise item-analysis, a deeper picture of the scenario has come out. While only 4 and 5 items have scored below 50% for the managerial and clerical cadre respectively, it has been 11 for the supervisory cadre. It has indicated that the supervisory cadre has been the most frustrated lot. They thought that they have been the least empowered employees.

The Item no. 10 has been common to all cadres, which has scored below 50%. It has indicated that the employees of all cadres have been thinking that their capabilities have not been fully utilized in the organization. Again, the Item no. 31, common to both managerial and supervisory cadres, has indicated that the periodic meetings are not held to review and share experiences at all levels of the organization. Further, the Item nos. 14 and 22, common to both supervisory and clerical cadres, have indicated that they have not been enjoying their workings and not been encouraged to experiment with new methods and ideas. This scenario has indicated that the organizational culture is 'not enabling' and they do not have any autonomy with their workings. Again, the Item nos. 8, 23, 24 and 26, common to all cadres, has indicated that the organization has a climate for openness and the seniors have been quite helpful to juniors.

Therefore, there is coming out a conflicting picture of culture of empowerment operating at the lowest level of organizational set-up of a public sector insurance corporation.

Table 3: Cadre-wise Item-scores for Empowerment Data

Item	Cadre- wise Item - scores		
	Managerial	Supervisory	Clerical
Item 1	4.25	3.28	3.95
Item 2	3.75	2.57	2.74
Item 3	3	3	2.74
Item 4	4.25	1.71	2.83
Item 5	3.5	2.71	2.78
Item 6	2.5	2.85	2.91
Item 7	4	3.43	3.26
Item 8	3.75	2.85	4.3
Item 9	3.75	2.28	2.65
Item 10	2.5	2.14	2.43
Item 11	1.75	2.86	2.74
Item 12	3.5	2.57	2.95
Item 13	4	3.14	2.7
Item 14	2.75	1.71	2.22
Item 15	3.5	2.85	2.48
Item 16	3.25	2.28	2.7
Item 17	3.75	3	2.78
Item 18	4	3.28	3.22
Item 19	3.25	3.43	3.13
Item 20	2.75	1.57	2.26
Item 21	4	3.43	2.95
Item 22	2.75	2.14	2.35
Item 23	4.2	3.85	3.56
Item 24	4.5	2.57	3.91
Item 25	2.75	2.28	2.78
Item 26	4	4.28	3.43
Item 27	4	2.71	3.22
Item 28	3.5	2.86	3.04
Item 29	4.25	3.43	3.48
Item 30	3.5	2.71	3.26
Item 31	2.5	1.71	2.52
Item 32	2.75	2.86	2.74
Item 33	3	2.57	2.74
Item 34	3.5	4	3.2
Item 35	3.25	3.28	3.22
Item 36	2.75	2.28	2.87
Item 37	3	3	3.08
Item 38	3	3.14	2.61
Item 39	3.25	2.43	3.22
Item 40	3.5	2.57	3.26

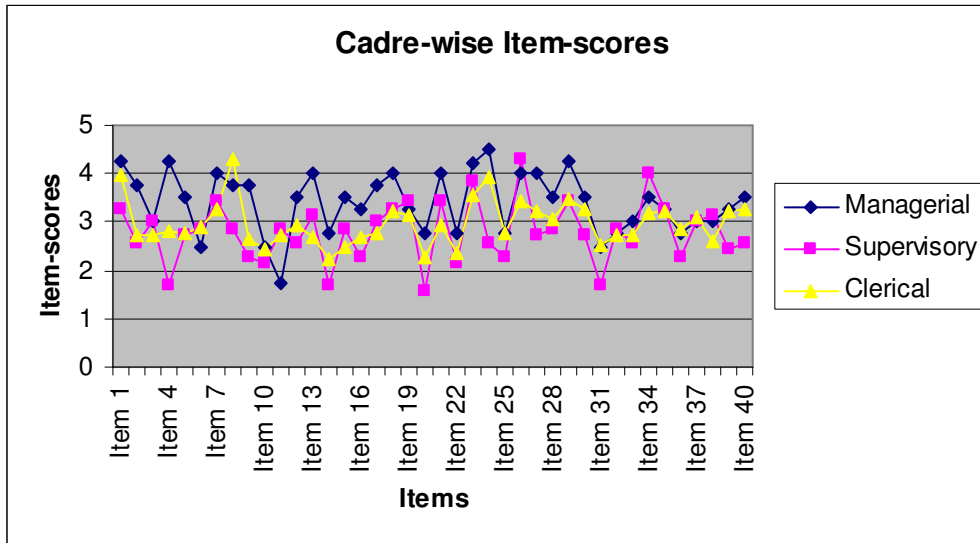


Figure 3: Cadre-wise Item-scores for Empowerment Data

Table 4: Cadre-wise Empowerment Score and Status

Cadre	No. of Employees	Overall Empowerment Score	Empowerment Status
Managerial	4	136	Moderate
Supervisory	7	112	Poor
Clerical	23	119	Poor

Table 5: Cadre-wise Item-Analysis

Cadre	Item	
	Items-scores below 50%	Items-scores above 60%
Managerial	6, 10, 11, 31	1, 2, 4, 7, 8, 9, 13, 17, 18
Supervisory	4, 9, 10, 14, 16, 20, 22, 25	23, 26, 34
Clerical	10, 14, 15, 20, 22	1, 8, 23, 24

4.2 Recommendations

The present study has revealed the ‘poor’ culture of empowerment at the branch level of LIC of India and pointed out the necessity of initiating the process of empowerment at all levels of

the organization. Empowerment of roles is very important. In fact, motivation can be increased among employees through role efficacy and role stress management. Further, leadership roles in visioning, boundary management, strategic thinking and planning, searching and nurturing talent etc. require special attention. Teams have to be empowered by clearer goals and freedom to work. Finally, the organization as a whole must be an empowered organization, inspiring and supporting other units through the process of delegation, dehierarchisation or delayering, debureaucratization, decontrol etc. operating in the length and breadth of the organization.

4.3 Limitations

The scope of the present research study was very limited. Only 'one branch' of LIC of India and only 'one organizational unit', that is, individual employees has been studied. So, it is no denying that the study was a 'partial' one.

5. Conclusions

The study has showcased a microcosm of interesting and conflicting observations relating to the empowerment status and processes operating in the organization of LIC of India at both levels- organization as a whole and cadre-wise layer of the organizational set-up at the branch management level. Though the study was a 'partial' one, considering only individual employees as the 'unit' of study, it has pointed to a 'revealing' organizational reality in respect of empowerment processes in the organization. Empowerment has been the 'missing link' between organizational goals and personal goals of the employees. But there seems to be a mismatch between them. The organizational vision is not inspiring for most of its people and it does not seem to be linked with their own personal goals. Most employees are not clear about organizational goals. Empowerment is negligible and it is still in the primitive stage in the organization.

5.1 Future Work

The future research on empowerment culture and its processes can be done on other organizational units, covering the higher structural levels of divisions, zones and central level of the organization through a full scale 'empowerment audit' of LIC of India.

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