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## The relationship between empowerment of human resources, and organizational culture and job productivity among employees working in Shiraz Tejarat Bank

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### Abstract

The aim of this study is to explain the relationship between empowerment of human resources, and organizational culture and job productivity. This research is an applied study and a correlational research methodologically. The target population included all employees of Shiraz Tejarat Bank. For statistical sample of the study, 234 bank employees were selected by random cluster sampling method. Three questionnaires concerned with job productivity, organizational culture and empowerment of human resources were used to collect information. It was evaluated to extract and analyze the data at descriptive and inferential levels. The mean and standard deviation of research variables and Pearson correlation coefficient test as well as stepwise multiple regression analysis were used at descriptive and inferential levels respectively. It was indicated that there is a significant relationship between empowerment of human resources, and organizational culture and job productivity. There is a significant relationship between different dimensions of organizational culture and job productivity. There is a significant relationship between empowerment of human resources and job productivity. The different dimensions of empowerment of human resources are significantly able to predict job productivity. The different dimensions of organizational culture are significantly able to predict job productivity. Empowerment of human resources and organizational culture are significantly able to predict job productivity.

**Key Words:** organizational culture, productivity, empowerment, Bank, Human Resources

### Introduction

It might be suggested that increase of productivity in each country depends on having skilled, competent and motivated people. Productivity is also one of the human volitional activities and one of indices to achieve a perfection in human-made systems. Human endeavor has always been focused on gaining maximum efficiency from minimum resources. Accordingly, the issue of productivity is not a new issue and has a history as old as of human life. Perhaps, formally and seriously, the word "productivity" was used for the first time in an article by someone called Coisini in 1766 AD. In 1883,

someone called Liter defined productivity as "the power and the ability to produce something". In fact, here, productivity expresses inclination for production. In 1950, the organization for European Economic Cooperation presented a more complete definition of productivity as follows: "Productivity is the quotient of output to a factor of production." Thus, capital productivity can be named as investment productivity, productivity of raw materials and manpower, depending on outcome is in relation to which one of the factors of production. ILO believes that different products are produced by integrating four main factors. These four factors are: land, capital, labor and organizing. The combination ratio of these factors on products is a criterion for measurement of productivity. Productivity is based on the idea that a person could carry out his/her duties every day better and obtaining better results than before (continuous improvement). Today, productivity is considered as one of the most important areas of development and an endeavor to achieve a desirable extent of that part, high ideals and world people's living standards (Tolentino, 2008). One of the reasons for technological progress and enhancement in productivity of production factors is the increase of its workforce skills and expertise. A capable human resource creates a powerful organization. From Drucker's viewpoint, economic growth thanks to empowerment of qualified staff. An empowered organization is an environment in which employees in different groups cooperate with each other to carry out their activities. Empowering employees is the most pivotal attempt of managers in creativity, decentralization and elimination of bureaucracy in organizations. Empowering the individuals causes managers and organizations achieve their goals faster without wasting resources. By Empowerment, employees know organization as well as the job as their own assets and are proud of their work in the organization. Without empowerment, neither the manager nor organizations can be successful in the long run. The manager of an organization is the most important factor in enabling employees, since director directly or indirectly influence all organizational environment factors. By delegating more power to employees, giving them independence and freedom, providing collaborative atmosphere, creating the culture of team work and eliminating the circumstances that makes employees

powerless, director provides the necessary conditions for empowerment (Talebian et al, 2009). Organizational culture is an issue that has been considered recently in knowledge management and organizational behavior. Following new ideas and research in management, organizational culture has become increasingly important and it is considered currently as one of the main issues in the management. Demographers, sociologists, psychologists, and economists have recently paid particular attention to this new and important issue in management. They have developed many theories and studies to identify its role and importance and use them in solving the management problems.

By investigation carried out by a group of thinkers in management science, organizational culture has been known as one of the most effective factors of progress and development of nations, so that many researchers believe that success of Japan in industry and management was due to paying particular attention to organizational culture. As a set of common beliefs and values, organizational culture affects behavior and thought of members of the organization and it can be considered as starting point to move towards dynamism or barrier in achieving development and progress (Kaviani, 2011).

