

# **Employee Empowerment and Performance in Nepalese Banks**

**Submitted to:  
Office of the Dean  
Faculty of Management  
Tribhuvan University**

**A Thesis  
Submitted by:  
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**For the Degree of  
Doctor of Philosophy (PhD) in Management**

**Kathmandu, Nepal  
July, 2013**

## RECOMMENDATION OF THE SUPERVISORS

We certify that the thesis submitted by Mr. Ghaman Singh Khadka entitled “**Employee Empowerment and Performance in Nepalese Banks**” has been prepared as approved by this program in the prescribed format of the Faculty of Management, Tribhuvan University, which was completed under our supervision and guidance. This thesis is the candidate’s original research work. We are fully satisfied with the language and substance of his thesis submitted to the Faculty of Management.

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## DECLARATION

I hereby declare that the present study entitled: "**Employee Empowerment and Performance in Nepalese Banks**" is based on my original research work. The results presented in the study have not been submitted elsewhere for the award of any degree.

.....

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Kathmandu, Nepal

July, 2013

## ACKNOWLEDGEMENTS

I would like to express my gratitude to my supervisors, Prof. Dr. Santosh R. Poudel and Dr. Nirmal Kumar Bista to whom I am deeply indebted for their thoughtful guidance, invaluable suggestions and comments, intellectual supports and encouragement, and constructive discussions throughout the period of my study, which made this thesis possible.

I also express my gratitude to Prof. Prof. Dr Dev Raj Adhikari, Prof. Dr. Puskar Bajracharya, and Prof. Dr. Purushotam Sharma without whose encouragement and support this study would not have been possible in the present form.

I would also like to thank Prof. Dr.Chandeshwor Mishra, and Mitra Dev Lamsal for the English editing and Radheshyam Malla and Lekh Nath Yadav for proof reading and other support.

I like to thank to Mr. Rabi Manandhar for his co-operation at the different official supports. In addition, I would also like to express my appreciations for the Faculty of Management, Tribhuvan University, Nepal for providing me an opportunity to do the present work.

I would like to express my sincere thanks to CEOs, Personnel Managers and employees of the Commercial Banks who helped me in availing data and other necessary information's as required.

I would also like to thank Dr. Gopal Pandey, Dr. Bishnu Sapkota, Dr. Chinta Mani Pokhrel, Krishna Dev Yadav, Mahesh Prasai and Krishna Hamal and other colleagues of Baneshwor campus for their co-operation at the different stages of this work.

Similarly, I have to acknowledge the support provided by the library staffs of various Indian Universities at Delhi, Jawaharlal Nehru, Patna and Varanasi. Also deserving special mention are staffs of Central Library of Tribhuvan University who kindly provided me with all the materials and data that I required during the study.

At this stage of preparing for higher degree, I fondly and reverently remember my late father Padam Bahadur Khadka. Who had been the source of support and inspiration in every walk of my life. I am overwhelmed by the encouragement of my mother Laxmi Maya Khadka during entire period of my study work.

Finally, I would like to express my sincere thanks to my wife, Sudha Khadka for providing me all the support and being considerate when it was needed most. Special thanks to my dear daughters Rejisha & Resma Khadka for inspiring me to complete this study in time.

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Kathmandu, Nepal

July, 2013

## **ABSTRACT**

Employee empowerment is a term used to express the ways in which employees can make designated decisions independently without consulting their superiors. Empowerment is the process of passing authority and responsibility to individuals at lower levels in the organizational hierarchy (Wellitis, 1991). A positive relationship between empowerment and performance is defined as employee empowerment (Bigoness, 1997).

Employee empowerment has emerged as a major issue in banking business too. In Nepal limited works have been conducted in this field. Research gap was observed from academic research articles, discussion with concerned managers and research reports of empowerment practiced in commercial bank of Nepal. Job autonomy, authority and accountability, managerial competency, sharing information, job satisfaction, performance based reward system, human resource development training are lacking as required and no positive attitude of top-level managers for employee empowerment is found. Pre-requisites of empowerment is not satisfactory. Relationship between contributing factors of empowerment and performance are not identified as well as not aware regarding barriers in time.

The major aims of the present research “employee empowerment and performance in Nepalese banks” was specified as to test the contribution factors, pre-requisites, barriers, relationship between empowerment, recommendation for improvement of empowerment and performance as well as compare practices in various categories banks. This research provides way-out to empower employee of every commercial bank of Nepal. By supporting employers and customers, commercial banks of Nepal can get better result and empowering activities are made efficient to employees. Customer satisfaction also could increase through empowered employees and performance in commercial banks of Nepal.

Variable-wise reviews were done to identify the different theoretical perspectives and also real practice is studied in eight sample banks regarding employee empowerment and performance. Human resource management training, higher level education, performance based reward system, delegation of power and

accountability, information sharing and job autonomy have been present practicing for empowerment in both government and private commercial banks of Nepal but it is not found sufficient as need of banks.

This research comprises both qualitative and quantitative measure, which was undertaken by following descriptive cum survey research designed for undertaking the study. Primary data was collected from concerned respondents through five Likert-scale questionnaires and secondary data was collected from concerned institutions. Pre-test was also held to know the feedback with genuine respondents before going to field test. Stratified sampling method was used in this study. Agriculture Development Bank, Rastriya Banijya Bank and Nepal Bank limited were taken from Semi and fully government ownership banks, Nabil bank and SBI bank are taken from joint venture, Nepal investment bank, Bank of Kathmandu and NIC bank were taken from Nepalese shareholding out of twenty-six commercial banks. The place of central office in Kathmandu valley as well as out of Kathmandu valley and on the basis of their early establish date was taken in choosing samples of study. 450-survey sample questionnaires were distributed in total 3187 officer level employees in eight sample banks only 303 filled-up questionnaires were returned. Number of distributed questionnaire was determined by using proportional allocation method for sample banks. Delegation of authority, accountability, human resource management training, performance reward system, job satisfaction, job autonomy, managerial competency and attitude of top level are research variables for employee empowerment and operating profit, NPA, value of share and standardized of service were taken as a variables of performance.

The collected primary data on questionnaire was on five point likert scale and that data was processed by using Excel and statistical processing program (SPSS-13). Result was analyzed on the basis of one sample t-test of all contributing factors, pre-requisites and barriers of empowerment of primary data. Relationship between empowerment and performance of primary data was tested with correlation; finally, hypothesis was tested on ANOVA for showing different practices in contrast commercial banks of Nepal.

An examination of the one sample T test showed positively and significantly related to all contributing factors of empowerment in commercial banks of Nepal. An



examination of the one sample test showed positive and significant relation to prerequisites and barriers in commercial banks of Nepal. An ANOVA test showed on practice of delegation of authority and present barriers to empowerment differs between government, joint venture and Nepali share holding commercial banks. An ANOVA test showed on Practice of accountability, human resource management training, job autonomy, performance based reward system, managerial competency, Job satisfaction, sharing information; attitude of top-level management and prerequisites of empowerment does no differ between governments, joint venture and Nepali share holding commercial banks. An examination of the correlation showed that the practice of all contributing factors and performance in commercial banks of Nepal have positive and significant relationship.

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## ACRONYMS AND ABBREVIATIONS

AAR	Annual Appraisal Report
ABBS	Any Branch Banking System
AD	After Date
ADB/L	Agriculture Development Bank Ltd.
AMC	Assets Management Company
Bache	Bachelor
BAFIA	Banking and Financial Act
BCBS	Department of Consumer and Business Service
BM	Branch Manager
BOA	Bank of Asia
BOK	Bank of Kathmandu
BS	Bikram Sambat
CEO	Chief Executive Officer
CIC	Credit Information System
CRA	Credit Rating Agency
CTBL	Citizens Bank International Ltd.
CTI	Central Training Institute
DCBL	DCBL Bank Ltd.
DEPT	Department
DRT	Debt Recovery Tribunal
EBL	Everest Bank Ltd.
EWS	Early Warning Signal
GBL	Global Bank Limited
HBL	Himalayan Bank Ltd.
HOD	Head of Department
HPWS	High Performance Working System
HRD	Human Resource Development
HRDC	Human Resource Development Committee
HRM	Human Resource Management
IFC	International Financial Corporation
IPM	The Institute Personal Management
ISO	International Organization for Standardization

JBL	Janata Bank Ltd.
JBR	Jang Bahadur Rana
KBL	Kumari Bank Ltd.
Kist	Kist Bank Ltd.
LBL	Lumbini Bank Ltd.
Ltd	Limited
LxBL	Laxmi Bank Ltd.
MBA	Master of Business Administration
MBL	Machhapuchchhre Bank Ltd.
MBS	Master of Business Studies
MIS	Management Information System
Mphil	Master of Philosophy
NABIL	Nepal Arab Bank Ltd.
NBBL	Nepal Bangladesh Bank Ltd.
NBL	Nepal Bank Ltd.
NCCB	Nepal Credit and Commerce bank
NEPSE	Nepal Stock Exchange
NMB	NMB Bank Ltd.
NO	Number
NPA	Non-Performing Loan
NPR/NRS	Nepalese Rupees
NRB	Nepal Rastra Bank
NSBI	Nepal State Bank of India
PCA	Prompt Correction Action
PCBL	Prime Commercial Bank Ltd.
PF	Provident Fund
PhD	Doctor of Philosophy
RBBL	Rastiya Banijya Bank Ltd.
RBS	Risk Based System
ROA	Return on Assets
ROE	Return on Equity
ROS	Return on Sale
RTC	Regional Training Center
SBL	Siddhartha Bank Ltd.

SCBNL	Standard Chartered Bank Nepal Ltd.
SFDP	Small Farmer Development Project
SLC	School Leaving Certificate
SRBL	Sunrise Bank Ltd.
TQM	Total Quality Management
US	United State

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Empowerment is the provision of authority enabling a person to take control and make decision as required by particular job. This process involves two critical elements i.e. delegation of authority and assignment of resources for completing the work so that a person can discharge assigned responsibility effectively as required by organization.

Employee empowerment is simply granting power to one's ability for doing the work. It increases individual's motivation at work through the delegation of authority and as required contributing factors to the lowest level in an organization where competent decision are to be made (Thomas & Velthouse,1990).

Empowerment is the process of passing authority and responsibility to individuals at lower levels in the organizational hierarchy (Wellitis,1991). In general, employee empowerment is a term used to express the ways in which employees can make designated decisions independently without consulting his/her superiors. These self-decisions can be small or large depending upon the degree of power with which the company decides to invest in the employees. Employee empowerment can begin with training and can include all aspects of an empowerment model. Conversely, it may merely mean giving employees the ability to make some decision on their own.

Bowen and Lawler III (1992) pointed out that empowerment is a process of providing information, rewards, knowledge and power to people in work settings. They emphasize the need to share information and develop teams, which have decision-making power. They also emphasize the importance of training and reward. People require relevant training and knowledge about how to be empowered. Empowered people must deliver the result with increased responsibility and accountability.



"Empowerment" today means striking a mutually accepted balance that gives a shared sense of responsibility. It makes the employers and employees partners working for common goals" (Mamidenna, 2005).

Most organizations have reasonably appropriate level of employee empowerment. This is demonstrated by the amount of communications, level of training provided to employees, opportunities for personal growth, the solicitation and implementation of ideas, the recognition and reward system, promotion and advancement criteria, and uncountable little gestures from management that demonstrate whether employees are valued or not (Nandan, 2008).

"Employee empowerment can increase employee's motivation, job satisfaction, and loyalty to their companies and can have profound impact on the bottom line"(Ashish, 2005).

Nykodym et al. (1994) found that employees who consider themselves empowered have reduced conflict and ambiguity in their role, as they are able to control their own environment. They suggested that this reduces emotional strain on the employee.

