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Determinants of Employee Empowerment: An Empirical Study of IT and ITES Employees in Chennai

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Abstract: Employee empowerment plays a significant role in enhancing organisational effectiveness and employee performance, particularly in knowledge-intensive industries. The present study examines the determinants of employee empowerment among IT and ITES employees in Chennai, focusing on five organisational factors: job design, transformational leadership, decision-making authority, training and development, and information sharing. The study employs a quantitative research approach, and multiple regression analysis is used to examine the influence of these factors on employee empowerment. The regression results indicate that the overall model is statistically significant ($F = 33.157$, $p < 0.001$), explaining 52.7% of the variation in employee empowerment. Transformational leadership emerges as the strongest significant predictor, followed by information sharing and training and development. However, job design and decision-making authority do not demonstrate statistically significant individual effects. The findings highlight the importance of supportive leadership, transparent communication and continuous employee development in strengthening employee empowerment. The study provides useful insights for IT and ITES organisations in developing effective employee empowerment practices.

Keywords: Employee Empowerment, Job Design, Transformational Leadership, Decision-Making Authority, Training and Development, Information Sharing, IT and ITES Employees

Introduction:

Employee empowerment is a major management approach to improve organisational effectiveness, employee participation and workplace performance. In modern organisations employees are increasingly viewed not just as people who do the jobs they are given, but as important organisational resources that help to make decisions, solve problems and develop the organisation. Employee empowerment is a process of giving the employees the power, autonomy, information, knowledge and organisational support that will help them gain more control over their work responsibilities. It is experienced both structurally and psychologically, such that employees experience a sense of meaning, competence, self-determination, and impact in their roles (Spreitzer, 1995; Thomas & Velthouse, 1990). In addition, Conger and Kanungo (1988) defined empowerment as a process of increasing employee self-efficacy through identifying and removing conditions that cause powerlessness in organisations.

The importance of employee empowerment has increased significantly in knowledge intensive industries especially in Information Technology (IT) and Information Technology Enabled Services (ITES) sectors. These industries are in dynamic business environments, which are influenced by technological advancement, evolving customer expectations, competitive pressures and continuous skill demands. Employees in these industries are often called upon to perform complex assignments, meet customer needs, troubleshoot operational problems and adapt to evolving technologies. Therefore, effectiveness of organisations depends not only on the technical competencies of employees but also on their ability to exercise independent judgement, to participate in workplace decisions and to take responsibility for organisational outcomes. Empowerment thus becomes a key managerial mechanism to encourage employee initiative, accountability, innovation and responsiveness.

Chennai has emerged as an important centre for technology based business operations and professional services. The IT and ITES industries constitute an important employment segment in Chennai. Employees in these sectors must coordinate with different teams, handle project-related responsibilities, achieve performance goals and maintain service quality. These working conditions make employee empowerment particularly important because excessive managerial control and limited decision-making opportunities can constrain employees' ability to react effectively to workplace challenges. Studies on employee engagement in IT and ITES industries in Chennai have also pointed out the importance of organisational and workplace related aspects in the employees' experiences (Chinna Muthu & Stephen, 2018). However, employee engagement and employee empowerment are different organisational constructs and the determinants of empowerment need to be empirically investigated. From the perspective of management, a series of organisational practices and workplace conditions influence employee empowerment. Job design, transformational leadership, decision-making authority, continuous training and development and information sharing were pointed out by Dahou and Hacini (2018) as important determinants of employee empowerment. Their empirical study within the framework of the Jordanian commercial banks showed that employee empowerment was positively influenced by information sharing, job design, transformational leadership, and decision-making authority. The findings particularly highlighted the importance of appropriate job design and information sharing in developing successful empowerment practices. The research was carried out in the banking sector, but the determinants they identified provide a relevant foundation to explore empowerment in other service-oriented and knowledge-intensive industries.

Job design is an important structural determinant of employee empowerment as it determines employees' responsibilities, autonomy, task variety and opportunities to use their abilities. Jobs that have meaningful responsibilities, sufficient autonomy and opportunities to use skills can improve employees' sense of ownership and control over their work. Similarly, transformational leadership fosters empowerment by inspiring employees through organisational vision, intellectual stimulation, individualised consideration and supportive leadership practices. Research by Schermuly et al, (2022) shows that transformational leadership is positively associated with psychological empowerment, emphasising the relevance of leadership behaviour in the development of employees' perceptions of autonomy and influence.