The role of human resources in the development of society is very important and it is considered as the main component of economic, social, and cultural development. Economic and social developments also make it inevitable to mobilize committed and skilled human resources and increase their skills. Human efforts have always focused on maximizing results with minimum resources available. These efforts can be called as achieving higher productivity. In 1950, the Organization for Economic Cooperation Europe defined productivity formally as follows:

Productivity is the result of the deduction obtained from dividing product value by value of one of the production factors (Moghimi, 2013). The productivity is based on idea that human beings can perform their tasks and duties every day better than the previous day. In addition, productivity requires a continuous effort in compliance with economic activities with constantly changing conditions as well as efforts to apply new theories and methods (Khaki, 2008). Considering the importance of productivity and human role in creating productivity, indubitably, any organization is seeking some methods to increase motivation of its staff; thereby, improve their performance and increase their commitment to the organization. The goal of productivity is optimal use of material

resources, human resources in a scientific way, reducing production costs, expansion of markets, increase of employment and an effort to increase actual wages, and improve life standards for the benefit of worker, employee, management, and whole consumers (Hoffman and Schraw, 2011). In addition to productivity, another factor that can have impact on the growth and development of an organization is empowering the human resources (Afshar et al 2012). What is important in development of human resources is that improving human resources cannot be achieved only by specialized and technical training. This would be impossible without applying strategic plans in the realm of human resources management. Cohesion in plans concerned with development of human resources requires development of employee empowerment plans that management of human resources plays important role in integration of these plans to provide an appropriate model for empowerment of employees. At present, competitive advantage of many countries depends on empowered human resources undertaking the mission of optimal use of other resources. Today, success of any organization does not depend on the number of human resources, but it depends on level of human resource capacity. The effort of an organization to develop human resources is called "empowerment" and it is considered as one of the strategic tools to gain competitive advantage. The employee empowerment-based management involves effective use of synergy of human resources (Amin, 2014). Organizational culture, as a set of shared beliefs and values, affects behavior and thinking of members of an organization and it can be regarded as a starting point for mobility or an obstacle to progress. Organizational culture is one of the main areas of change and transformation in the organization. Organizational culture is one of the basic aspects of change in the organization considering that the new development programs look rather to the fundamental transformation of the organization. The role which culture plays in human behavior is one of the most important concepts in the behavioral sciences. However, it has not been fully evaluated so far. Culture determines what human being learns as well the way he behaves. Considering the fact that how culture is created, it should be said that culture is a phenomenon resulting from attention to natural wants and social forces. Organizational culture is a phenomenon that is in the organization and all members agree that a hidden hand directs people in line with a type of hidden behavior. Understanding and knowing what makes organizational culture, the manner of its creation and survival helps us to justify the behavior of people in the organization (Atafar, 1996).

Today, promoting productivity in the different countries has great importance. The need to improve

productivity in banks of our country is also being felt well; because, for the realization of goals and programs of the country for economic and social development, improving productivity of bank employees is inevitable. Productivity in employees is one of the cases that can have successful applied aspect in the organization, since this issue reduces costs, reduces organizational conflicts, enhances organizational climate, improves the spirit of innovation, and improves other issues effecting each other in a systematic way. Productivity can be stated as value or volume of products and services that an organization provides and value of work that an organization performs in terms of how many works has been done and what portion of it has been effective.

In other words, productivity is proportion of production and quality and customer value to human resources, financial resources, information, and technology. Assessing productive human resources in organizations such as banks is one of the most important issues in the management of productivity in the banking. Thus, when a merit system is established based on competency, employees are inclined to observe norms and promotion is a factor in productivity. In general, organization is a cultural phenomenon and every organization has its own culture. Moreover, one of the metaphors used to identify and analyze organizations is metaphor of culture. Considering the metaphor of culture for the organization, the importance of traditions and customs, stories, artifacts and organizational symbols are emphasized and manager is considered as a symbol of organization (Rezaeian, 2000). As personality is defined for individuals (means stable set of characteristics), it is also defined for organizations. Organizational culture is personality of each organization. It means that organizations, like humans, can be conservative, creative, and timid. Culture affects decision-making and problem solving, motivation, satisfaction and morale, creativity, and innovation. In short, in management, nothing can be found independent and free from the culture. Organizational culture gives a sense of identity for members of organization. Culture causes commitments beyond personal interests to be created (Robbins, 2006). Organization managers can control employees through organizational culture (strong) by the unwritten rules, norms and cares resulting from it, and occupational behavior.