Chaturvedi (2008) said that empowerment is one of the most effective ways of enabling employees at all levels to use their creative abilities to improve the performance of the organization they work for, and the quality of their own working life. Employee empowerment is a kind of the risk management process whereby a culture of empowerment is developed through proper communication in the form of a shared vision, clear goals, boundaries for decision-making, and the results of efforts and their impact overall is shared.

Fundamental changes in manager and employee skills, attitudes and relationships are necessary. That means starting small and adding leverage points that allow people to gradually grasp the purpose of empowerment, learn new attitudes, and develop new sets of skills. Getting to empowerment requires massive changes for everyone involved-daunting task, indeed (Randolph, 2000).

Chebat and Kollias (2000) view that empowerment has emerged as a popular managerial rhetoric and the focus of numerous scholarly studies, many of which suggest that empowerment practices are likely to offer substantial benefits including enhanced organizational agility and greater employee satisfaction.

Hence, empowerment is necessary to sustain competitive advantages especially in the banking sector where competition is relatively stiff. Banks should keep their employees updated through state-of-art skills in order for them to excel in the competitive environment. Every bank needs to empower their employees to avail quality service to the demanding customers. Nepalese banking sector cannot be exception to this emerging trend. In order to remain at market and extend their share of market every bank in Nepal needs to focus on empowerment process. The ultimate aim of employee empowerment is to increase employee's authority, responsibility and accountability in the process of achieving organizational goal in enhanced manner.

## **1.2 Performance Management**

Any bank whether public or private has one common feature regarding performance management. Employee empowerment and performance of the organization complement each other. In other words, a bank cannot expect good performance without giving due emphasis to employee empowerment. Performance of a bank include higher rate of return for shareholders, increased market share and satisfied clients through quality services. Entire work force has to internalize this fact and be prepared to be the part of overall management of performance. In the same token, their performance has linked with empowered employee of organization.

Banks are in favor of good performance management to ensure the service in the banks is resulting in better productivity, quality and competitiveness. While banks would like to see that the good performance management is practiced, the service by the bank should lead to business and financial success conforming to productivity, quality and competitiveness. Though the employees would like to see that they remain satisfied, the services rendered to the bank are recognized, financial benefits are obtained for their well being whereas, some stakeholders would like to see that bank remain socially responsive.

Every commercial bank has certain goals. How banks have achieved the targeted result, shows the performance management. In the same way, different opinions have been expressed in terms of performance management.

Conger and Kanungo (1988) show a performance for empowerment as a motivational concept associated with 'enabling' rather than 'delegating'. Enabling implies the creation of conditions by management so that people can experience enhanced motivation to achieve the desired level of performance (as cited in Pattannayak, 2004).

"The key justification is that improved employee performance results in improved organizational performance. Improvements in quality, customer care, repeat business, turnover and profits are the heart of the interest in empowerment" (Lashley, 2001).

"If empowerment is to make the claimed improvement in organizational performance, working arrangements must result in the development of a sense of personal efficacy, which in turn results in working practices that positively impact on organizational performance" (Lashley, 2001).

According to Burpitt & Bigoness (1997), a positive relationship between team empowerment and team performance is essential to integrate empowerment spirit.

Team empowerment may be more important to the performance of virtual teams than it is to the performance of colocated teams because of the unique nature of virtual team tasks (Kirkman, Rosen, Tesluk & Gibson, 2004).

Merry and Allerhand (1977) argue that knowledge of a team's performance on various indicators helps them initiate requisite actions that, in turn, fill the gap between the desired performance and the actual performance. Performance management helps both individual employees and the business as a whole. Effective performance management is a key for the motivation, retention, and development of employees, because individuals learn how they are performing and where the organization is heading. Managers learn more about their subordinates in the process, strengthen relationships through discussion, and develop their own coaching skills. The entire organization benefits from a system that aligns performance to

companywide goals; It provides a structured format for measuring result and giving feedback; and establishes a record for each employee that can be used to develop employees, inform future supervisors, and make sound employment decisions (Smith & Mazin, 2004).

### **1.3 Statement of the Problem**

The approach to empowering employees is undergoing a revolutionary change. The focus is changing towards ensuring congruence between goals of commercial banks and customer's aspirations and empowering the staff in that direction. This strategic concept if not recognized properly causes weaker employee motivation, delay in customer services and greater tension between management and employee. This ultimately results in low productivity and decline in return on investment.

One of the major problems in commercial banking sector of Nepal is that it is not able to equip its employees with skills and knowledge required for designing profitable products and imparting services in competitive environment. According to Bourke (1998), employees must have a clear vision of success, because if they are not aware of what success means to the bank and where the bank is heading, there is no way they can feel empowered to help accomplish this success. Thus, the empowerment plays important role in modern banking in Nepal. So, empowerment is the best indicator of management's commitment on quality services. Moreover, this is regarded as important way to promote congenial employee-customers relationships, which are so crucial for ensuring efficiency and enhanced productivity.

Banking sector in Nepal has been emerging at a fast pace. Globalization has caused immense competition at different level in banking sector also, which required many of these organizations to prepare themselves to face the challenges and utilize the opportunities therein. Various measures such as, downsizing, reengineering, merger and acquisition, increasing use of information technology etc are the reflection of this changing scenarios. Competitiveness cannot be achieved merely through the utilization of best technologies but it has to be combined with measures relating to empowerment of employee. Thus, a company's competitive strategy can be implemented only through capable and empowered employees.

Commercial banking sectors of Nepal have major problems in employee empowerment due to the lack of practice in contributing factors of employee empowerment like job autonomy, including delegation of authority and accountability. In addition, Nepalese banks are not being able to practice managerial competency at desired level through sharing of information, ensuring job satisfaction, implementing performance based reward system, training for human resource development and positive attitude of top-level managers. Good practices of empowerment has been recognized worldwide, however commercial banks of Nepal have yet to recognize relationship between empowerment and performance. Commercial banks of Nepal tend to have problem in identifying barriers of empowerment in time and take corrective measures.

Employee empowerment has thus emerged as a major issue in banking business. In Nepal, no substantial works have been done in this field. Consequently, Nepalese commercial banks have been working without proper applicable contributing factors of empowerment resulting in inability to access existing pre-requisites and barriers of empowerment. Under these circumstances, Nepalese commercial banking sector is facing challenges of optimal empowerment vis-a-vis performance of organizations. This research aims at providing insights into the problems and subsequently aims to present recommendations on employee empowerment relating to banking sector in Nepal. In this regard, the major purpose of this study is to trace out the basic practices that are being adopted in this area and assess them in terms of general practice.

#### **1.4 Research Questions**

Following research questions have been derived based on the above statement of the problem. This research work attempts to identify the research gap and formulate major objectives based on the following research questions:

- ) What are the contributing factors (job characters) of employee's empowerment in Nepalese commercial banks?
- ) What are the pre-requisites of employee's empowerment in Nepalese commercial banks?
- ) What are the barriers of employee's empowerment in Nepalese commercial banks?

- ) What is the relationship between practice of employee's empowerment and performance in Nepalese commercial banks?
- ) Is there any significant difference in practice of employee empowerment and performance among various categories of commercial banks in Nepal?

## **1.5 Objectives of the Study**

The main objective of this study is to examine employee's empowerment practices and performance of commercial banks in Nepal.

More specifically, the objectives of the study are as follows:

- ) To examine the contributing factors (job characters) of employees empowerment practices in Nepalese commercial banks.
- ) To assess the level of pre-requisites required for employees' empowerment in Nepalese commercial banks.
- ) To explore barriers of employee empowerment in Nepalese commercial banks.
- ) To examine relationships between employees empowerment practices with performances of commercial banks of Nepal.
- ) To compare employees empowerment practices between various categories of commercial banks in Nepal.
- ) To recommend the measures required for improving employees' empowerment in Nepalese commercial banks.

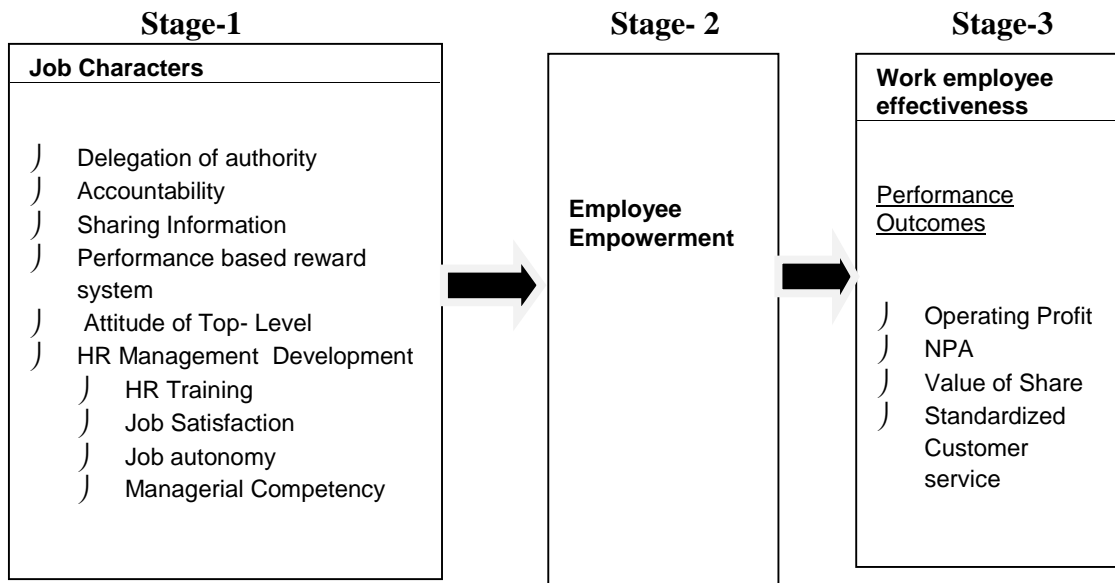
## **1.6 Conceptual Framework**

Banking business has been an arduous profession in the global context. Nepal not being an exception has to develop strategies for improving efficiency and effectiveness of the services. Every bank should conduct research and ensure that research outcomes and recommendations are implemented.

In order to conduct this study, a simple model of conceptual framework has been devised. Since the study focuses on examining the practices and viewpoints of different stakeholders of employee empowerment in Nepalese commercial banks, the identified variables (job characters) are:

- ) **Authority:** Bank should have delegated power towards their employees as required. It influences employee's empowerment as the higher authority helps to increase employee empowerment.
- ) **Accountability:** Bank should have made their employee accountable. It influences employee's empowerment as the higher accountability helps to increase employee's empowerment.
- ) **Human resource development training:** Bank should have provided training as required. It influences employee's empowerment when a bank practices human resource development training.
- ) **Job autonomy:** Bank should have made job autonomy of every post and employee it accelerates employee's empowerment when a bank employee finds job autonomy in his work.
- ) **Performance based reward:** Bank should have implemented performance based rewards system. It gives positive impacts on employee's empowerment when a bank practices Performance based reward system.
- ) **Managerial competency:** Bank should have made managerial competency. It influences employees empowerment as the higher the practice of enhancing managerial competency greater the employee empowerment.
- ) **Job satisfaction:** Bank should have increased job satisfaction in their employee. It enhances employees' empowerment if a bank employee finds Job satisfaction.
- ) **Information sharing:** Bank should have easy accessed of information sharing among employees. It improves employee's empowerment.
- ) **Attitude of top-level manager:** Top-level management of bank should have Positive attitude regarding employee empowerment. It can improve employee's empowerment.

## A model of relationship between employee empowerment & performance



(Source: Kirkman & Rosen, 1992)

### 1.7 Significance of the Study

Empowerment as a business strategy benefits both the employees and management. Recently, much attention has been bestowed upon quality, supplier partnerships and continuous process improvements that had resulted in satisfy in both internal (employees) and external customers (markets) (Mamidenna, 2005).

