

## Investigating the relationship between organizational learning and employee empowerment in bank Melli of Iran (case study: east Azarbaijan province branches)

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### ABSTRACT

*The purpose of this research is to investigate the relationship between organizational learning and employee empowerment from the perspective of employees of Bank Melli branches in East Azerbaijan province. The statistical population of the present research is the employees and managers of Bank Melli branches in East Azarbaijan province. It was 1300 people. We selected them as a statistical sample using Cochran's method and simple random sampling. To collect data, we used the standard questionnaire of organizational learning measurement (Neefe, 2001) and employee empowerment (Spreitzer, 1995) containing 41 questions. We used Pearson correlation test and linear regression to analyze the data obtained from the population. Based on the results obtained at the level ( $p < 0.05$ ), there is a significant correlation between organizational learning and the seven dimensions of common perspective, organizational learning culture, group work and learning, knowledge sharing, systemic thinking, participatory leadership and development of employee competencies on the one hand and the empowerment of human resources and its dimensions on the other. The correlation between organizational learning and human resource empowerment is equal to 0.969, which indicates a strong and positive relationship between the two variables. Based on the results of the multiple regression estimation test, five factors (feeling of competence, feeling of meaning, feeling of self-determination, feeling of impact and feeling of confidence) explain 94% of the changes in organizational learning. We also found that the five variables "feeling impact", "feeling meaning", "feeling competence", "feeling self-determination", and "feeling confidence" with Beta coefficient, 0.30, 0.27, 0.196, 0.195 and 0.183 respectively play the most important role in the validity of the model of this stage.*

*Keywords: Empowerment of Human Resources, Organizational Learning, Bank Melli of Iran.*

### Introduction

In today's business environment, changes happen at a rapid pace. Organizations in the field of competition in the global business environment are obliged to respond favorably to continuous changes or to disappear. The business world is changing from the domination of capital to the supremacy of knowledge. In order to be superior to other organizations, an organization must develop human resources and increase the amount of available information and knowledge. In today's competitive world, the most important and vital asset of any organization is human resources, and hence the most important tool for change in any organization is human resource empowerment. Employee empowerment is the most central effort of

managers in innovation, decentralization and elimination of bureaucracy in organizations. Empowering people allows managers and organizations to achieve their goals faster and without wasting resources. Empowerment makes employees become intimate with the organization and the job and are proud to work in it. Proper design of the organization and jobs is a way that increases the responsibility of employees individually and in groups. At present, involving human resources in the management process with the aim of achieving higher organizational performance and creating a competitive advantage is compulsory for organizations. Therefore, employee empowerment is inevitable. In addition to creating a feeling of internal commitment to the organization, empowering employees leads to continuous improvement of performance and promotion of efficiency (Samadi and Souri, 2010: 144).

In the era of competitive superiority of learning organizations, researchers and managers have shown increasing interest in empowerment and management based on it (Haji Karimi, 2005: 26).

Employee empowerment is a new technique that managers have used to increase productivity by increasing employee commitment to the organization and vice versa. This is a valuable method balances management control and freedom of action of employees (Rezaei and Davari, 2002: 29).

Empowerment means empowering employees; that is, to help them strengthen their feeling of self-confidence, to overcome feelings of helplessness, and to give them strength and motivation to perform activities (Whetten and Cameron, 1999: 66). In empowerment, more autonomy and freedom of action and decision-making responsibilities are given to employees. In other words, empowerment is vertical overload and other similar methods to increase employee freedom of action. On the other hand, the most effective organizations in the world today are organizations that orient to learning and perfection. They widely encourage education and work as a better way. Perhaps by examining and describing the features and characteristics of learning organizations, we can obtain a more complete picture of these organizations and, consequently, we can better know them. The learning organization is also an organization that learns and moves forward as a whole: it finds its own way and moves forward; it learns from experiences like a wise man and corrects its path. The learning organization is self-controlling and self-learning and finds its way and moves towards the goal (Ako, 2011: 4). Organizational learning is a dynamic process that enables the organization to adapt quickly to change. This process involves the production of new knowledge, skills and behaviors. Organizational learning is the main way to create knowledge work and improve organizational efficiency. So a successful organization must be dynamic in learning. In the era of competitive excellence of learning organizations, researchers and managers have shown increasing interest in empowerment and management-based actions. This interest results from several factors: First, empowerment can play an important role in promoting a culture of learning (Haji Karimi, 2005: 23-52). Second, researches indicate that managers' impact will increase as they share power. The real power of a manager is to make it available to people who are in a better position to use it. By giving their power, these managers create commitment and creativity in them (Conger & Kanugo, 2002: 13). Now, the question is to identify the appropriate conditions for employee empowerment and examine its relationship with organizational learning, in order to improve and empower employees. Thus, in the present research, we examine the relationship between employee empowerment and organizational learning in the National Bank of Iran in East Azarbaijan province. Based on the background, we predict that there is a significant relationship between these two variables.