Therefore, it is clear that Tejarat Bank management of Shiraz can take effective steps in economic and social development and growth through targeted investment in growth and development of human resources. Therefore, to empower bank employees, it is necessary that effective and related factors in occupational productivity and empowerment of human resources to be paid attention. In line with this issue, the current study aims to examine is there

any correlation between job productivity of Tejarat Bank employees of Shiraz. Accordingly, research hypotheses included:

**Main hypothesis:**

There is significant relationship between human resources empowerment and organizational culture and job productivity.

Secondary hypotheses:

1. There is a significant relationship between the dimensions of organizational culture and job productivity
2. There is a significant relationship between human resources empowerment and job productivity.
3. The empowerment of human resources and organizational culture significantly predict job productivity.

**Research methodology**

The current study is applied in terms of objective and correlational in terms of methodology. The population of this research included all employees of Shiraz Tejarat Bank. The population of the study included 234 people of bank staff selected using cluster random sampling in a way that among 7 districts, two districts were selected. Then, 6 branches were selected from each district and questionnaires were distributed among employees of the branches.

Measurement tools included 26-item three questionnaires of job productivity of Achio using Hersey and Goldsmith model (1994) with dimensions (ability, understanding, organizational support, motivation, feedback, credibility, adaptability), Spritzer's 12-item employee empowerment questionnaire (1995) based on Thomas and Vlthas empowerment model with four subscales: Effectiveness, meaningfulness, sense of competence, and the right of choosing, and ultimately 36-item organizational culture questionnaire of Denison (2000) with participatory components (empowerment, team-centered, expandability), stability and integration (core values, consensus, integration), flexibility (to bring about change, focus on customer, organizational learning), mission (the strategic guideline, goals and objectives).

Data were analyzed at two levels of descriptive and inferential statistics. At the descriptive level, mean and standard deviation were used. In the inferential part, correlational and regression method was used to test the hypotheses.

**Inferential findings:**

The first hypothesis: There is a significant relationship between empowerment of human

resources and organizational culture and job productivity.

To test this hypothesis, Pearson correlation coefficient was used and results are shown in Table 1.

	Empowerment	Organizational culture
Job productivity	0/403**	0/405**
Significance at the 0.01 level ** * Significance at the 0.05 level		

The output of Table 1 indicates that there is a direct relationship between empowerment and job productivity ( $r=0/403$ ,  $p<0/01$ ) and organizational culture and job productivity ( $r=0/405$ ,  $p<0/01$ ). By increasing empowerment of human resources and organizational culture of employees, job productivity also increases.

The second hypothesis: there is significant relationship between dimensions of organizational culture and job productivity.

To test this hypothesis, Pearson correlation coefficient was used and results are shown in Table 4-5

	Empowerment	Team-oriented	Development of capabilities	Basic values	Agreement	Cohesion and coordination	Creating change
Job productivity	0/21*	0/25**	0/19*	0/20*	0/43**	0/38**	0/47**
	Customer-centered	Organizational learning	Intention and strategic orientation	Goals and objectives	Perspective	-----	-----
Job productivity	-0/16	0/30**	0/39**	0/43**	0/25**	-----	-----
Significance at the 0.01 level :** Significance at the 0.05 level *							

As shown in Table 2, there is significant and direct relationship between all dimensions of organizational culture (except for customer-centered) and job productivity. ( $p<0.05$ )

The third hypothesis: there is significant relationship between empowerment of human resources and productivity

To test this hypothesis, Pearson correlation coefficient was used and results are shown in Table 3.

	effectiveness	Significance	Sense of competency	Right of choosing
Job productivity	0/50**	0/30**	0/25**	0/03
*Significance at the 0.05 level :** Significance at the 0.01 level				

Output of Table 3 indicates that there is significant relationship among all components of the empowerment of human resources (except for right to choose) and job productivity at level lower than 0.01. By increased effectiveness, significance and sense of competence of employees their job productivity also increased.

The fourth hypothesis: the empowerment of human resources and organizational culture significantly predict job productivity.

To test this hypothesis, stepwise multiple regression was used that its result are shown in Table 6.