Empowerment is one of the most effective ways of enabling employees at all levels to use their creative abilities to improve the performance of the bank they work for, and the quality of their own working life. Contributing factors for employee empowerment and study focused to analyze most important pre-requisites for empowerment. It also points out the major barrier areas of employee empowerment in commercial banks of Nepal are facing. This research will help to apply better contributing factors and pre-requisites for empowerment as well barriers can be removed in time.

While the primary motive of empowerment is usually to improve the economic performance of the organization, benefits to the individual employee have also been identified. Nykodym et al. (1994) found that employees who consider



themselves empowered have reduced conflict and ambiguity in their role, as they are able to control (to a certain extent) their own environment.

This study looks into the relationship between practices of employee empowerment and performance and it recognizes which empowerment factors play major role for better performance of the commercial banks of Nepal. The practices of employee empowerment differ from bank to bank. This study finds out the differences in practicing of employee's empowerment in various categories in various commercial banks of Nepal.

Current managerial concerns are expressed in terms of acquiring greater employee commitment as a means of facing competition from other organizations. Taking empowerment as exemplifying 'high performance management' or 'high commitment management', there is a general message to employers that these practices will result in employees exercising discretion and developing commitment to the organization and its goals. Empowerment is an approach that fits comfortably with current widely argued approaches to business management that say that competitive advantage can be gained from close attention to employee development and management practices that recognize the unique (Lashley, 2001).

Empowering employees anywhere, globally, leads to improvements in employee satisfaction at work and enhances relationships with customers, suppliers, other employees, supervisors, and management; Fawcett, Rhoads, and Burnah (2004), Glen and Gordon (2002), Sun (2002), Huyton and Sutton (1996). Tubbs and Schulz (2006) in presenting a taxonomy of global leadership competencies, indicate "effectively utilizing empowerment" to be a component of the meta-competency "teamwork and followership," supported by Bradley, Kirkman, Rosen, Tesluk, & Gibson (2004).

## **1.8 Statement of the Hypothesis**

This study aims of examining into the practices of employee empowerment between various categories of commercial banks of Nepal. Therefore, present research has decided to test following null hypotheses based on the practices and the moral views of the different personnel's such as Human Resource Officers, Branch

Managers, Section Chiefs, Department Chiefs and Executive level employees of the banks. Objectives of research will be fulfilled by analyzing descriptive statistics (one sample t-test), correlation and ANOVA test.

Various variables of null hypotheses of the study are stated below:

1.  $H_0$ : There is no significant difference between practices of authority on employee empowerment in various categories of Nepalese commercial banks.
2.  $H_0$ : There is no significant difference between practices of accountability on employee empowerment in various categories of Nepalese commercial banks.
3.  $H_0$ : There is no significant difference between practices of human resource management training on employee empowerment in various categories of Nepalese commercial banks.
4.  $H_0$ : There is no significant difference between practices of job autonomy on employee empowerment in various categories of Nepalese commercial banks.
5.  $H_0$ : There is no significant difference between practices of performance based reward system on employee empowerment in various categories of Nepalese commercial banks.
6.  $H_0$ : There is no significant difference between practices of managerial competency on employee empowerment in various categories of Nepalese commercial banks.
7.  $H_0$ : There is no significant difference between practices of job satisfaction on employee empowerment in various categories of Nepalese commercial banks.
8.  $H_0$ : There is no significant difference between practices of information sharing on employee empowerment in various categories of Nepalese commercial banks.
9.  $H_0$ : There is no significant difference between the attitudes of top-level management on employee empowerment in various categories of Nepalese commercial banks.
10.  $H_0$ : There is no significance difference between practice of employee empowerment and performance in various categories of Nepalese commercial banks.
11.  $H_0$ : There is no significance difference between pre-requisites of empowerment on employee empowerment in various categories of Nepalese commercial banks.

12. H<sub>0</sub>: There is no significance difference between barriers of empowerment on employee empowerment in various categories of Nepalese commercial banks.

## **1.9 Chapterization**

This research report is divided into six chapters. Chapter one contains the introductory part of the study with background of the study, statement of the problem including research questions, objectives of the study, statement of hypotheses significance of the study.

The second chapter deals with the review of literature including concept and literature of employee empowerment in Nepalese banks, review of theoretical perspectives and related research studies. Chapter three deals with an overview of employee empowerment and performance of Nepalese commercial banks. Chapter four elaborates the research methodology to be applied in the study. More specifically, this chapter deals with the overall research design, nature and sources of data, population, pre-test, sample size and sampling framework, respondent profiles, employee empowerment variables, Statistical treatment of data to be employed, limitations of the study Likewise, the fifth chapter presents and analyzes the data by using reliability test, descriptive statistics, correlation, ANOVA and last chapter concludes the main body of the report by summarizing the whole report including key findings, drawing fact based conclusions, and providing recommendations for decision implementation and research studies for further inquiry.

## **CHAPTER TWO**

### **REVIEW OF LITERATURE**

#### **Theoretical perspectives in employee empowerment and performance**

### **2.1 Background**

Employee empowerment has been one of the most documented topics in management literature in the last two decades. This chapter presents significant issues for employee empowerment and performance in commercial banking sectors of Nepal.

Although there has been a great deal written on employee empowerment, it still has to fulfill the gap of employee empowerment and its management. It is primary from the perspective of writers in the developed and western countries. There have been limited studies, research works undertaken, and articles published in the field of management of employee empowerment in Nepal. In this section, an attempt has been made to review the available literature relevant to this study under different headings, namely, (i) Academic research articles and books, (ii) Institutional research and seminar reports. The subsequent paragraphs are the reviews of the works done previously in the field.

Dwivedi (2008) considers that central issue for organizations in the 21st century will be how to balance top-down control with bottom-up approach. Malone suggests that the dramatically decreasing costs of information technology are changing the economics of organizational decision-making, with the consequence that decentralized control is becoming more desirable in varied work situations. Indeed, in the emerging knowledge-based economy, decentralized decision-making is likely to play increasingly important roles. Of course, the design of effective decentralized systems and the process of managing the continually shifting balance between empowerment and control is a difficult challenge confronted by these days manager.

"Empowerment" today means striking a mutually accepted balance that gives a shared sense of responsibility. It makes the employers and employees partners working for common goals. The art of achieving results through empowerment would

hence mean finding ways to tackle counteractive forces and chart out a common path" (Mamidenna, 2005).

Barner (1994) defined empowerment as the transfer of power and authority from managers to lower level employees.

According to Bowen and Lawler (1995) Empowerment = Power x Information Knowledge x Rewards. The authors maintained that in the absence of any of these essential components true empowerment does not exist.

Dew (1997) regards empowerment as creating in employees "a sense of ownership of their work" and being "proud of their work and their organization." Slate and Vogel (1997) observed that participation in decision making had an impact on correctional employees' stress levels and feelings about quitting".

"Empowerment means they will be given free rein to do as they please and the freedom to make all the key decisions about their jobs" (Randolph, 2000).

"Empowerment means sharing risks and responsibilities as the price for freedom to act, pride in their work, and ownership of their jobs. Empowerment entails much greater accountability for employees than in a hierarchical culture. Empowerment is a strange combination of opportunity and risk "(Randolph, 2000).

"Empowerment is the process of enabling or authorizing an individual to think, behave, take action, and control work and decision-making in autonomous ways" (Patra, 2005).

According to Prasad (2006), empowerment is the act of strengthening an individual's belief in his/her sense of effectiveness. It is not simply a set of external actions; it is a process of changing the beliefs of people internally.

## **2.2 Emergence of Empowerment in Business Organizations**

Every business organization should have emergence of employee empowerment especially on the banking sectors.

The most visible outcome of the recent globalization and liberalization of the market economy can be observed in empowerment of employees. Furthermore, it has not met the concern of changing market economy. It has been realized that only those enterprises, which liberate themselves by empowering their people, can survive in this turbulent environment and that empowerment forms the most effective managerial technique to release the full potential of every employees.

Selznick (1949) views that trade unions or professional associations, may view empowerment programs as a means of cooperation — getting their cooperation in ways that leave workers less able to dissent or call into question in any significant ways governing policies and strategies of business. Empowerment programs may be token gestures that extend minimal influence over specific tasks while reducing effective input over major decision. Many see empowerment programs as a manipulative and potentially paternalistic means of gaining greater commitment from organizational members.

Nicholls (1995) considers that the ultimate goal of empowerment is a committed workforce with everyone whole-heartedly devoting his/her full energies and talents to the achievement of a common vision.

Empowerment of employees, as Hradesky (1995) said, provides the following to an organization:

- ) The scope to use the employees' knowledge and talents to the best advantage of the firm by instilling involvement and a sense of ownership in employees and thereby promote their productivity;
- ) Networking of problem-solves across the organization, which in turn builds an environment that is conducive to continual improvement in productivity, product quality, etc., of individual and as well as group; and
- ) The scope of fostering open communication at all levels in the organization (as cited in Murty, 2005).

Employee empowerment should invariably be preceded by creating an initiative, which not only encourages learning among employees, but also ensures continuous self-improvement, coupled with attempts to build stronger relationships

across the organization. At the operational level, sincere implementation of employee empowerment offers many advantages that are essential today for organizations to leverage on human resources and stay competitive in an otherwise demanding world of consumers:

- Ñ Enables flexible teams to respond more quickly to market demands on the organization;
- Ñ Lowers the need for checks, constant supervision and multi-layered management controls, and thereby operational costs;
- Ñ Enables the organization to exploit the creative forces available within the organization fully;
- Ñ Empowered teams obviously enjoy high-level of motivation and morale because of the opportunities provided by the organization for individual growth and development;
- Ñ Paves the way for the emergence of multi-disciplinary teams across the organization and will breakdown the barriers between the functional departments leading to improve understanding among the employees;
- Ñ Improves the organizational "customer-responsiveness" to customer's demands as empowered employees can deal with the effectively (Murty, 2005).

### **2.3 Strategy of Employee Empowerment**

Banks need to develop certain strategies for employee empowerment. The following paragraphs entail the different opinions, and research findings done so far on 'strategies of empowerment'- one of the contributing factors for employee empowerment.

Ugboro & Obeng (2000) study found that these are some of the main strategies, which can be benefitted in employee empowerment;

- ) Changing of work definition: The content of the work (to increase activities the required of work) or authorization by widening the meaning and framework (determining new jobs that suits for vision and mission of organization); by enrichment method, to increase authority of employee and meaning of job.

- ) By enlargement, we have to understand the span of control, to facilitate authority transition from managers to subordinates.
- ) By increasing the qualification of the managers (with training programs, recruitment system), to facilitate and encourage authority sharing managers with their subordinates (empowerment from external resource).
- ) By increasing qualification of employees (with recruitments and training programmers), to support and facilitate effective use of authority; to increase and support confidence in managers in sharing of authority; to encourage the subordinates to take over authority (empowerment from internal resource).
- ) By applying organization at the team basis, based on co-operation and interaction, to provide empowering techniques to employees, improving and increasing.
- ) By restructuring the work process, we can increase influence on the work process and it is the result achieved through employee-centered approach (as cited in Karakoc & Yilmaz, 2009).

### **2.3.1 Some other strategies of employee empowerment**

Bank must implement some other strategies in order to empower their employees in proper ways. The following paragraphs entail the different opinions and research findings done so far on ' motivation ' - one of the contributing factors for employee empowerment.

#### **2.3.1.1 Personnel empowerment**

Bank can improve empowerment status through personnel processes. The present researcher discusses various perspectives regarding the issue of personnel attempts for empowerment of employees.

