

Strategies of Employee Empowerment in the Banking Sector: The Case of Eldoret, Kenya

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Abstract: Employee empowerment should instill greater trust in leadership, encourage employee motivation, lead to greater creativity, and improve employee retention all of which ultimately results in a better bottom line. This study seeks to find out the strategies of employee empowerment in sector in Kenya. The study was guided by two objectives; to find out strategies or techniques used by banks in employee empowerment, and examine the impact of employee empowerment in service delivery to the bank customers. The researcher adopted a descriptive study where by the data was analyzed and presented with the help of statistical package for social sciences version 16, thereafter the findings were corroborated with existing literature to arrive at logical conclusion. The researcher found that; the strategies employed include-easy accessibility to senior management level, regular meetings, reward for excellent services, regulated routine, and freedom to make independent decision. On the impact of employee empowerment on service delivery, it was found that there is general impact on customer's satisfaction. The study concludes that employee empowerment is a crucial aspect in dealing with human resource in every organization in order to survive in a competitive environment.

Key words: employee, empowerment, banking, strategies

I. INTRODUCTION

Employee empowerment is a key factor in any organization for it to continue a float in the business world. Philip (2010) states that empowerment is a proven methodology for retaining contented staff and increases their performance. It is also the most effective way for a team to deal with uncertainty and achieve results, whilst enable senior managers more time to think ahead and anticipate future opportunities and threats to the enterprise. In banking institutions, the general offering in a particular industry is averagely similar, even though they may engage in different approaches to achieving a distinction from the others, to be able to gain more market share and customers in the industry.

Elin (2006) define empowerment as a process whereby: a culture of empowerment is developed, information is shared, competency is developed, and resources and support are provided. Employee empowerment is one of those terms that everyone thinks they understand, but few really do. In order for the management to acknowledge that the employees are successful in dealing with their customers, the management has to give the employees the authority and necessary support

to succeed at it, which is referred to as employee empowerment. The practice of which can directly affect the quality of services delivered and customer satisfaction.

In a more recent literature by Wong (2020) asserts that employee empowerment refers to the manner in which companies/organizations provide their employees with anything and everything they need to succeed. For the employee empowerment to succeed, he further suggests techniques or strategies which when adopted will bring about the desired outcome. For instance, provide employees with the tools, training, and authority to make decisions in their daily service delivery. It is on the above foregoing that the researcher endeavored to unearth in this study.

1.1 Statement of the problem

Employee empowerment should instill greater trust in leadership, encourage employee motivation, lead to greater creativity, and improve employee retention all of which ultimately results in a better bottom line (Wong, 2020). However, most organizations especially in developing countries may have not embraced this aspect.

Many studies on employee empowerment have focused on various aspects of the organizations. For instance, study by Busara (2016) dwelt on the impact of employee empowerment on organizational performance, Sahoo (2011) focused on employee empowerment as a strategy towards work place commitment, while Demirci and Ebras (2010) studied on employee empowerment and its effects on organization.

This study therefore sets to beef up the available literature on employee empowerment on financial institutions (Banking sector) which seem to have received little attention among the academia.

1.2 Justification of the study

The researcher was motivated to carry out this study on the selected Bank (Equity Bank) as a result of previous assessments by the African News.Com and Shukwans Company (2009), rating the Bank as among the three best Banks having the most satisfied customers in Kenya hence experiencing a high growth rate in profit margin on three consecutive years. The researcher sought to find out more about the bank, and find out how true, the claim by the

African News.Com and Shukwans Company regarding the bank is.

II. METHODOLOGY

The research is a case study which adopted a descriptive study design whose main concerned is the description of the characteristics of a particular individual or a group (Kothari, 1990). This is in harmony with what Yin (2003) said that a case study is an in-depth investigation of an individual, group, institution or phenomenon. It is also used to determine factors and relationships among the factors that have resulted in the behaviour under study. The data was collected by use of questionnaire, the findings were representation and analysis was done with the help of statistical package for social science (SPSS). The target population and the study sample were chosen by use of purposively as the researcher was concerned with the population and the sample that had information required for the study.

Scope

This research was aimed at ascertaining the extent to which Banks practice employee empowerment. The researcher achieved this by collecting information regarding the banking sector from relevant personnel, and some of their customers in in two branches of equity bank Eldoret town. Data was collected within a span of one month as from January, 2019 from 105 customers, 9 employees and the bank’s branch manager.

Strategies used by Equity Bank in employee empowerment

In bid to unearth the subject under the study, the researcher started by inquiring on the customers accessibility to top management as shown below;

Table 1: Accessibility of the senior management to employees

Response	Frequency	Percentage
Very accessible	5	62.5
At a general meeting	1	12.5
It depends on circumstances	2	25.0
Total	8	100.0

Source: Researcher, 2020

Results from table above indicate that majority of the employees stated that they can easily access the senior management while a few believe that they can only meet the senior management at a general meeting. Another small percentage pointed out that they can access the senior management depending on circumstances. This shows that the senior management at the bank is easily accessible to the employees of the bank meaning that the bank adopts an open door communication technique which is part of empowering employees rather than sticking to the bureaucratic which is old-fashioned. These findings are in line with Looy *et al* (2003) argument that empowered organizations have everything in place to facilitate the pushing down of information, knowledge, rewards, and power.