Step	Criterion variable	Predictor variable	beta	t	p	R	R <sup>2</sup>	F	df	p
First	Job productivity	Organizational culture	0/405	4/73	0/001	/405	/164	/39	114	/001
Second	Job productivity	Organizational culture	0/257	2/48	0/014	/454	/206	/60	113	/001
		Empowerment	/252	/43	/016	0	0	14	2	0

Results of variance analysis test in the second step in the Table 6 indicate that there is linear and significant relationship between predictor variables (empowerment and organizational culture) and

criterion variable (job productivity), and empowerment and organizational culture can significantly predict job productivity.

### **Discussion and conclusion**

The first hypothesis-there is a significant relationship between empowerment of human resources and organizational culture and job productivity.

The results of Table 1 show that empowerment has direct and significant relationship with job productivity and organizational culture with job productivity. Therefore, by increasing the empowerment of human resources and organizational culture of employees, their job productivity will increase. Results of this study are in line with results of studies conducted by Dirania (2010), Oulu Loju (2009), Maryland et al (2012), Eric (2012), Ahmadi et al (2014), Heidari et al (2014), and Asadi et al (2015).

In explaining the results of this hypothesis, it could be stated that in the highly competitive world, productivity as a philosophy and an approach based on improvement strategy, is the most important goal of any organization, and it can involve all sectors of society as chain activities, so that management mission and the main goal of managers in each organization are effective and optimal using of resources and diverse facilities such as labor, capital, materials, energy and information. Productivity management has provided scientific guidelines for efficient management of working conditions of managers and it states reason for problems and appropriate strategies to solve the problem of employees.

Productivity has been increasingly taken into consideration due to its useful effects and results. Importance and value of this issue is to the extent that it has manifested itself as a culture, with its specific values and visions. The most important and vital assets of each bank are human resources of that bank. The quality and empowerment of human resources are the most important factor for survival of the bank. Empowered human resources create empowered bank. The role of culture and appropriate conditions governing on bank environment in the use of capabilities of employees in bank is undeniable.

Banking culture is a force which motivates employees in the bank and has a great impact on various components of the, since culture influences employee behavior. By examining the bank culture, we can identify the causes leading to success or failure of the bank. The impact of banking culture on employees and members of the bank is to the extent that by examining its dimensions, we can be aware of its members' behavior, feelings, opinions, and

attitudes. Today, empowerment of employees is not achieved merely through technical training, but employees of the organization have to be educated through a comprehensive educational system.

We should develop a purposeful and directed program as leading countries of the world in empowering the human resources so that human resource productivity index that has a special place in any organization increases.

Sixth hypothesis: the empowerment of human resources and organizational culture significantly predict job productivity.

To test this hypothesis, stepwise multiple regression was used. The results of stepwise multiple regression test indicated that there is linear and significant relationship between predictor variables (empowerment and organizational culture) and the criterion variable (job productivity) and empowerment and organizational culture significantly predict job productivity. The results of this research are in line with results of the studies conducted by Markavkul et al (2012), Maryland et al (2012), Eric (2012), Ahmadi et al. (2014), Heidari et al (2014), Asadi et al (2015).

In explaining the results of the hypothesis, it could be stated that integration in human resources development programs requires the development of employees' empowerment programs, that human resources management plays significant role in integrating these programs to provide the proper model of employees' empowerment. Bank is invaded both internally and externally. Externally, high competition at global level, unbelievable rapid changes, new demand for quality and service and, limitation of resources require rapid accountability from banks. Internally, employees are feeling that they are not treated honestly, they are disappointed and frustrated, and bank has continuously high expectations and changes the rules of game frequently. Managers should employ a group against this pressure so that bank can perform its tasks. Changes in traditional banks toward modern banks require paying more attention to empowering. Undoubtedly, empowerment is one of the strategies to deal with change and competition in the today's world and it is one of the best challenges for success of the bank in the competitive world. Undoubtedly, an effective and penetrating education is one of the important tools in empowering employees to achieve bank goals. On the other hand, recognizing and creating desired organizational culture within the organization in order to guide the behavior of human resources in the organization and creation and reflection of clear and attractive image of organization and management in the thought of a society are main strategies in the today's organizations.

One of the important cases is the improvement of organizational culture in the working groups. In the individual productivity, organization uses a set of Individual talents and capabilities in order to improve the organization. By actualizing potential forces and prodigious talents in line with construction, it will lead to individual achievement in line with organizational goals. Therefore, the necessary condition to achieve the organizational goals is effective management of these valuable resources.