Honold (1997) holds that the contents of empowerment: As the empowerment can be done at individual level, it can be done at a team level, which in size contains all employees in a process, in a unit or in a company.

"The level of origin for empowerment climate is the individual, but the construct itself refers to the collective work environment" (Seibert, Silver, Randolph, 2004).



According to Fetterman (1996) and Becker, Kovach, & Groriset (2004), individual empowerment develops when people attempt to develop the capabilities to overcome their psychological and intellectual obstacles and attain self-determination, self-sufficiency, and decision-making abilities. Some authors conducted their research by viewing a single component, such as self-determination (Sprague & Hayes, 2000), self-confidence (Larsori, Walker, Sc Pearce, 2005), and the promotion of competence (Breton, 1994), whereas other authors conducted their studies by viewing multiple components, such as academic success and bicultural identity (Diversi & Mecham, 2005), mastery and self-determination (Boehm & Staples, 2004), self-determination, self-sufficiency, and decision-making ability (Becker, Kovach & Gronseth, 2004; Kovach, Becker, & Worley, 2004), personal sense of control and efficacy (Speer, 2000).

### **2.3.1.2 Collective Empowerment**

Bank can improve empowerment status through collective processes. The present researcher discusses various perspectives regarding the issue of collective attempts for empowerment of employees.

Kirkman & Rosen (1999) study found that the team accountability dimension of empowerment climate involves reliance on team authority to carry out a broad range of tasks, team training, and team accountability for work outcomes. These managerial practices should enhance individual's feelings of competence and affect in their organization (as cited in Scibert, Silver, Randolph, 2004).

"Many others have reengineered their processes to make way for empowered work teams that are in total control of their unit of work and the parameters for performance measurement for the constituent team members" (Mamidenna, 2005).

Boehm and Staples (2004) presented three components: (a) collective belonging, (b) involvement in, and (c) control over organizations in the community. Collective empowerment develops when people join in action to overcome obstacles and attain social change (Staples, 1990). Groups become empowered through collective action, but that action is enabled or constrained by the power structures that they encounter (Parpart et al., 2003).

Power and empowerment are concepts with considerable importance in today's world. Alvin Toffler (1991) calls this era the 'power shift era', which implies a deep level transformation in the nature of power (as cited in Pattannayak, 2004).

"This utilization of empowerment process gives employees ways of exercising other rights, including the right to community as well as representing the achievement of socially desirable objectives by the organization itself" (Gandz & Bird, 1996).

Quinn (1996) considers empowerment as a process of risk taking and personal growth. It involves a set of five empowering skills: start at the bottom by understanding the needs of the employees; model-empowered behavior for the employees; build teams to encourage cooperative behavior; encourage intelligent risk taking; and trust people to perform. In contrast, the 'mechanistic' (top-down) perspective also involves a set of five empowering strategies which include: start at the top; clarify the organization's mission, vision and values; clearly specify the tasks, roles, and rewards for employees; delegate responsibility; and hold people accountable for results.

"Empowered people can be provided support as well as synergy by the empowered teams. These teams are quite different from participative teams, quality circles or semiautonomous teams" (Dwivedi, 1997).

Marchington and Wilkinson (2000) viewed it as incorporating: responsibility for a complete task; working without direct supervision; discretion over work methods and time; encouragement for team members to organize and multi-skill; and influence over recruitment to the team. Clearly, this form of participation or empowerment is more far-reaching than those considered already ( as cited in Korczynski, 2008).

### **2.3.1.3 Employee Commitment**

Bank can improve empowerment status through employee commitment. The present researcher discusses various perspectives regarding the issue of employee commitment for empowerment of employees.

Pauwee (1996) opined that an empowered and committed workforce provides the organization with the ultimate competitive strategy-one that cannot be copied because the employees who comprise the organization are unique (as cited in Lashley, 2001).

According to Elmuti, (1997) employee empowerment is the concept of enabling subordinates to have the authority and capacity to make decisions and to act for the organization in order to improve both individual motivation and organizational productivity.

Lockwood's (1996) stated that model showing the enabling (commitment orientated) empowerment is also useful in establishing the notion of the 'bedrock' on which other forms of empowerment can be built because it the symbiotic relationship between empowerment and commitment (as cited in Lashley, 2001).

## **2.4 Pre-requisites of Empowerment**

Every bank has to fulfill certain pre-requisites in order to ensure employee empowerment. Banks cannot function properly without management of pre-requisites. The following paragraphs entail the different opinions, and research findings done so far on 'pre-requisites of empowerment'- one of the contributing factors for employee empowerment.

Baker et al., (2007) study found that they examined psychological empowerment among nurses. Studies have revealed that permanent employees experienced higher levels of empowerment than did temporary employees in the same organization.

"Its effective implementation necessitates preparation of executives and employees through a series of empowerment workshops designed for conceptual understanding, attitudinal change, skill building and development of an empowering culture" (Dwivedi, 1997).

Nixon (1994) views that empowered organizations have structures and cultures, which encourage and facilitate empowerment. The empowered organization has a 'flatter' structure. It requires less immediate supervision than a traditional

organization because decision-making is passed down the line. Senior and middle managers need to spend less time on control of subordinates and can focus on increasing customer satisfaction and market share (Barry, 1993).

Dobbs (1993) argued that there are four basic conditions necessary for empowerment to gain credibility and acceptance at various levels in an organization. These are discussed below;

#### **2.4.1 Participation**

Workers must be encouraged to take the initiative. To this end, the bureaucratic hurdles that come in the way must be removed. Proper training should be given to employees so that they can participate more actively and make things happen.

#### **2.4.2 Innovation**

Management must encourage employees to try out new ideas and make decisions that help in finding new and improved ways of doing things. Even when employees fail in their attempts to break the mold of custom, the words of encouragement must come the same way, so that they begin to feel that failures are stepping-stones to success. One day, with such a supportive management, they are sure to ride the tidal wave of success.

#### **2.4.3 Information**

Employees must have free access to information and resources that they need to nurture their talents. If they need additional training in putting the classified information to use, it should be offered really.

#### **2.4.4 Accountability**

Empowered employees should be held accountable for results. This step is not intended to identify their black spots and single them out for punishment. The intent, instead, is to see that they are giving their best efforts, working toward mutually agreed goals and behaving responsibly towards each other. When employees exhibit such behaviors, they are encouraged to go the same way at their own 'comfortable pace'.

"Employee empowerment needs to develop an analysis of the initiatives which moves beyond the more evangelical claims of writers who see empowerment as a guarantee for organizational success" (Lashley, 1996).

Maton and Salem's (1995) study revealed that an organizational culture with a supportive group-based belief system and a peer-based support system was required for empowerment.

"Empowerment brings together a range of initiatives known by some as 'quality of work life initiatives' and the recognition that some employees require 'responsibilities autonomy'" (Lashley, 2001).

Hales and Kilda's (1998) study disclosed that empowerment advocates suggest that empowerment must be accompanied by careful employee recruitment to select "empowerable" employees (as cited in Ro & Chen , 2010).

Empowerment as an initiative should begin in the hearts and the minds of the individuals. The organization structure may be flat; the top-level management may be committed totally to the purpose. Empowerment is after all, creating an environment of understanding and trust that will enable staff members to embrace responsibility and accountability that come with it. The managers should understand that while he empowers his team members, his superiors have empowered him and he has better autonomy and power to take more risks and show better results to prove himself and his abilities to the organization and garner more power. So, the managers should first start by trusting the capabilities of employees and sit back and let them (Ashish, 2005).

"Employees would remain externally committed, since all that they could do is, just do what is expected of them. Simply put the behavior of employees in all such situations becomes a mere reflection of contractual compliance. Hence, in all such organizations, where management defines tasks, the required behavior to perform the task and sets performance goals, employees tend to exhibit "external commitment. Managements must attempt to involve employees in defining organizational mission, objectives, and ways and means of accomplishing them etc, so that they can generate internal commitment extensively across the organization. There is, however, a limit

for internal commitment as there is a limit in empowering every employee in the organization" (Murty, 2005).

A wide variety of companies, nowadays have undertaken interventions to empower employees at various levels, such as quality circles, autonomous work groups quality of work life councils ( Rao, 2007).

Dwivedi (2008) has suggested the following agenda to ensure job enrichment. The active association of HR department in executing this plan of empowerment is perceived to be essential.

- ) Giving employees more latitude in deciding about such things work methods, sequence, and pace or by letting them make decisions about accepting or rejecting inputs.
- ) Encouraging participation of subordinates and interaction between workers.
- ) Giving employees a feeling of personal responsibility for their tasks.
- ) Taking steps to make sure those employees can see how their tasks contribute to a finished product and the welfare of the enterprise.
- ) Giving employees a feedback on their job performance preferably before their supervisors get it.
- ) A trusting culture may help the empowered leader to utilize efforts usually wasted on control mechanisms and focus attention in accomplishing common purpose and goals.

## **2.5 Barriers and Issues in Empowerment**

Nowadays, banking business is facing great problems regarding empowerment. So, running employee empowerment barriers should be identified and removed in time for getting better result of the bank. Every bank should prepare effective tools for solution of barriers of empowerment. The subsequent paragraphs entail the different opinions, and research findings done so far on 'barriers and empowerment'- one of the contributing factors for employee empowerment.

While some will welcome these changes, others may resist because they fear (a) diminution of authority (b) loss of control, (c) loss of their jobs, (d) exposure of

their previous felt-inadequacies to more senior management, or (e) simply because they don't understand what is happening or why it is necessary (Kotter and Schlesinger, 1979) .

Kizilos (1990) considers managers as a key barrier, because often empowerment of subordinates changes the nature of their role and removes some of their power, or at least requires a different style of managing that is more consultative and participative than directive. Empowerment has been 'the battle cry of Britain's boardrooms of the 1990s' (Pandya, 1996), associated with team working, total quality management, and customer care, (Keenoy, 1994), as well as delaying, business process re-engineering, down-sizing and right-sizing (Caulkin, 1995).

Johnson (1994) claims that previously dis-empowered employees may resist empowerment, as they fear the increased levels of responsibility and accountability. Further, employees may consider empowerment to be just empty rhetoric and yet another management attempt to exploit them.

"If empowerment is embraced without a clear understanding of the mission and vision for the organization, and without the buy-in and commitment of those who are empowered toward achieving organizationally desirable goals, then the shareholders have not been treated properly by management and, indeed, other stakeholders such as suppliers and customers may also be adversely affected. External stakeholders who may perceive themselves to be negatively affected by an organizational move toward empowerment. While managers and supervisors may have difficulty dealing with empowerment initiatives it is not a given that all employees will react with alacrity to such actions "( Gandz & Bird, 1996).

Employee empowerment leads us to the development of a multi-staged model for researching management initiatives, which claim to empower employees. Given the variation in meanings and definitions of empowerment, the needs to explore both form of empowerment being introduced and the state of being empowered as well as perceived organizational benefits, which are supposed to flow from these changes, Here are therefore likely to be a number of problems in assuming that a given set of changes is likely to produce a state of empowerment (Lashley, 1996).

Managers - leaders may also be resistant to empowerment because they may feel that they are losing power and authority. They may view the reduction of their power as a threat (Denham et al, 1997), particularly as they too fear job loss or loss of status as the organizational structures become flatter during the downsizing process. They may also vary in their inclination to introduce empowerment in spite of its being a component of organizational policy (as cited in Greasley, et al. 2005).

As Randolph concludes, "the companies do not become empowered overnight. It takes several years to attain the desired level of empowerment. It is a very tough task, and many companies think of giving it up. However, in a year or so, they start getting flashes of empowerment which propel them to continue the journey" (Dwivedi, 1997).