### **Theoretical framework of research**

In his studies, Spreitzer (1995 and 1996) measured and validated the four dimensions of competence, meaning, self-determination and impact in empowering human resources. Based on the research of Mishra (1992), Whetten and Cameron (1998) have added the confidence to the above dimensions. Therefore, we can summarize the theoretical framework of employee empowerment in five dimensions:

1. Feeling of competence;
2. Feeling of meaning;
3. Feeling of self-determination;
4. Feeling of impact;
5. Feeling of confidence.

In order to investigate the dimensions of organizational learning, we have used the organizational dimensions approach considered by Neefe (2001). In this approach, organizational learning consists of the following seven dimensions:

1. Common perspective;
2. Organizational learning culture;
3. Group work and learning;
4. Knowledge sharing;
5. Systemic thinking;
6. Participatory leadership;
7. Development of employee competencies.

### Research Conceptual model

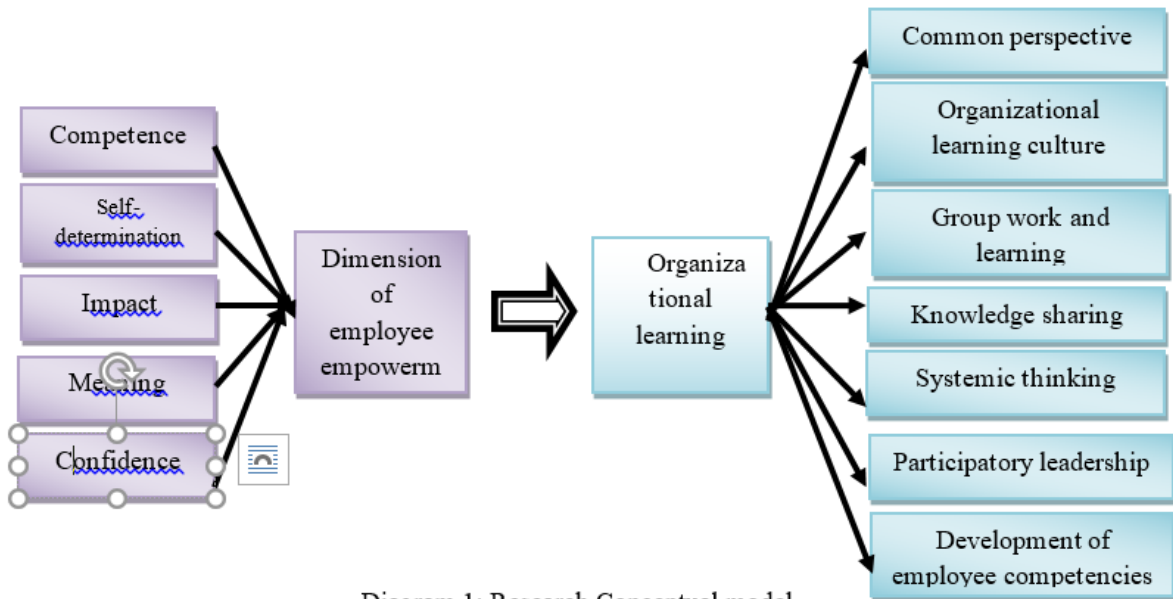


Diagram 1: Research Conceptual model

### Research method

The present research is a descriptive / correlational study. According to the statistical realm of research, we have selected employees and managers of bank branches who are in fact fully acquainted with organizational issues, as the statistical population and the reference of analysis. The total number of employees of Bank Melli branches in East Azerbaijan province is 1300 people. Due to the qualitative nature of the variables under study and their number, we used the "Cochran" formula to determine the appropriate sample size (297 people) to ensure the accuracy of the research findings. We selected it through simple random sampling.

### Data collection tool and method

Our research was a field one. Among the field methods, we used questionnaire to collect basic information.

### Validity and reliability of the questionnaire

Based on the content validity, experts approved the content of the questionnaire. We used Cronbach's alpha coefficient to measure the reliability. The calculated Cronbach's alpha coefficient for the questionnaires of the present research is 0.95, which indicates the acceptable reliability of the questionnaires.