The third hypothesis: there is significant relationship between empowerment of human resources and job productivity.

The outputs of the table indicate that there is a significant direct relationship among all dimensions of empowerment of human resources (except for right of choosing) and job productivity. With as competence and efficiency of employees increase, their productivity will enhance. Results of this research are in line with studies conducted by Asadi et al (2015), Heidari et al (2014), Burdine et al (2010). In explaining the results of this hypothesis, it could be stated that productivity is a culture, a rational attitude to work and life that its objective is making the activities smarter to achieve better life. Increased productivity is doing the works better but it involves performing the works rightly. To increase the productivity, we cannot refer to special reason or factor.

As development of human resources is associated with training and development of human activities in organizations and it helps certain cultural conditions to be created in which employees achieve to their potentials, development of human resources sees itself closely in line with productivity and development of organization.

Empowerment means to encourage people to play more active role in performing their tasks so that they feel responsibility to improve their activity improvement and to take key decisions without referring to higher authorities. At the competence sense dimension (self-effectiveness), empowered employees are feeling that are self-effective performing the tasks with competency. At the dimension of being effective (personal acceptance of the outcome), empowered employees are feeling that they play important role in achieving the bank goals, having control on job outcomes, and controlling the obstacles and restrictions. The dimension of being meaningful (being valuable) refers to the value of a work goal based employees standards. Empowered people are feeling that they are meaningful. These employees give value for the

activity performed by them. For these employees, ideals and standards are equal with what they are doing. Responsible employee feels responsibility against control and supervision of the bank's management to work process. On the other hand, having the technical skills (as dimension of employees' capability) is necessary and important for creativity. This means that the person has the ability to apply knowledge and experience in doing the relevant tasks. These skills help in creating the ideas and increase their productivity through use of knowledge. Therefore, it can be said that dimensions of employees' empowerment and goals of empowerment approaches are the effective factors in productivity of the organization, which by using empowerment models; we can empower the people and increase their effectiveness and efficiency.

The second hypothesis: there is a significant relationship between dimensions of organizational culture and job productivity.

The results showed significant direct relationship among all dimensions of organizational culture (except for customer-orientation) and job productivity. Results of the current study are in line with results of studies conducted by Erik (2012), Ross et al. (2015), Feridouni (2013), and Parsa et al. (2013). In explaining the results of this hypothesis, it could be stated that organizational culture is a set of basic assumptions that organization people have created, discovered, and developed in facing with problems, compliance with environment, and achieving to internal unity and cohesion. In addition, it has been proven that they are useful and valuable, and therefore, it is transferred to new members as correct way of perceiving, thinking, and feeling. Organizational culture gives a sense of identity to organization members. In organizations which have a strong culture, values and shared beliefs are creator of an environment where people are committed to each other and towards missions and this commitment can enhance organizational productivity and that's why organizational culture management is a critical need for senior managers. Productivity has become equal to human value-added in organizational system and with regard to such a transformation it can be said that "human is the greatest asset." This is why productivity of human resources and determining his contribution position in the production of goods and services has been taken into consideration more than ever before and one of the strategies of productivity is also paying attention to the role of human resources. The effort to increase the rate of productivity is an attempt to create a better life and well-being for individuals and society. It is expected that a strong culture could increase employees' satisfaction as

well as productivity and reduce probability of leaving the organization by them. Finally, some practical suggestions emerged from the research results are expressed:

1. As the results show, there is a significant relationship between empowerment of employees and productivity. Therefore, bank managers should seriously pay attention to employees' ideas and create and maintain open space for exchange of information on bank, competition, and customers in order to rise up employees' motivation and develop their abilities more ever than before.

2. Managers can enhance ability of employees by holding continuous and systematic in-service training courses specialized in the field of job descriptions.

3. The results showed that organizational culture has a direct and significant relationship with productivity; so when hiring new people, some measures have to be taken so that that culture be consistent with strategic beliefs of the organization.

4. Managers should make familiar the new employees with culture and main objectives of the Bank. Because new employees are much influenced in front of old staff and their beliefs in the vicinity of old persons' beliefs will change soon either in a positive direction or negative direction.

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