A further important component of empowerment is decision-making authority, since employees require sufficient discretion to take decisions about their work without too much managerial interference. By providing employees with the right authority, they can solve operational problems, meet customer needs and be accountable for their decisions. According to Jha (2010) empowerment is about giving discretion to the frontline employees to make decisions based on organisational consequences. This approach is especially relevant in IT and ITES organisations, where timely decision making and independent problem solving are critical to operational efficiency and responsiveness of services.

Another way of empowering employees is training and development, which enhances their knowledge, technical competencies and confidence in carrying out their responsibilities. Properly trained employees are better able to handle difficult tasks, adjust to technological changes and take on more responsibility. Hanaysha (2016) empirically studied the impact of employee training on organisational commitment among 242 employees working in Malaysian public universities and concluded that it has a significant positive impact. Although organisational commitment was the outcome examined in that study, its findings provide supporting evidence for the importance of training in developing positive employee-related outcomes. Information sharing is just as important as employees can understand organisational objectives, coordinate activities and make informed decisions by having access to relevant organisational information. Information sharing was identified as one of the organisational practices that contribute to an empowerment climate in an empirical study of Indian public and private sector organisations (Muduli, 2008).

Hence, employee empowerment should be seen as the outcome of a mix of organisational structures, leadership practices and employee development initiatives, rather than as a simple delegation of responsibilities. Boudrias et al. (2009) found a strong relationship between employees' psychological empowerment and supervisors' empowering management practices, which in turn led to behavioural empowerment. This finding suggests that organisational initiatives need to ensure that employees are provided with real opportunities to experience autonomy, competence and influence if empowerment is to be translated into proactive workplace behaviour.

The existing studies have covered employee empowerment in other organisational and industrial settings but there is a need to study the collective effect of job design, transformational leadership, decision making authority, training and development, and information sharing among IT and ITES employees in Chennai. The technology-driven nature of these industries, along with their focus on knowledge utilisation, teamwork and service delivery, creates a unique organisational context for the examination of these relationships. Therefore, the present study attempts to empirically analyse the determinants of employee empowerment of the IT and ITES employees in Chennai with specific focus on the five identified organisational factors. The findings are expected to contribute to the understanding of empowerment practices and provide practical insights for the development of employee-centred management strategies in technology-oriented organisations.

Review of Literature

The following review examines the five independent variables and their relationship with employee empowerment. The discussion combines the uploaded research studies with relevant published literature.

2.1 Job Design and Employee Empowerment

Job design is the systematic structuring of job responsibilities, tasks, autonomy and work related activities in a way that increases employee effectiveness and satisfaction. It refers to the degree to which employees are able to exercise discretion, use their skills and take responsibility for the tasks given. An appropriately designed job provides employees with the opportunity to make decisions, solve problems and exercise control over their work, which enhances their sense of empowerment. Hackman and Oldham (1980) Job Characteristics Model The model demonstrates the effect of skill variety, task identity, task significance, autonomy, and feedback on employees' work experiences. Among these characteristics, autonomy is particularly pertinent to empowerment because it offers employees freedom and discretion in determining how work should be done. Job design was identified by Dahou and Hacini (2018) as one of the most important determinants of employee empowerment in their study. Similarly, Muduli (2008) found workplace independence, flexibility and autonomy to be important elements of an empowerment climate in Indian organisations. The findings suggest that meaningful job responsibilities and sufficient work autonomy can lead to increased employee empowerment.

2.2 Transformational Leadership and Employee Empowerment

Transformational leadership refers to a style of leadership where managers motivate employees through organisational vision, intellectual stimulation, individualised consideration and motivational support. Transformational leaders inspire employees to build capabilities, get involved in the activities of the organization and show initiative in the performance of their responsibilities. These leadership practices generate a supportive work environment where employees feel valued and confident in their abilities.