Empowerment of employees would be unsuccessful if they have no access to information about the service concept, the service delivery process as a whole, past and current performance of the organization and setting of goals in the organization by knowing what needs to be done and what is not allowed to be done. The senior management should listen to the concerns of employees and respond to them directly. The competence bases of employees need to be developed continuously and should not be limited to only hiring competent employees for a short-term result.

Employees’ rewarding for delivering excellent services

It was also prudent to find out if the employees are rewarded for delivering excellent services. Findings are indicated in the chart below.

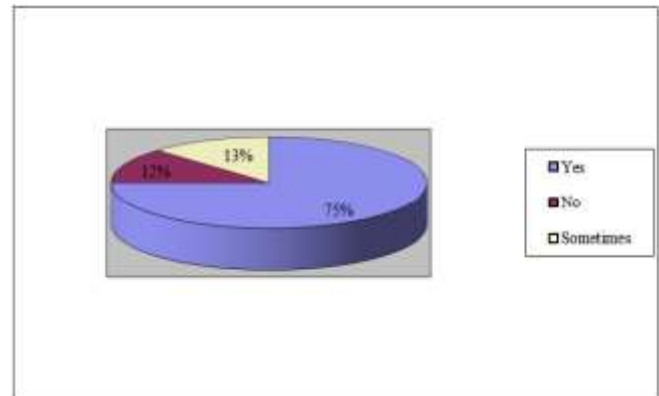


Figure 1: Employees’ rewarding for delivering excellent services

Source: Researcher, 2020

From the findings it is seen that majority of the employees are rewarded for delivering excellent services while a small percentage of employees pointed out that they are never rewarded. This reveals that employees at the bank are rewarded for delivering excellent services. Another small percentage of employees accepted that they are rewarded for delivering excellent services though not regularly. This implies that the reward system is not very consistent hence making some employees feel dissatisfied. While increasing competencies is beneficial in itself, monetary and non-monetary rewards are a justification for it. Rewarding excellent service delivery encourages maintains of the same behaviour and could lead to further improvements on the part of the rewarded employees. However, both of the dimensions are related to independence of the employee regarding work and service, and are all aimed at achieving organizational effectiveness and employee satisfaction as a way of achieving the organization’s objectives.

Regulated routine to employees

The study further sought to find out if the employees had a regulated routine or they do organize their jobs to best suit them. The results are shown in the chart below.

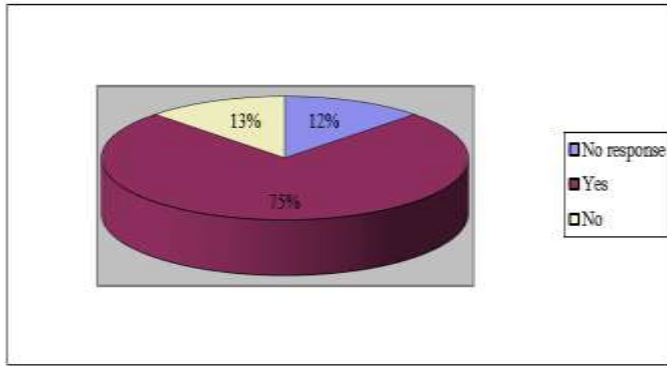


Figure 2: Regulated routine to employees

Source: Researcher, 2020

From the chart above it is seen that majority of the employees responded to having regulated routine at work while a few believe that there is no regulated routine at work. Some did not respond to whether there was a regulated routine at the work place or they organized their jobs to best suit them. This reveals that Kenya Commercial Bank have a regulated routine to the employees and do practice restricted empowerment. This is therefore a poor implementation of empowerment since KCB believes that employees should have some routine to follow within the workplace hence limiting the empowerment of employees. Employees will therefore tend to detach themselves from the bank and see customers as clients to the bank but not their clients.

Employees Allowed making decisions regarding customer service

On further findings the researcher sought to know if the employees are allowed to make decisions regarding customer service. Results are in the table below.

Table 3: Allowance to making decisions regarding customer service

Response	Frequency	Percentage
Yes	5	62.5
No	3	37.5
Total	8	100.0

Source: Researcher, 2020

Findings above reveal that majority of the employees agree that they are allowed to make decisions regarding customer service while a few of the employees disagree that they are not allowed to make decisions regarding customer service. This shows that employee empowerment is well utilized in the bank making the employees feel part and parcel of the organization and are able to offer best services to the customers. This is in line with what Looy *et al* (2003) points out that the most important reason for empowerment at the individual employee level is the belief that autonomy motivates people. He further argues that people are willing to take initiatives and make decisions rather than being dictated to regarding their jobs.

Examine the impact of employee empowerment in enhancing service quality within the banking sector

Customers' rating of the bank's services

The researcher also wanted to establish how customers rate the services offered by the bank. The table below gives the summary of the results.