Chinese managers and subordinate staffs were not ready to accept responsibility despite their authority. They preferred to pass on responsibility, especially to expatriate managers. Mwaura et al. (1998) reported that this aspect of poor decision making on the part of the Chinese staff was also the cause of much frustration on the part of hotel guests (as cited in Littrell, 2007).

Clark (1999) remarks that some old-line employees may consider security and comfort in structured lines of authority, in knowing the rules and how to keep their jobs. If they are asked to participate in changing the rules, these employees might see it as a threat to security (as cited in Peter, Byrnes, Choi, Fegean & Miller, 2002).

"It is difficult to envisage empowerment being successful in an organization that does not have a total commitment to empowering employees. For empowerment to be effective, it requires the appropriate culture and climate of trust that allows employees to grow and learn from their mistakes" (Lashley, 2001).

"Putting pride into work and making it more meaningful, functional latitude and tolerance for genuine mistakes are some of the effective ways to motivate and empowerment employees" (Raju, 2005).

"Employees also sometimes suffer from a fear complex. Empowerment many a times may not be welcome because it is riskier, more challenging and requires a better competency base" (Ashish, 2005).



"Managers are faced with many difficulties when attempting to empower employees and these may prevent a business from becoming an empowering organization. First, there is often resistance to the change both from managers/leaders and from employees themselves. It is often assumed that employees will buy into empowerment, as the benefits are "obvious" (Greasley, Bryman, Dainty, Price, Soetanto & King, 2005).

Disadvantages of employee empowerment can be enumerated as following: Employees can misuse the increased power given to them, over responsibility for some employees, dissatisfaction among employees due to self priority rather than group success, fallacies due to improper training imparted to managers to facilitate through sharing of information, cooperation, and referrals to appropriate resources, all employees must accept the concept of productivity and effectiveness. Decisions taken are on personal and logical values and not on facts. There might be interpersonal conflicts among group members. Organizations may incur high cost on training and loss of time in deploying regular job (Patra, 2005).

"The empowerment attitude implies that there are varied solutions to a problem depending upon the situational factors" (Dwivedi, 2008).

## **2.6 Forms of Empowerment through Authority and Accountability**

Every employee needs power to complete his/her business target and prompt delivery of action. Proper delegation of authority and accountability helps to take decision swiftly to fulfill banking goal. Self-working and responsible can be made to employees through accountability. The following paragraphs entail the different opinions, and research findings done so far on ' authority and accountability '- one of the contributing factors for employee empowerment.

According to Rothstein (1995), empowerment is "an act of building, and increasing power through co-operating, sharing and working together" (Honold, 1997).

Naderi et al, (2006) considers that the empowerment as an authority handing over in their own organizational role where this power should be given to the person or be seen in his organizational role.

Neilsen (1986) expressed that organizational researchers have focused their work on empowering management practices, including the delegation of decision making from higher organizational levels to lower. Increased responsibility and authority are essential ingredients in empowerment as a means of gaining the commitment to organizational goals.

Barbee & Bott (1991) define that employee empowerment is as 'the act of vesting responsibility in the people nearest the problem' whilst for Bowen and Lawler (1992) empowerment covers 'management strategies for sharing decision making power' (as cited in Lashley, 2001).

Employee empowerment involves managers giving more freedom of choice in decisions and power to frontline staff that allows further opportunities, authority, and responsibility in the workplace (as cited in Ro & Chen, 2010).

The first of Lawler's (1986) opines that some key elements of empowerment was the granting of authority to make decisions. The first aspect of Van Wart's (1995) empowerment model was organization democracy. The first part of Dew's (1997) model was workers' belief that they are involved in making decisions. (Leana, Ahlbrandt, and Murrell 1992; Spreitzer 1995; Foster-Fishman, 1998; Herrenkohl 1999).

Barry (1993) views that by empowering employees through greater commitment to the organization's goals, employees take more responsibility for their own performance and its improvement.

Geary (1994) has provided a general definition of task participation that tends to encompass consultation with and delegation of responsibilities and authority for decision making to its subordinate.

Legge (1995) argues that empowerment should be seen in terms of a redistributive model whereby power equalization is promoted for trust and collaboration. Similarly, Conger and Kanungo (1988) focused on power as the central point of empowerment, "either to strengthen this belief or to weaken belief in personal

powerlessness". Power is often redistributed by transferring control so that employees have the authority to make and implement their own decisions.

Ashness and Lashley (1995) revealed that for some individuals the extra responsibilities of being an appointed person were welcomed because, he wants to do more than just come in as a waitress. At the same unit, another individual was only taking on the role as a favor and "he doesn't like the responsibility. He just wants to come in, do my work and go home.

Leana (1987) expressed that empowering includes delegating and providing more autonomy and discretion to subordinates than exists now. Evidence that empowering is a distinct form of leadership behavior is provided by factor analysis of behavior description questionnaire, and by studies in which delegation and consultation were found to have distinct antecedents and consequences.

The advocates of empowerment claim that empowering employees will enable employees to do good work (Foy, 1994) and to take responsibility for their own performance (Barry, 1993), so as to produce more satisfied customers (Hubrecht and Teare, 1993; Johns, 1993), a more competitive organization (Nykodym et al., 1994).

According to Kelly (1992), empowerment as an intrinsic motivator for most individuals and argue that empowered employees have the authority and resources needed to adequately cope with the situations and people they confront, others claim that delegating authority and involving employees in the decision-making process may increase employee mental strain and physical workload.

Randolph (1995) believed that empowerment is not just 'giving people the power to make decisions'. He holds that they already have the power to make intelligent decisions to help the company operate more effectively.

According to (Chen, 1995; Redding & Casey, 1976; Worm, 1997), in Chinese firms leadership and decision-making are based on an authoritarian approach, high power distance, adherence to hierarchy, and concentration of power at the top. The high power distance in management also tends to result in a great emphasis on status and status symbols (as cited in Littrell, 2007).

"Ultimately, the success of a particular initiative will be dependent in the first instance on the empowered being given the authority and freedom to make decisions which they themselves consider to be valuable, significant and important"(Lashley, 1996).

"Employees who add more value, because they are empowered to act in the customers' and employers' interests, should be rewarded for exercising these additional responsibilities, particularly when they will be held accountable for performance. When empowerment runs to the creation of strategic business units and the vesting of authority in managers who are lower in the organizational hierarchy than, say the existing corporate officers known to the stakeholders, then a standard of excellence would call for stakeholder approval of such major reorganizations before they are implemented" (Gandz & Bird, 1996).

Blauner (1964) said that arrangements typically allow workers greater say over the pace of work, the timing of when they begin and end work, the conditions in which they labor, and the allocation of tasks among workers, and the degree of discretionary authority that they exercise.

"In this case empowered workers gain in decision-making authority over the character of their own work and thereby increase their own sense of being in charge of their own work within guidelines established by the larger organization" (Gandz & Bird, 1996).

Cunningham, Hyman, & Baldry (1996) stated that a common element in empowerment is a reallocation of responsibility to lower organizational levels. Success in achieving the mission affects outcomes beyond customer satisfaction.

High responsibilities and authority to carry out work and a full realization that the team's work has significant consequences for its organizational impact (as cited in Kirkman, Rosen, Tesluk & Jibson, 2004).

Kirkman & Rosen (1999) highlighted that giving authority and responsibility to individuals, helps them resolve customer problems more quickly. An important hallmark of successful empowerment is open and increased communication. Open

communication in an empowered environment appears to influence employee behavior, making them more receptive and thus, more participatory in achieving the stated goals.

Brower and Abolafia (1997) argued that empowered lower-level bureaucrats still make decisions anchored in the local reality that they and their managers are socially constructed.

Agarwal and Ferratt (1999) suggested that organizations can promote motivation, commitment and performance among their employees if they are able to create conditions that empower employees to take increasing responsibilities for their work and for decision making process.

"Individuals having the authority and responsibility for solving customer problems on the spot. The empowered feeling that they personally affect the outcome, and they accept the responsibility for successful service encounters. As a technique, empowerment can assist managers in reformulating the responsibilities and authority distributed through the organization as a way of taking out levels of management that was throughout to create barriers between senior managers customers. Empowerment involves sharing decision making implies that more authority is delegated to the empowered employee. Clearly this means that employees will be given some power to make certain decisions and resolve certain issues themselves"( Lashley, 2001).

"Empowerment is largely related to attempts to generate improved service quality by improving responsiveness of front-line employees in the immediate service situation. Empowerment consists chiefly of authority to operate within prescribed boundaries" (Korczynski, 2002).

Kocel (2003) found that the authority dimension of empowerment, the right to take decision related to the meaning, the environment and content of the work done by employees; the specialization dimension, the knowledge and skill of decision making/application; the resource dimension, being the most important sharing of knowledge, the possibility of attaining and using resources related to their work; the personality dimension, however, are the self-confidence to use the authority and motivation (as cited in Krrakoc & Yilmaz, 2009).

Parpart (2003) argues that "empowerment must be understood as including both individual concretization (power within) as well as the ability to work collectively which can lead to politicized power with others, which provides the power to bring about change. Their progressive steps of empowerment are identical to those of frère. Power within is consistent with concretizing, power with is compatible with inspiring and power to is in accord with liberating.

Organizations must encourage the development of internal commitments to ensure employee responsibility towards organizations must encourage the development of internal commitment to ensure employee responsibility towards organizational efficiency"(Murty, 2005).

"Empowerment requires leaders not to ask just for suggestions, but to let employees make the decisions and then implement the actions necessary for change. Participative management has proven to be very successful in fostering responsibility, motivation and belongingness in organizations with high authority" (Chebolu, 2005).

According to the laws of empowerment "decision-making authority is delegated from supervisors to subordinates/frontline employees in order to dispose immediate customer requests, problems and needs" (Patra, 2005).

According to Ogden, et. al., (2006), study sense of empowerment is positively related to greater accountability, self determination and motivation effects, but is negatively correlated with negative consequences of accountability.

"Interventions thus might take a number of different forms, but at the heart of any empowerment intervention should be an explicit attempt to increase the decision-making authority of the employees that fosters an increase in control beliefs" (Logan & Ganster, 2007).

Mills and Ungson (2003) argued that the ultimate efficacy of empowerment depends on the ability of the manager to reconcile the potential loss of control inherent in sharing authority with the potential employee motivation and productivity benefits that often accompany empowerment.

"While empowerment is considered almost similar to delegated authority, there are two characteristics of empowerment which make it unique. These are: (1) the personnel are encouraged to use their own initiatives, and (2) the employees are given not just authority, but resources as well so that they are able to make a decision and ensure that it is implemented. The basic conditions for empowerment to be embedded in the organizational culture and become operational are: belief in the individual's abilities, interpersonal trust, a genuine concern for people, participation, innovation and access to information" (Chaudhuri & Mukherjee, 2009).

"The management of the organization has the overriding responsibility for creating the conditions in which high performance is achievable" (Armstrong, 2010).

## **2.7 Forms of Empowerment through Human Resource**

### **Development Training**

Training is important tool for employee empowerment. This procedure is mostly used for empowerment in banks. Good policies and system of training certainly improves skill and ability of employees. The subsequent paragraphs entail the different opinions, and research findings on 'human resource management training'- one of the contributing factors for employee empowerment.

Patra (2003) defined that training is a planned process to modify attitude, knowledge, skill, behavior of executives through learning which leads to effective performance in an activity or range of activities. The purpose of training is to develop the abilities of an individual, to satisfy current and future work force needs, to supplement education, and to train for taking up higher responsibilities (as cited in Kundu & Henda, 2008).

"Training is highly task focused, though the service offer meant that service values were an important aspect of the training. Individuals were also encouraged to take up additional training. Which would help the team to be more effective. Appraisal and reward packages are largely focused on job performance with extra payments for trained employees "( Lashley, 2001). Bowen and Lawler (1992) reveals that training is necessary for empowering employees.