Avolio et al. (2004) investigated the mediating role of psychological empowerment in the relationship between transformational leadership, organisational commitment and psychological empowerment. Boudrias et al. (2009) studied 359 non-managerial employees and found that supervisors' empowering management practices were strongly related to psychological empowerment. More recently, Schermuly et al. (2022) found through a meta-analysis that transformational leadership is positively related to psychological empowerment. Dahou and Hacini (2018) also found that transformational leadership is an important determinant of employee empowerment. The

findings of these studies suggest that supportive and inspirational leadership can boost employees' confidence, autonomy and willingness to take part in organisational decision-making.

2.3 Decision-Making Authority and Employee Empowerment

Decision-making authority refers to the extent to which employees are provided with the power and discretion to make decisions concerning their work responsibilities without depending entirely on managerial approval. It represents an important dimension of structural empowerment because employees require adequate authority to exercise judgement, address workplace problems and take responsibility for operational outcomes.

Conger and Kanungo (1988) define empowerment as a process of increasing employees' self-efficacy by removing organisational conditions that lead to powerlessness. Likewise, Thomas and Velthouse (1990) conceptualised psychological empowerment as comprising four cognitive dimensions: meaning, competence, choice and impact. These dimensions account for the importance of opportunities to exercise discretion and influence workplace outcomes for employees' empowerment. Jha (2010) further added that psychological empowerment is based on giving discretion to frontline employees to take decisions. Empirical evidence from Dahou and Hacini (2018) also demonstrated a positive relationship between decision-making authority and employee empowerment. Giving employees appropriate decision-making powers may increase their sense of responsibility, independence and involvement in the organisation.

2.4 Training and Development and Employee Empowerment

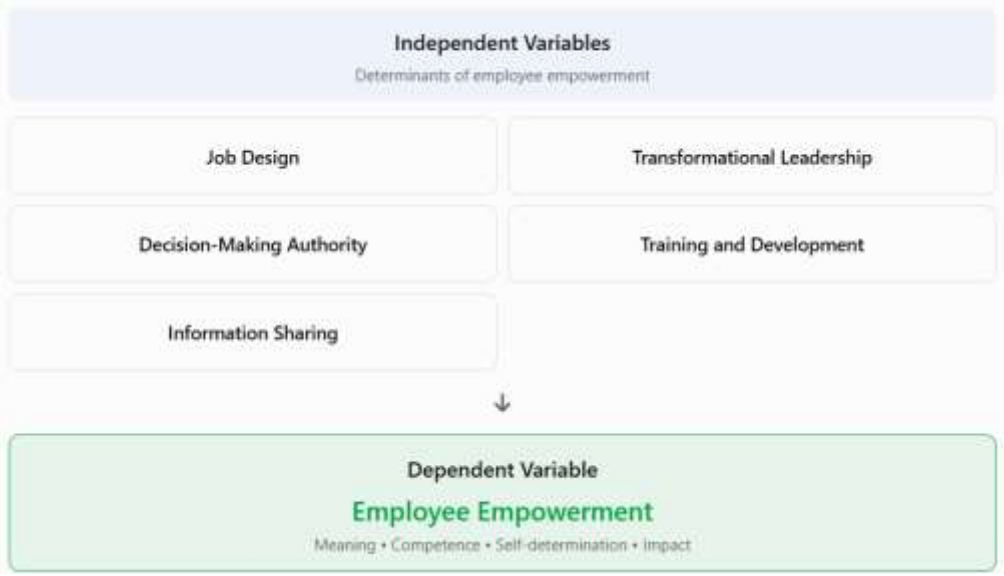
Training and development is the systematic effort of an organisation to improve the knowledge, skills, abilities and potential of employees so that they can carry out their responsibilities effectively. Through training, employees acquire the skills necessary to handle complex tasks, adapt to changes in the workplace and assume new responsibilities. Development initiatives increase the confidence of employees and prepare them for more responsibility and decision making.