### Method of data analysis

In this research, to analyze the data, we used descriptive statistical methods including mean, and dispersion indices and inferential statistics including Pearson correlation coefficient and linear multiple regression estimation.

### Results

#### Description of demographic characteristics of statistical sample

**Table 1: Frequency distribution and percentage of statistical sample based on descriptive variables**

Statistic	Frequency	Percentage	Cumulative percentage
Age			
20-30	28	5.9	5.9
30-40	98	1.33	6.42
40-50	106	8.35	4.78
50-60	31	5.10	9.88
-	33	1.11	100.0
Total	296	100.0	
Statistic	Frequency	Percentage	Cumulative percentage
Experience			
1-10	94	8.31	8.31
10-20	135	6.45	4.77
20-30	59	9.19	3.97
-	8	7.2	100.0
Total	296	100.0	

Table (1) shows that the highest frequency (36%) is for 40-50 years and the lowest frequency (9.5%) for 20-30years. The highest frequency belongs to the 10-20 year class (135%) and the lowest frequency (59%) belongs to the 20-30 year class. Figure 4.2 shows the frequency distribution of the statistical sample based on activity history.

## Evaluating the scores of the variables under study in the research

**Table 2: Mean and standard deviation of human resource empowerment and its dimensions**

Quantity	Statistic	Mean	Standard deviation
Human resource empowerment		69.3	48.0
Feeling of competence		66.3	55.0
Feeling of meaning		65.3	56.0
Feeling of self-determination		79.3	61.0
Feeling of impact		74.3	63.0
Feeling of confidence		61.3	47.0
Organizational learning		64.3	51.0
Common perspective		77.3	65.0
Culture of Organizational learning		46.3	58.0
Group work & learning		78.3	64.0
Knowledge sharing		68.3	6.0
Systemic thinking		75.3	51.0
Participatory leadership		2.3	68.0
Development of employee competence		87.3	73.0

Based on Table 2, we conclude that employee empowerment is moderate and higher than moderate. We can deduce this from the assumption of the moderate number 3 and the high average of employee empowerment. The results show that all five dimensions of feeling of competence, Feeling of meaning, Feeling self-determination, Feeling of impact and feeling of confidence are also above moderate. As observed in human resource empowerment and its dimensions, organizational learning and its dimensions are moderate and above it. We can deduce this from the assumption of the moderate number 3 and the high mean of organizational learning and its dimensions.

### Investigating the normality of the distribution of scores of variables

Organizational learning and its dimensions are also among the factors studied in the present research. This variable has a normal distribution according to the mean of 3.64 and the standard deviation of 0.51. Thus, we can claim that the subscale used for this variable is distance variable. The explanations provided above also apply to the dimensions of organizational learning.

### Investigating the relationship between variables

**There is a significant relationship between organizational learning and employee empowerment in Bank Melli of Iran (branches of East Azerbaijan province).**

The rate of  $r$  observed at the level ( $p < 0.05$ ) indicates that there is a significant correlation between organizational learning and human resource empowerment. According to Table 3, we can say:

1. The correlation or relationship between organizational learning and human resource empowerment is equal to 0.969, which shows a strong and positive relationship between these two variables.

2. The correlation or relationship between the common perspective and human resource empowerment is equal to 0.812, which indicates a strong and positive relationship between these two variables.

3. The correlation between organizational learning culture and human resource empowerment is equal to 0.702, which shows a strong and positive relationship between these two variables.

4. The correlation or relationship between group work and learning and human resource empowerment is equal to 0.761, which shows a strong and positive relationship between these two variables.

5. The correlation between knowledge sharing and human resource empowerment is equal to 0.913, which shows a strong and positive relationship between these two variables.

6. The correlation or relationship between systemic thinking and human resource empowerment is equal to 0.817, which shows a strong and positive relationship between these two variables.

7. The correlation or relationship between participatory leadership and human resource empowerment is equal to 0.724, which indicates a strong and positive relationship between these two variables.

8. The correlation between employee competence development and human resource empowerment is equal to 0.816, which shows a strong and positive relationship between these two variables.

9. The correlation or relationship between organizational learning and feeling of competence is equal to 0.859, which indicates a strong and positive relationship between these two variables.

10. The correlation between organizational learning and the feeling of meaning is equal to 0.833, which indicates a strong and positive relationship between these two variables.

11. The correlation or relationship between organizational learning and the feeling of self-determination is equal to 0.901, which indicates a strong and positive relationship between these two variables.