Mcevoy (1997) opines that training influences organizational commitment, participant knowledge, and organization-based self-esteem. Burke & Day (1986) indicate that training positively influences the level of performance of managers. Similarly, Bartel (1994) reveals that investment in training boosts employee morale and increase empowerment.

Empowerment is dependent on adequate knowledge and training (Lawler 1986; Fox 1998; Moon and Swaffin-Smith 1998).

Training and empowering employees by giving them autonomy to manage service encounters is a human resource management functions. Both employee training and autonomy, however, become even more critical when there is a service failure and a frontline employee must attempt to effect a recovery. In fact, Hart, Heskett, and Sasser (1990) warn that while training can give employees the perspective that service recovery requires, the company must also empower employees to act independently (as cited in Hocutt & Stone, 1998).

Organizations should invest in service skills training to enhance the ability of employees to meet the complex service demands of customers (Schlesinger and Heskett, 1991; Varca, 2004).

Empowerment education involves people in the group efforts to identify their own problems, critically to analyze the cultural and Socio-economic roots of the problems, and to develop strategies to effect positive changes in their lives and in their communities' (as cited in Nilsen, 2008).

There is much evidence to suggest that although managerial training and development can be a powerful stimulus to the short-term business performance, it can threaten long-term advancement if it reinforces a rigid and inappropriate dominant, logic (Miller, 1993; Levinthal and March , 1993; Nevis, Bibella and Gould, 1995) (as cited in Harrison,1997) .

Johnson's (1996) study found that training in dealing with angry customers, and how to deliver quality service was an important part of a customer service climate.



"The training and development experience necessary to maximize their added value; and they must be given the opportunity to influence the basic processes within which they operate" (Gandz & Bird, 1996).

"There is needed to provide continuous training to people so that they acquire" desired empowerment skills, i.e. negotiation of performance plans, decision making conflict-management, leadership, budgeting and technical competence in multiple jobs" (Dwivedi, 1997).

"Empowerment Training Services and systems, which are primarily oriented to the maintenance and improvement of organizational performance rather than to changing the organization in any major ways" (Harrison, 1997).

"Human resources can be developed by providing formal education from elementary to the higher level, technical and professional, on-the-job training, adult education programmers, correspondence or distance education, improvement in the health of masses through medical facilities and improvement in nutrition. The human Resource Development (HRD) is concerned with the improvement of the above said attributes of an individual as well as a group of persons. It is the process of increasing the knowledge, the skills and the capacities of all the people in an undertaking and society" (Cheema & Sandhu, 998).

"Educated, trained and mobile to take advantage of new advances in techniques in organization of production that the creation of a built-in industry of progress becomes possible. The extent and success of a country in developing and employing human skills determines the level of its development. The proper development and effective utilization of manpower skills should, therefore, form a part of any policy for modern development" (Cheema & Sandhu,1998).

"Training may also influence the aspiration for promotion which in turn may influence the union participation. Similarly, training may influence militancy of workers by affecting the supervisory behavior. Workers with higher training may have higher satisfaction with supervisory behavior may reduce their militancy" (Arya, 1998).

Taheri (1999) found that education, learning and development of human resources in the organization and people participation in managing the organization in addition to improving the individual exploit, will be increased to increase the efficiency in organization (as cited in Akbar, Saeid & Mehdi, 2010).

"Empowerment is a new state of becoming, a dynamic equilibrium that releases the power of people, so they can achieve astonishing results and make refined use of their knowledge, experience, and motivation. They want to use their knowledge, experience, and motivation to achieve astonishing results for the company and to feel the sense of pride and ownership that comes with being empowered" (Randolph 2000).

Training and socializing the workforce to ensure that benefits of enhanced organizational agility and innovativeness through empowerment can be harnessed without incurring any additional risk to efficiency and administrative control (as cited in Biron & Bamberger, 2010).

"The job enrichment form of empowerment therefore involves a detailed training program that encourages employees to understand and empathize with customer experiences, to incorporate the company's service values to its customers, and use initiative in meeting customer service needs within the bound arias set" ( Lashley, 2001).

"Sound training brings valuable benefits to employers and employees alike, including new and enhanced skills, increased productivity, and improved employee morale" (Smith & Mazin, 2004).

The training accorded to people would become the precursor to the mentor-mentee relationships that will be developed later as a part of the empowerment process (Mamidenna, 2005).

"Organizations must prepare employees by imparting required levels of training and development, so that they can confidently accept responsibility, and thereby seek empowerment" (Murty, 2005).

"Establishing a continuously "learning organization" through sound "knowledge management" principles leads to effective empowerment of employees" (Chebolu, 2005).

"A formal training helps an employee learn the job-related knowledge, skills, and behavior at work. Training is moving from a primary focus on teaching employees specific skills to a broader focus of creating and sharing knowledge. Training and orientation should be linked to the performance and benefits so that employees get motivated to participate in such program with sincerity" (Chakravarty, 2006).

According to Noe, Hollenbeck, Gerhart, and Wright (2006), training can help employees to develop skills needed to perform their jobs, which directly affects the business.

"The leverages can influence employee performance through increasing knowledge and skills (or competencies), providing access to important resources (e.g. finance, information technology), empowering employees, changing employee perceptions and attitudes, and boosting employee morale or motivation"(Kassahun, 2007).

"Training has more immediate concern and has been associated with improving the knowledge and skill of non-management employees in the present job. Training which is vehicle for Human Resource Development is concerned with improving skill of employees and enhancing their capacity to cope with ever changing demands of work situation. It makes a positive contribution to empowerment of employees" Kundu & Henda, 2008).

"It is necessary to develop a positive attitude which can reunite the brain and the hand for employee's involvement in decision-making for effective implementation of empowerment. The empowering attitude can be developed by MBT and allied training programmers. In conjunction with the development of a mindset conducive to empowerment, attempts must be made to educate people in the new order to develop a repertoire of empowerment skills through continuous training workshops" (Dwivedi, 2008).

"The communication system of the banks should be strengthened along with the proper involvement of field functionaries through suitable training and development programs so as to apprise them of the strategies and objectives of their bank in order to channel all the resources in the right direction towards the achievement of organizational goals and objectives through improved performance" (Sangwan, 2009).

Ro & Chen's (2010) found that service training should focus on enhancing employees' confidence in the decision making process to deliver high quality service for customers as well as their perceived control and influence at work.

"Firms that have a goal to create intellectual capital and human capital, should organize training programs focusing on developing transformational leadership style among their managers" (Birasnav, 2010).

## **2.8 Forms of Empowerment through Job Autonomy**

Job autonomy provides freedom and self-working habit within employees. It also encourages to the employee for taking responsibilities. So, every bank has to make scientific mechanism of job autonomy in different level of employees. The subsequent paragraphs entail the different opinions, and research findings on 'job autonomy one of the contributing factors for employee empowerment.

Job autonomy might to one bureaucrat mean ability to make final case determinations; to another in the same office it might mean the chance to prioritize one's work assignments; to a third it might mean the freedom to schedule one's day ( piter, Byrnes, Choi, Fegean & Miller, 2002).

Autonomy has been associated with higher employee satisfaction and work quality (Hackman & Oldham, 1980; Lower, Noe, Moeller, & Fitzgerald, 1985).

Hackman and Oldham (1980) showed that to the degree that jobs are restructured to afford employees greater autonomy, they are likely to generate enhanced employee empowerment.

Dean and Konstans (1987) define autonomy as a construct that permits employees to use fully their "talents and ingenuity," and as a construct that causes

employees to assume personal responsibility for work. Their study results yielded a positive correlation between autonomy and empowerment (as cited in Kassahun, 2007).

Choice is the sense of autonomy in initiating and regulating work and reflects the degree of self-determination in work behaviors and processes (as cited in Wang & Lee, 2009).

Hart et al., (1990) argue that empowered employees should have a feeling of autonomy to respond to service failures, they should also be trained to make appropriate decisions and to develop an awareness of customers' concerns (as cited in Hoccut & Stone, 1998).

Wellins et al., (1991) point out that teams that experience high autonomy take responsibility to handle customer complaints directly and often self-diagnose quality problems and issues without waiting for managerial.

Ripley and Ripley (1992) described that empowerment also entail motivation due to the presence of factors like personal autonomy, development and job satisfaction. Empowerment, in fact, is argued to build on the higher needs for self-actualization and achievement, which are the top motivators in Maslow's Hierarchy of Needs and in Herzberg's Two-Factor Theory (as cited in Patra, 2005).

Katzenbach and Smith (1993) argue that high-performing organizations depend entirely on the creation of strong, semi-autonomous working teams.

Amabile (1988) said that empowered individuals believe they are autonomous and have an impact, they are likely to be creative; they feel less constrained than others by technical or rule-bound aspects of work.

Daniels and Guppy (1994) study found that complex three-way interactions among job autonomy, locus of control, and stressors on workers psychological well-being. (as cited in Wang & Lee, 2009).

"A team may have little autonomy, members can still experience team empowerment to the extent that they feel a collective sense of potency, a high level of

meaningfulness in the work, and a sense that the team's work has impact on stakeholders" (Kirkman Rosen, Tesluk & Gibson, 2004).

Empowerment has been viewed as allowing people the absolute freedom (autonomy) to do the job so that when a non-routine "exception" occurs employees do not to find someone who can make decisions for them (Mohr-Jackson, 1992). Bowen and Lawler (1995).

"Autonomous work groups, quality circles, joint consultation, employee share ownership, profit related pay and communication programmers. Managerial ambitions were also similar to those expressed for empowerment" (Lashley, 1996).

"Acting with autonomy and took responsibilities earlier held by their managers. In another company, after several years of training, the teams started working as managers. Thus, as self-managed teams, they tended to make recruitment, performance appraisal, work schedule, budgetary and other decisions. This arrangement provided outstanding bottom-line performance as well as satisfaction to the people" (Dwivedi, 1997).

The manager may not be able to make many more decisions than they could make in the past, but they are allowed to manage their unit/section without direct instruction. They have what freidman (1997) calls 'responsible autonomy' in that they are allowed autonomy to operate within boundaries set ( as cited in Lashley, 2001).

Higher team autonomy will likely lead to greater risk taking and experimentation (Tushman & O'Reilly, 1996).

According to Honold (1999), empowerment is an act of building, developing and increasing power by working with others, which he terms as "interactive empowerment" and having the ability to influence one's own behavior, which he calls as "self empowerment.

Foster-Fishman et al. (1998) found that employees most often listed having opportunities for job autonomy (as cited in piter, Byrnes, Choi, Fegean & Miller, 2002).

Empowerment provides employees with a sense of autonomy, authority and control (Heslin, 1999) together with the abilities, resources and discretion to make decisions. Attaran and Nguyen (1999) provided that several case studies of service organizations that claim to have improved service quality through the use of autonomous (self directed) teams. Empowering employees are likely to be judged against the extent that they engender feeling of personal efficacy (Houtagers, 1999) (as cited in Lashley, 2001).

Practices such as empowerment, participation, autonomy and involvement are promoted in varying degrees at the workplace. Determining how much employee involvement is appropriate in a given situation is a matter of judgment (Paul, Niehoff and Turnley, 2000).

Autonomous groups offer management a decision-making and organizing device that responds quickly to changes in demands, faults and operational needs, whilst at the same time acting as a controlling check on individual behavior. The control of employee performance through responsible autonomy, it was an approach to the management of employees whose performance was central to the firm's long-term profits" (Lashley, 2001).

Leach et al. (2003) stated that policies and practices aimed at enhancing employee autonomy over how to perform job-related tasks may generate superior performance and employee well-being by providing job incumbents with the increased learning opportunities needed for enhanced performance, and the psychological growth needed for enhanced psychological well-being (as cited in Biron & Bamberger, 2010).