Muduli (2008) identified skill acquisition and development as parts of an organisational empowerment climate. The study revealed employee development as an important organisational practice. However, it found comparatively lower contribution from skill acquisition and development than autonomy and team accountability. In an empirical study of 242 employees, Hanaysha (2016) found a positive relationship between employee training and organisational commitment. Also, continuous training and development are among the major determinants studied in employee's empowerment framework by Dahou and Hacini (2018). In technology-oriented organisations, where technology is constantly changing and job requirements are evolving, training and development can help employees acquire the competence and confidence they need to be more autonomous on the job.

2.5 Information Sharing and Employee Empowerment

Information sharing is the systematic communication and distribution of relevant organisational information to employees in an effort to facilitate co-ordination, transparency and sound decision-making. To carry out their responsibilities effectively, employees need information about the organisation's objectives, policies, work procedures, performance expectations and operational developments. The limited access to information can limit the participation of the employees and create an unnecessary dependence on the managerial authorities. Information sharing is considered as an important organisational practice contributing to empowerment climate (Muduli, 2008). The study examined information sharing as well as autonomy, team responsibility, reward systems, workplace independence and skill development. In their empirical investigation, Dahou and Hacini (2018) found that information sharing positively influenced employee empowerment and was one of the strongest determinants. Similarly, Boudrias et al. (2009) showed the importance of management practices for the development of employees' psychological empowerment. Furthermore, the knowledge management perspective

emphasises the importance of knowledge acquisition, storage, sharing and application in facilitating employee-related outcomes (Abeh et al., 2026). Transparent communication and access to relevant organisational information can thus improve employees' ability to make informed decisions, coordinate work activities and contribute effectively to organisational objectives.



Based on the above discussions the following hypothesis is proposed

H1: Job design has a significant positive influence on employee empowerment.

H2: Transformational leadership has a significant positive influence on employee empowerment.

H3: Decision-making authority has a significant positive influence on employee empowerment.

H4: Training and development have a significant positive influence on employee empowerment.

H5: Information sharing has a significant positive influence on employee empowerment.

Research Methodology

The present study adopts a quantitative research approach using a cross-sectional research design to examine the determinants of employee empowerment among IT and ITES employees in Chennai. Primary data were collected from 155 respondents employed in selected IT and ITES companies in Chennai using a structured questionnaire. The questionnaire was developed by adapting measurement scales from previously published and established studies to ensure the relevance and reliability of the research constructs. A convenience sampling technique, based on the accessibility and willingness of employees to participate, was employed for respondent selection. The questionnaire consisted of relevant items measuring the factors influencing employee empowerment, with responses recorded using a five-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The collected data were considered for statistical analysis to examine the relationships between the identified determinants and employee empowerment.

Analysis

Profile of the respondents

The demographic and occupational profile of the 155 respondents indicates that 92 (59.35%) were male and 63 (40.65%) were female. Regarding age, the majority belonged to the 25–30 years category (30.97%), followed by

31–35 years (25.16%). In terms of designation, Associates constituted the largest group (27.10%), followed by Executives (24.52%). With respect to experience in the present organisation, the highest proportion had 1–3 years of experience (29.68%), followed by 4–6 years (25.16%). Regarding organisational size, 43.22% of respondents worked in organisations employing more than 1,000 employees. Concerning work arrangements, 45.81% worked from the office, 36.13% followed a hybrid arrangement and 18.06% worked from home.

The respondents predominantly comprised young and moderately experienced employees working in large IT and ITES organisations, providing a relevant profile for examining the determinants of employee empowerment.

Table1 Demographic and Occupational Profile of the Respondents

Profile Variables	Categories	Frequency	Percentage (%)
Gender	Male	92	59.35
	Female	63	40.65
Age	Below 25 years	22	14.19
	25–30 years	48	30.97
	31–35 years	39	25.16
	36–40 years	27	17.42
	Above 40 years	19	12.26
Designation	Trainee	15	9.68
	Associate	42	27.10
	Executive	38	24.52
	Senior Executive	26	16.77
	Team Leader	18	11.61
	Manager	11	7.10
	Senior Manager	5	3.22
Experience in Present Organisation	Below 1 year	18	11.61
	1–3 years	46	29.68
	4–6 years	39	25.16
	7–10 years	31	20.00
	Above 10 years	21	13.55
Organisational Size	Below 100 employees	17	10.97
	100–500 employees	39	25.16
	501–1,000 employees	32	20.65
	Above 1,000 employees	67	43.22
Work Arrangement	Work from Office	71	45.81
	Work from Home	28	18.06
	Hybrid	56	36.1