12. The correlation between organizational learning and the feeling of impact is equal to 0.801, which shows a strong and positive relationship between these two variables.

13. The correlation or relationship between organizational learning and the feeling of confidence is equal to 0.725, which indicates a strong and positive relationship between these two variables.

**Table 3: Pearson correlation test results to examine the relationship between variables**

Variable	N	r	Significance level
Human resource empowerment	296	969.0	000.0
Organizational learning			
Human resource empowerment	296	812.0	000.0
Common perspective			
Human resource empowerment	296	702.0	000.0
Culture of Organizational learning			
Human resource empowerment	296	761.0	000.0
Group work & learning			
Human resource empowerment	296	913.0	000.0
Knowledge sharing			
Human resource empowerment	296	817.0	000.0
Systemic thinking			
Human resource empowerment	296	724.0	000.0
Participatory leadership			
Human resource empowerment	296	816.0	000.0
Development of employee competence			
Organizational learning	296	859.0	000.0
Feeling of competence			
Organizational learning	296	833.0	000.0
Feeling of meaning			
Organizational learning	296	901.0	000.0
Feeling of self-determination			
Organizational learning	296	801.0	000.0
Feeling of impact			
Organizational learning	296	725.0	000.0
Systemic thinking			

### **Estimation of multiple regression equation**

We used multiple regression to test the overall validity of the research model. At this stage, we performed the regression test for a set of independent research variables, namely feeling of competence, feeling of meaning, feeling of self-determination, feeling of impact and feeling of confidence on the one hand, and organizational learning as a dependent variable.

The coefficient of determination is the square values of the multiple correlation coefficient. In this study, this coefficient for regression is 0.94. This shows that the independent variables in the model define about 94% of the change in organizational learning.

In regression analysis, ANOVA table statistically examines the acceptability of the model. Table 4 has reported the results of analysis of variance. The regression line shows the information about the changes predicted by the model and the remaining line represents the information about the unpredicted changes by the model. According to the table below, the significance level of F statistic is less than 0.05, which confirms that the change shown by the model is not accidental.

**Table 4: Analysis of variance**

Model		Total squares	Degree of Freedom (df)	Mean squares	Fischer statistic (F)	Significance level
11	Regression	54.72	5	51.14	9.923	000.0
	Remaining	55.4	290	016.0		
	Total	09.77	295			

After confirming the general validity of the model using analysis of variance, we must estimate the coefficients of each variable. In Table 5, we presented the coefficients estimated by the regression model for each of the variables.

According to the significance level (Sig) column in the table above, it is clear that the five independent variables of feeling of competence, feeling of meaning, feeling of self-determination, feeling of impact and feeling of confidence have a significant effect on organizational learning. In other words, according to the coefficients calculated in the Beta column, the five variables of "Feeling of impact", "Feeling of Meaning", "Feeling of Competence", "Feeling of self-determination" and "Feeling of Confidence" play the most important role in the validity of the model of this stage. They have the Beta coefficient 0.299, 0.27, 0.196, 0.195 and 0.183 respectively. It is so because they have the greatest effect on the dependent variable.

**Table 5: Regression model coefficients**

Model	Non-standardized coefficients		Standardized coefficients		
	B	Standard deviation	Beta	t	Significance level
Constant value	171.-0	063.0		71.-0	007.0
Feeling of competence	181.0	027.0	196.0	61.6	000.0
Feeling of meaning	248.0	022.0	27.0	46.11	000.0
Feeling of self-determination	163.0	029.0	195.0	61.5	000.0
Feeling of impact	243.0	017.0	299.0	37.14	000.0
Feeling of confidence	199.0	021.0	183.0	28.9	000.0

### **Discussion and Conclusion**

The aim of this research was to investigate the relationship between organizational learning and employee empowerment in the National Bank of Iran (East Azerbaijan Province branches). The results showed that there is a significant relationship between organizational learning and employee empowerment in Bank Melli of Iran (branches of East Azerbaijan province).

Concerning the relationship between organizational learning and employee empowerment, the rate of  $r$  observed at the level ( $p < 0.05$ ) shows that there is a significant correlation between human resource empowerment and organizational learning. The observed correlation between these two variables is 0.969 at a significant level of 0.95, which indicates a strong and positive relationship between these two variables.