"Empowerment in its simplest sense means "increasing freedom" given to the workforce of an organization. The employees become the decision makers and the strategy of the organization is to let the front line people handle the issues that directly concern and impact their work and the firm performance" (Mamidenna, 2005).

Durham, Grube, and Castaneda (1994) presented that further evidence in support of the trend for positive correlation between autonomy and propensity to work hard (as cited in Kassahun, 2007).

The banks should, therefore, be given adequate autonomy in real sense so that they can shape their HRM policies in order to compete with the new private sector and foreign banks. Further, in the era of liberalization and globalization, along with bringing autonomy to the banks, there shall be the need of pro-active human resource management practices" (Sangwan, 2009).

## **2.9 Forms of Empowerment through Performance Based Reward System**

Performance based reward system makes employees responsible to their work. Banks must follow performance based reward system. It creates healthy congenial atmosphere among the employees. The following paragraphs entail the different opinions, and research findings done so far on 'performance based reward system'- one of the contributing factors for employee empowerment.

Employees' reward perceptions are based on justice principles and improve service employees' organizational commitment and job satisfaction (Bowen, 1999).

Taylor's (1911) study found that a reward package, which enabled 'economic man' to maximize income was an early attempt to couple employee motivation with productivity and output.

Organizational climate has been defined as a set of shared perceptions regarding the policies, practices, and procedures that an organization rewards, supports, and expects (James, Joyce, & Slocum, 1988; Schneider & Reichers, 1983).

Lawler's (1986) study found that though rewards for group or organization performance may be beneficial, often individuals do not have a clear understanding of how their own actions can influence performance at higher levels. Consequently, individual-performance-based rewards are argued to be important for empowerment. Individual incentives enhance empowerment by (1) recognizing and reinforcing personal competencies and (2) providing individuals with incentives for participating in and affecting decision-making processes at work.



According to Zemke & Schaaf (1989), employee empowerment means turning the "front line" loose, and encouraging and rewarding employees to exercise initiative and imagination (as cited in Karakoc & yilmaz, 2009).

Ghoshal and Barlett (1995) point out that the overall aim of reward management should be to 'add value to people.' It is not just about attaching value to them. More specifically, the aims are to:

- ) Support the achievement of business goals through high performance;
- ) Develop and support the organizational culture;
- ) Define what is important in terms of behaviors and outcomes;
- ) Reward people according to the value they create;
- ) Reward people according to what the organization values for ;
- ) Align reward practices with employee needs;
- ) Help to attract and retain the high-quality people the organization needs;
- ) Win the engagement of people (as cited in Armstrong, 2010).

"People who have been performing well in the past their behaviors are learned behaviors that have been rewarded by the organization" ( Gandz & Bird, 1996).

Cheng (2000) and Shea (2000) clearly stated that the leader's being strict and fair in meting out rewards and punishments has a positive impact on leadership satisfaction, organizational commitment, team effectiveness and individual and organizational performance (as cited in Singh & Muncherji, 2007).

Ozaralli (2003) reported that feelings of empowerment shared in a group fuelled by a transformational leader could ultimately result in a high level of team effectiveness. The more team's members experience team empowerment, the more effective the team will be.

Employees should feel rewarded and recognized for empowered behavior. Negative feedback or no feedback given may de-motivate them for exhibiting such behavior and they may return to old behavior where nobody holds responsibility and accountability for any negative happening in organization. The basic needs of employees must be met to give their discretionary energy that extra effort that people voluntarily invest in work (Nandan, 2008).

## **2.10 Forms of Empowerment through Managerial Competency**

Managerial competency is an important tool for employee empowerment. Every bank should follow the appropriate procedure for making their employees competent. The subsequent paragraphs entail the different opinions, and research findings done so far on 'managerial competency'- one of the contributing factors for employee empowerment.

Rowe (1995) pointed out that the dictionary meaning of "competence" is the ability or the state of being competent ("competent" meaning adequately qualified or capable). However, research literature in HR has brought out differences between the two terms "competence" and "competency"), "competence" means a skill and the standard of performance while "competency" refer to behavior by which it was achieved.

Mansfield (1999) defined that competency as 'an underlying characteristic of a person that results in effective or superior performance.' Rnkin (2002) describes competencies as 'definitions of skills and behaviors that organizations expect their staff to practice in their work.

Spencer and Spencer (2008) defined competency as "an underlying characteristic of an individual that is causally related to criterion-referenced effective and superior performance in a job".

Ghiselli (1971) defined managerial talents as those traits and abilities which are important in determining the extent to which an individual will be successful in performing the many and varied functions of the manager. Managerial talent can be a broad human quality, perhaps made up of specific abilities and traits.

Ghiselli's (1971), study found that supervisory ability played the most important role in managerial success, followed by achievement, motivation, intelligence, self-actualization, self-assurance, and decisiveness, in that order. (as cited in Kaithapalli, 2006).

Brodie and Bennett (1979) study revealed that 'organizational performance and managerial effectiveness are inevitably intertwined managerial effectiveness can only be considered in its organizational context' (as cited in Harrison, 1997).

According to Boyatzis (1982), a job competency is an underlying characteristic of a person in that it may be a motive, a trait, a skill, an aspect of one's self-image or social role, or a body of knowledge which s/he uses (as cited in Waraich & Bhardwaj, 2001).

Schroder (1989) viewed that it offered insight into the personal competencies, which contribute to effective professional performance. Individual competence means a set of skills that an individual must possess in order to be capable of satisfactorily performing a specified job.

According to Snell & Bohlander (2007) Human capital, in any organization, is broadly considered as employee's knowledge, skills, capabilities, commitment, know-how, and ideas and health (as cited in Birasnav, 2010).

Competence stems from Bandura's (1986) work on self-efficacy and is the degree to which an employee feels he/her is able to perform tasks with skill (Gist, 1987; Thomas & Tymon, 1994). Social cognitive theory and empirical evidence from diverse fields suggest that competence has strong direct effects on performance (Bandura, 1986; Gecas, 1989; Gist & Mitchell, 1992; Harackiewicz, Sansone, & Manderlink, 1985; Locke, 1991; Locke, Frederick, Lee & Bobko, 1984; Ozer & Bandura, 1990; Wang & Netemeyer, 2002).

Poole's (1986) study found that power given to employees might assist them either to change decisions that managers might otherwise have made, or at least to provide an effective resistance to managerial decisions.

Competence results in effort and persistence in challenging situations (Gecas, 1989), coping and high goal expectations (Ozer & Bandura, 1991), and high performance (Locke, Frederic, Lee, & Bobko, 1984).

French (1987) argued that since the tasks of managers are hard, if not impossible, to define at any but the most generalized level, a framework of functionally derived competencies is unlikely to prove a reliable guide to the capability needed to manage in a particular organization or situation.

Empowering managers can be a 'direct assault on the bureaucratic methods and mind-set that characterize life in most organizations (Block, 1987). ( as cited in Lashley, 2001) .

Conger and Kanungo (1988) described that empowered people believe that they are competent and valued, that their jobs have meaning and impact and that they have opportunities to use their talents. Likewise, from the standpoint of assumption that powerlessness gives rise to low self-efficacy, attempt has been made to define it as a process of identifying and removing the conditions, which cause powerlessness while increasing feelings of self-efficacy.

Where competence is a mastery of behavior, self-determination is an individual's sense of having choice in initiating and regulating actions (Deci, Connell, & Ryan, 1989). Self-determination reflects autonomy in the initiation and continuation of work behavior and processes; examples are making decisions about work methods, pace and effort (Bell & Staw, 1989; Spector, 1986). ( as cited in Spreitzer, 1995).

Competence, or self-efficacy, is an individual's belief in his/her capability to perform activities with skill (Gist, 1987). Competence is analogous to agency beliefs, personal mastery, or effort-performance expectancy (Bandura, 1989).

- ) Armstrong (2010) points out the following key to success in using competencies
- ) The competencies should reflect the goals, values and culture of the organization.
- ) Competencies should be identified and defined in ways which will ensure that they aid recruitment, performance management, and learning and development activities.
- ) Competencies must be selected and defined in ways, which ensure that managers can assess them.
- ) Frameworks should not be over-complex.
- ) There should not be too many headings in framework-seven or eight will often suffice.
- ) The language used should be clear and jargon-free.
- ) Frameworks should be updated regularly.

"Champions boost team members' skills and confidence to devise and implement creative solutions to current problems, enhance their capacity to think on their own, and encourage extra effort to pursue challenging goals" (Howell & Shea, 2006).

Brewster and Tyson (1991) define managerial and professional staff as those who:

- ) Are salaried members of an organization?.
- ) Have achieved a higher level of education and training or recognized experience in a scientific, technical or administrative field.
- ) Perform functions of primarily intellectual character involving a high degree of judgment and initiative.
- ) May hold delegated authority to plan, manage, control and co-ordinate the work of other organizational members.
- ) Do not occupy positions as first-line supervisors, or top-level executives (as cited in Harrison, 1997).
- ) Bowen and Lawler, 1992), much published comment on employee empowerment fails to recognize differing forms of empowerment are likely to be used by different organizations in response to managerial perception of their commercial needs.
- ) Snell & Dean's (1992) study found that knowledge management (KM) practices (Smith, 1998), and leadership practices (Edmondson, 1996; Bontis & Fitz-enz, 2002) are focused as human capital investments in the organizations. (as cited in Birasnav, 2010).

Empowered individuals feel self-efficacious, they are likely to be innovative in their work and to expect success (Amabile, 1988; Redmond et al., 1993).

Parry (1998) further expands on this by defining a competency as a cluster of related knowledge, attitudes, and skills that fulfill four criteria: a) affects a major part of one's job, b) correlates with performance on the job, c) can be measured against well-accepted standards, and d) can be improved via training and development.

Harley (1999) remarks that:

- ) In the short term, and in the more stable organizations, a competency-based approach to MD can produce excellent results, enabling the linking of performance criteria, development activity and performance outcomes at individual and organizational levels.
- ) However, competencies should always be analyzed in the context of particular organization and agreed as meaningful and relevant by the key parties involved in and affected by the MD program.
- ) There is evidence to show that a competency-based approach can also be of value when the business is moving into changed conditions, provided that there is a high degree of certainty and agreement on the kind of future-oriented qualities and skills needed by those who will have to cope with those conditions. ( Harrison, 1997) .

Bowen (1990) suggested that there is a need to better understand the organizational and managerial implications of empowering frontline service employees (as cited in Hoccut & Stone, 1998).

Boyatzis (1991) distinguished between threshold and superior management competencies, in order to differentiate between what is needed for adequate and for superior performance (as cited in Harrison, 1997).

The qualities of employees, who will be empowered, are important organizational and managerial atmosphere are the principal variables of empowerment (Nykodym et al., 1994).

Mabey and Salaman (1995) distinguished between training and learning. Most of the reports on MD focus on the former, yet it is the process and outcomes of learning rather than the specific thrust of training that will make the most fundamental impact on managerial capability.

Commitment, organizational effectiveness, and Total Quality Management (TQM) should be conducted to further expand the homological network of empowerment. (Spreitzer, 1995).

Empowerment has been empirically linked to innovation at both the team (Burpitt & Bigoness, 1997) and individual levels of analysis (as cited in Kirkman Rosen, Tesluk & Gibson, 2004).

Capable people have sense of trust, they need to be sure that they are behaved fairly and similar to others (Claydon and Doyle, 1996). Empowerment has also enabled US organizations to withstand competition from Japan. The reason is obvious. Empowered employees of an empowered organization are capable of effectively responding to empowered customers.

A unique feature of the current interest in competency frameworks is the attempt to formalize and link both individual and organizational competencies to strategic priorities and to HR systems" (Alvarez, 1996).