Impact of Determinants on Employee Empowerment

Multiple regression analysis was used to find the influence of job design, transformational leadership, decision making authority, training and development and information sharing on employee empowerment of IT and ITES employees at Chennai. The summary of regression model shows that the R-value is 0.726 which indicates a strong positive relationship between the five independent variables and employee empowerment. An R-square value of 0.527 indicates that the independent variables selected explain 52.7% of the variance in employee empowerment. The value for adjusted R-square is 0.511. It means that the model explains 51.1% of the variation after adjustment for the number of predicators. The standard error of the estimate is 0.32231 that indicates the extent of variation between the observed and predicted values.

Table 2 Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.726[a]	.527	.511	.32231
a. Predictors: (Constant), Job design, Transformational leadership, Decision-making authority, Training and development and Information sharing				

The ANOVA results reveal that the overall regression model is statistically significant ($F = 33.157$, $p < 0.001$). This indicates that job design, transformational leadership, decision-making authority, training and development, and information sharing collectively have a significant influence on employee empowerment. Therefore, the regression model is suitable for explaining variations in employee empowerment.

Table 3 Regression ANOVA Table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.223	5	3.445	33.157	.000[b]
	Residual	15.479	149	.104		
	Total	32.702	154			
a. Dependent Variable: Employee empowerment						
b. Predictors: (Constant), Job design, Transformational leadership, Decision-making authority, Training and development and Information sharing						

The regression coefficients reveal that transformational leadership ($\beta = 0.333$, $p < 0.001$) has the strongest positive and statistically significant influence on employee empowerment. Information sharing ($\beta = 0.255$, $p = 0.001$) also has a significant positive influence, followed by training and development ($\beta = 0.166$, $p = 0.044$). However, job design ($\beta = 0.101$, $p = 0.201$) and decision-making authority ($\beta = 0.081$, $p = 0.185$) do not have statistically significant individual influences on employee empowerment at the 5% significance level.

Table 4 Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.264	.245		5.151	.000
	Job design,	.073	.057	.101	1.285	.201
	Transformational leadership	.250	.054	.333	4.615	.000
	Decision-making authority	.059	.045	.081	1.330	.185
	Training and development	.133	.066	.166	2.031	.044
	Information sharing	.205	.061	.255	3.369	.001
a. Dependent Variable: Employee empowerment						

Table 5 Hypothesis Testing

Hypothesis	Relationship	Result	Decision
H1	Job Design → Employee Empowerment	p = 0.201	Not Supported
H2	Transformational Leadership → Employee Empowerment	p = 0.000	Supported
H3	Decision-Making Authority → Employee Empowerment	p = 0.185	Not Supported
H4	Training and Development → Employee Empowerment	p = 0.044	Supported
H5	Information Sharing → Employee Empowerment	p = 0.001	Supported

Conclusion

The current study examined the determinants of employee empowerment among IT and ITES employees in Chennai by considering five organisational factors. Regression analysis showed that the overall model was statistically significant and explained 52.7 percent of the variability in employee empowerment. Of the five factors, transformational leadership was found to be the strongest predictor, followed by information sharing and training and development. However, job design and decision-making authority were not statistically significant individual effects. The findings stress that empowering employees goes beyond assigning responsibilities. Organisations must foster supportive leadership practices, promote transparent information sharing and provide continuous opportunities for employee learning and development. Such practices can enhance employees' confidence, professional competence and ability to deliver organisational objectives. The management in the IT and ITES organisations at Chennai should emphasis transformational leadership, effective communication systems and continuous employee development initiatives. Such practices may result in a more participative and supportive working environment. Future research might examine other factors such as organisational culture, employee engagement, job autonomy and organisational support in different geographical and industrial contexts.

In conclusion, transformational leadership, information sharing, and training and development are important organisational determinants of employee empowerment. By strengthening these practices, technology organisations can create a more capable, confident and empowered workforce.

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