Concerning the relationship between the dimensions of organizational learning and employee empowerment, the amount of  $r$  observed at the level ( $p < 0.05$ ) shows that there is a significant correlation between human resource empowerment and shared perspective, Organizational learning culture, Group work and learning, Knowledge sharing, Systemic thinking, participatory leadership and employee competency development. Concerning the relationship between organizational learning and employee empowerment dimensions, the amount of  $r$  observed at the level ( $p < 0.05$ ) shows that there is a significant correlation between organizational learning and feeling of competence, Feeling of meaning, Feeling of self-determination, feeling of impact and feeling of confidence.

The results of the present research are generally in line with the findings of the following researches and are a confirmation of their findings.

We have defined the present research in line with the model of human resource empowerment proposed by Spreitzer (1995) and Whetten & Cameron (1998). In his studies, Spreitzer (1995 & 1996) measured and validated the four dimensions of feeling of competence, Feeling of meaning, Feeling of self-determination and feeling of impact in empowering human resources. Based on Mishra (1992) researches, Whetten and Cameron (1998) have added the dimension of confidence to the above dimensions. Therefore, based on the above theoretical framework, we can summarize employee empowerment in five dimensions: feeling of competence, Feeling of meaning, Feeling of self-determination, feeling of impact and feeling of confidence. Thus, we can consider the results of the present research on the human resource empowerment stages in accordance with the approach of Spreitzer (1995) and Whetten and Cameron (1998).

In this regard, Yahya Malham (2004) believes that four factors are directly associated with and have a significant impact on employee empowerment. In a competitive environment, special attention should we pay to it so that organizations can respond qualitatively to rapid changes and, in addition to employee satisfaction, provide customer satisfaction. According to this model, the factors that lead to employee empowerment are knowledge and skills, confidence, communication and motivation. From other perspectives in line with our research, we can refer to the view of Kamojura (2010). He states that optimization of human resources is related to training and promotion of human activities in organizations. It helps us create specific cultural conditions in which employees have the potential to benefit individuals and organizations.

The results of the research of Kaveh Teymournejad and Rasoul Sarihi Esfestani show that organizational learning is of effect on psychological empowerment (feeling of competence, self-determination, impact, meaning and confidence). This can be a basis for developing appropriate human resource strategies in the field of organizational learning and psychological empowerment of employees. Benefiting from the results, organizations can outperform their competitors in the ever-changing world of competition.

"The Relationship between Empowerment and Organizational Learning. A Case Study: Tarbiat Modares University" is the title of a research conducted by Roghayeh Khanalizadeh et al. in 2010. The results show a very strong effect of learning on empowerment. It also specified that the five dimensions of empowerment, feeling of competence, independence, impact, meaning and confidence, are present in employees of the university. However, from the seven dimensions of organizational learning, three dimensions of group work and learning, knowledge sharing and participatory leadership are below moderate and four dimensions of shared perspective, learning culture, systemic thinking and employee competence development are above moderate.

The results show that the feeling of competence is in a good condition. In order for the current status of this variable to reach the desired status, it seems necessary to take measures, including the following: Creating a feeling of confidence in employees about their abilities, Increasing the skills and capabilities of employees, Teaching solutions to deal with extra-organizational barriers, Training the necessary skills to employees to do organizational work etc.



1. For promoting the feeling of meaning whose status is at an appropriate level, we offer the following suggestions. We should reveal the importance of work and existing professions to employees, express and teach the meaning and concept of tasks to employees, increase the accuracy and value of the scrupulousness of employees in doing organizational work, improve the morale of the employees and pay attention to the psychological dimension of the employees during doing things etc.

2. Independence or self-determination is one of the dimensions that are of great importance in order to empower human resources. In order to improve this dimension of human resource empowerment, we suggest that employees in the organization be given a high degree of freedom of action on how to do things, employees can decide how to do things, employees use personal initiative in doing things and the activities of the employees are not under control and predetermined.

3. The results show that the feeling of impact as one of the dimensions of human resource empowerment has a favorable status. In this regard, we suggest the following measures taken to promote this basic dimension. Organization should increase the possibility of employees' influence on work units, increase employees' control over what should be done in work units, take into account the opinion of employees in the decisions made in the organization and engage employees with obstacles and issues facing the organization in the external and internal environment.

4. The last dimension examined for human resource empowerment is confidence. The results show that this dimension, like other dimensions, is in a good condition. In order to promote this dimension, our suggestions are as follows: Promoting the atmosphere of honesty and intimacy in the organization, Increasing employee loyalty to the organization by implementing applied and training programs, Enabling information sharing among employees, Connecting the success and prosperity of employees to each other to create cooperation and collaboration in the organization etc.

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