Table 4: Customers' rating of the bank's services

Response	Frequency	Percentage
No response	3	2.9
Excellent	30	28.6
Good	57	54.3
Manageable	15	14.3
Total	105	100.0

Source: Researcher, 2020

Most of the customers rate the bank's services as good and others take it further to be excellent. This reveals that most of the employees at the bank are customer friendly and they retain their present customers as well as attracting more customers to come and bank with them. This is attributed to the empowerment offered to the employees by the bank. Discretely rendered services are non-continuous in usage and the implication of this is that the service providers in the continuously rendered services have to create a relationship that customers value and appreciate because they cannot afford to lose customers.

Customers' Satisfaction with the bank

It was also prudent to find out if the customers were satisfied with the bank. This is important because it enabled the researcher to establish the services offered in relation to customer satisfaction. Results are shown in the chart below.

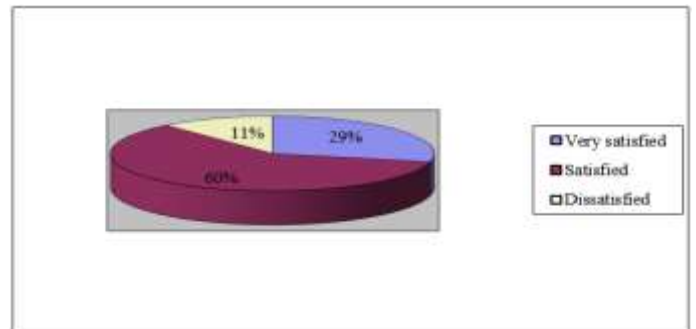


Figure 4: Customers' satisfaction with the bank

Source: Researcher, 2020

From the results in the figure above, it shows that majority of the customers are satisfied while very few are dissatisfied. This reveals that the services offered by the bank meets the customers' demands. These are the fruits of employee empowerment at the bank which brings about simultaneity which indicates that, it is a quality of service whereby it is sold first, then produced and consumed at the same time. The

implication is that quality control and marketing must therefore take place at the same time as the service process and production. The quality of service and customer satisfaction will be highly dependent on what happens in “real time” including actions of employees, and the interaction between employees and customers.

Services provided exactly as the bank promised

The study further sought to establish if the services are exactly as the bank had promised. Results are as shown in the chart below.

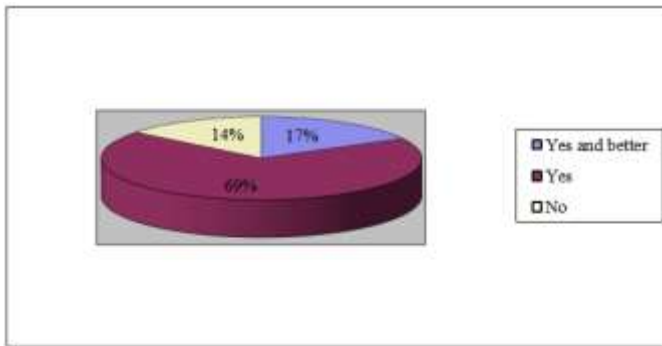


Figure 5: Services provided exactly as the bank promised

Source: Research, 2020

The chart shows that majority of the customers agree that the services offered are exactly as the bank promised before they started with them. Some customers view the services as better while a few stated that the services are not exactly as the bank promised. This reveals that the services offered at bank are exactly as the bank promised or better. The implication of this is that services have been of the right quality as expected by the customers for a period of time. The services that customers were promised during the promotion of the bank and when they joined the bank are the exact ones implying that the bank has made efforts to ensure that employees provide the kind of services promised by empowering them.

Employees’ ratings of services provided by the bank to customers

On finding out how employees rate the services offered by the bank, results are as shown in the figure below.



Figure 5: Employees’ Rating of services provided to customers

Source: Researcher, 2020

It can be observed from the figure above that majority of the employees rate the services as good and the rest of the employees rate the services as fair. This reveals that employee empowerment offered at Kenya Commercial Bank is generally good both to the employees and customers that make the employees to have confidence with the bank’s services and see it as their responsibility to offer better quality services. Employees are more satisfied with their jobs and feel better about them. The feeling of job ownership leads to less job absenteeism, reduced employee turnover and employees will treat customers more enthusiastically. Considering the motivating effect of empowerment, empowered employees become enthusiastic part-time marketers and valuable source of new ideas. The findings also show that none of the employees rate the services as excellent.

This implies that the motivation and empowerment the employees get do not fully match their expectations. All the employees still expect some more motivation and empowerment that will enable them offer excellent services to the customers.

III. CONCLUSION

It is therefore evident that empowerment of employees in the banking sector is a necessity in view of the nature of service itself. Without empowerment in the delivery of intangible-dominant services like banking, employees would be bounded, lacking confidence and creativity which could lead to under-performance during service encounters. In banks, empowerment is at both the individual employee level and the organizational level. The employees experience a high degree of autonomy in their work; they specify the schedule of their work but in accordance with the organizational policy. They are competent and have the skills needed to deal with necessary requirements of service delivery which in turn brings about employee and customer satisfaction.

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