Maton and Salem (1995) stated that an inspirational and talented top leadership has been identified as necessary for a successful empowerment program in both private and public/nonprofit organizations.

By expressing confidence in team members' capabilities to tackle challenging assignments and meet high performance expectations, transformational leaders may strengthen team potency beliefs (Kirkman & Rosen, 1999).

Merchant (1999) has pointed out that proper application of managerial practices such as adequate managerial support, competence development programs, work autonomy, performance appraisal, reward and recognition systems can serve an instrumental role on optimizing employee performance, which has a cascading effect in improving organizational performance.

Competence, self-determination and impact, which is affected by empowering behaviors of the supervisor' (Lee and Koh, 2001).

Forrester (2000) argued that the main reason why organizational empowerment initiatives often fall short is that they take a "one-size fits all empowerment approach" that fails to differentiate between employees' capabilities and desires (as cited in Ro & Chen, 2010).

"Acting with power and with a greater sense of confidence, but they want to become partners in making empowerment a reality" (Randolph, 2000).

Empirical research indicates that dimensions of dynamic managerial capabilities affect performance (Ader & Helfat, 2003; Kor & Leblebici, 2005; Mokiterno & Wiersema, 2007; Rosenbloom, 2000; Tripas and Gaveti, 2000; Ray, Barney, and Muhanna, 2004).

The employees not being desirous to development, not having critical thinking skills, not being open to change, not having high self-confidence and not being favorable to co-operation (Ceylan, 2002) the level of feeling important, self-sufficient, efficient and having authority at work (Robbins et al., 2002).

Competency models are used to establish qualifications and improve leadership effectiveness in relation of future business challenges (Humphreys and Einstein, 2003).

As noted Rankin (2004), points out 'Increasingly, employers are extending their performance management systems to assess not only objectives but also qualitative aspect of the job.' The alternative approaches are, first, for the assessment to be made by reference to the whole set of core competencies in the framework, or second, the manager and the individual carryout a joint assessment of the latter's performance and agree on the competencies to be assessed, selecting those most relevant to the role. In some cases, the assessment is linked to defined levels of competency. (as cited in Armastrong, 2010).

"Managers should be equipped with updated professional knowledge, technical and problem-solving skill so that they can easily manage the uncertain environmental challenges and convert them into their opportunities to achieve the organizational goals. Any organizational is to identify the skills and competence required for their manager so that they remain competitive" A leadership competency should be based on the present situations and the required competencies of the future managers. This competency model is a descriptive tool that identifies the skills, knowledge, abilities, and behaviors needed to perform effectively in an organization" (Kaithapalli, 2006).



"Employees can increase efficiency, make staffing easier, reduce training costs, and lower compensation requirements" (Campion et al., 2005).

Birasnav (2010) study that highly competent and active employees have more chances to be empowered and subsequently, occupy interim positions and gain authority.

## **2.11 Forms of Empowerment through Job Satisfaction**

Every employee should feel satisfy in their job and banking activities. Management must make favorable environment for employee satisfaction. Job satisfaction encourages to employees to be responsible for their work. The following paragraphs entail the different opinions, and research findings done so far on job satisfaction'- one of the contributing factors for employee empowerment.

Guleryiiz, Guney, Aydlı, & Asan (2008) defines job satisfaction as an affective reaction to a job that results from value in health care organizations lies in the assumption that increasing employee job satisfaction will improve hospital performance and productivity.

Tracy (1990) similarly describes employee empowerment as self- motivation that results from a fuller understanding of responsibilities.

(Staw & Ross, 1985) demonstrated that a person's job satisfaction scores have stability over time, even when he /she changes jobs or companies.

Davis-Blake & Pfeffer, (1989) study found that an accumulating body of evidence indicates that differences in job satisfaction across employees can be traced, in part, to differences in their disposition or temperament (as cited in Saari & Judge, 2004).

Thomas & Velthouse (1990) argued that Job satisfaction results from fulfillment of desired work values. Lack of meaning in the workplace has been linked to apathy and job dissatisfaction.

“Empowered employees have a greater sense of job satisfaction, motivation and organizational loyalty (Mullins and Peacock, 1991), as they feel more involved in the achievement of the organizational goals (as cited in Greasley, et al., 2005).

By increasing employee satisfaction, employees should show greater effectiveness on-the job (Leana, Ahlbrandt, & Murrell 1992; Spreitzer 1995; Herrenkohl, 1999).

Guest (1993) stated that outcomes of empowerment can be measured by pay satisfaction, promotion satisfaction and intentions to leave (Sparrowe, 1994), few studies draw the links between these feelings of empowerment and increased productivity or improvements in service quality.

Erez (1994) argued that despite its contributions to our understanding of the causes of job satisfaction, one of the limitations in this literature is that it is not yet informative as to how exactly dispositions affect job satisfaction (as cited in Saari & Judge, 2004).

Weiss and Cropanzano (1996) suggested that disposition may influence the experience of emotionally significant events at work, which in turn influences job satisfaction. Similarly, Brief (1998) and Mo-towidlo, (1996) have developed theoretical models in an attempt to better understand the relationship between dispositions and job satisfaction (as cited in Saari & Judge, 2004).

Empowerment can, however tap into the enthusiasm and intrinsic sources of job satisfactions of employees. Interviews with employees at Harvester Restaurants (Ashness and Lashley, 1995) reported high levels of satisfaction with the working arrangements (autonomous work groups) and employees stated that when the operation is quiet the team "would jointly agree for one member to go home for the rest of the shift, so that the team's labor costs were kept under control (Lashley, 1996).

"Highly empowered service employees will be more satisfied with their jobs than less empowered employees" (Hoccut & Stone, 1998).

It may be because workers with training get greater opportunity to interact with their supervisors and are also likely to receive greater respect from them" (Arya, 1998).

One of the expected and experienced outcomes of past empowerment interventions has been attitude change, specifically changes in job satisfaction and organizational commitment. This result has been supported by empowerment studies for commitment (Lasch-inger et al., 2001; Sigler and Pearson, 2000).

Hofst (2001) moderated that the effect of empowerment on job and its satisfaction. Moreover, willingness to accept and exercise the discretionary power allowed by management and desire to satisfy customer needs and wants are two employee conditions that are essential for the successful implementation of the empowerment approach (as cited in Littrell, 2007).

Employees gain greater job satisfaction through the use of a wider range of skills and abilities together with an increased sense of worth, whilst employers gain a more committed, better informed and more focused work (Lashley, 2001).

Judge, Thoresen, Bono, and Patton (2001) stated that when the correlations are appropriately corrected (for sampling and measurement errors), the average correlation between job satisfaction and job performance is a higher (as cited in Saari & Judge, 2004).

On job satisfaction, organizational commitment, and empowerment have shown that employee's perceptions are related to expected value or reward from work (Felfe et al., 2008).

This is because empowering employees anywhere, globally, leads to improvements in employee satisfaction at work and enhances relationships with customers, suppliers, other employees, supervisors, and management (Glen and Gordon (2002), Sun (2002), Huyton and Sutton (1996)).

Kirn (2007) and Lim (2007) revealed that permanent employees are more committed than are temporary employees. Furthermore, studies have revealed that employees with high organizational commitment had higher levels of job satisfaction and were more likely to contribute to their organization's competitive advantage than were temporary employees.

"Empowerment leads to job satisfaction as expected, but it is also possible that people who are satisfied with their job have positive 'glow' about other aspects of their

job, while those who are dissatisfied might evaluate all other aspects negatively" (Laschinger, Finegan, Shamian & Wilk, 2004).

They found that "structural empowerment affected job satisfaction in two ways. First, structural empowerment directly predicted job satisfaction, and second, the relationship between structural empowerment and job satisfaction was mediated by psychological empowerment" (Laschinger, Finegan, Shamian & Wilk, 2004).

The low satisfaction levels of the temporary employee could be attributed to low job autonomy, low job security, low wages, and lack of expectation for promotion. These factors negatively affected their job satisfaction (Guest, 2004; Kirn, 2007; Silla, Gracia, & Peiro, 2005).

"The effects of employee attitudes and job satisfaction on organizational measures, such as customer satisfaction and financial measures. Greater insights on the relationship between employee attitudes and business performance will assist HR professionals as they strive to enhance the essential people side of the business in a highly competitive, global arena" ( Saar & Judge, 2004).

"The creation of an empowerment environment in the organization leads to greater motivation, commitment, and job satisfaction on the part of employees, reduce operational costs, and improve customer satisfaction" (Prasad, 2006).

Employee empowerment leads to job satisfaction, employee motivation and loyalty. These have a profound impact in the organization and can thus benefit employees in the bottom line. Empowerment may take the form of any, among the following:

- ) To encourage employees to play a more active role in the organization; and
- ) To involve employees to take responsibilities;

## **2.12 Forms of Empowerment through Sharing of Information**

Every staffs should have familiar with banking information from mechanism and management. Banks must make effective mechanism of information sharing within organization. Easy access of information to employees may proffer

opportunities for obtaining knowledge and technology. The subsequent notes entail the different opinions, and research findings on 'sharing information'- one of the contributing factors for employee empowerment.

"Information sharing helps to kick-start the journey to empowerment, it alone cannot keep things moving. Indeed, the possession of information will stimulate questions of personal concerns. Information sharing is the great equalizer, and full information sharing is vital to building and maintaining the responsibility and trust they are essential in a culture of empowerment" (Randolph, 2000).

"Sharing information is to provide clarity of goals to act as milestones along the route of continuous improvement"(Dwivedi, 2008).

Information acquired through boundary spanning is a powerful resource for influencing organizational decisions (Pettigrew, 1972) and for improving team decisions and effectiveness (Ancona & Caldwell, 1992; Druskat & Wheeler, 2003).

Blanchard et al. (2001) mentioned that sharing information on managerial problems in a roundabout way, while Freire (1973), Peterson and Reid (2003), and Weissberg (1999) specifically mentioned the existence of powerlessness or alienation. Doore (1988) gave an implicit message that empowerment starts with the existence of disturbances by mentoring "heading illness" (as cited in Hur, 2006).

Access to accurate information is necessary for effective decision making in groups and organization (Galbraith, 1977; Gladstein, 1984). Work units with better information should make better decisions, according to the "work smarter" logic frequently discussed in the literature on participation. Such processes should be associated with the information sharing dimension of empowerment climate.

Tusman (1979) reported a two-step communication process in high performing teams, with communication "stars" initially gathering information from outside the group and then interpreting that information and transmitting it to the group (as cited in Howell & Shea, 2006).

Kanter (1989) suggested that in order to be empowering, organizations must "make more information more available to more people at more levels through more

devices" (1989). Kouzes and Posner stated that without information, you can be certain that people will not extend themselves to take responsibility or their creative energies. Lawler (1992) suggested that two specific types of information are critical for empowerment: Information about mission is an important antecedent of empowerment because (1) it helps to create a sense of meaning and purpose (Conger & Kanungo, 1988) and (2) it enhances an individual's ability to make and influence decisions that are appropriately aligned with the organization's goals and mission.

Martin and Vogt (1992) suggested an approach to empowerment through informational and interpersonal license. These attempts provide a model for understanding and using information—the foundation of empowerment.

Kanter (1989) suggests that organizations seeking to create an empowered workforce should "make more information more available to more people at more levels through more devices." The diffusion of information between the various levels of each organization enforces the feeling of employees' autonomy, responsibility, and involvement (as cited in Ro & Chen, 2010).

Managers also act to filter the information reaching work-unit members and shape the interpretations they reach as a group (Kozlowski & Doherty, 1989)" (Seibert, Silver, Randolph, (2004) Management control is achieved through control of information and limited sharing of information (Chen, 1995).

Randolph (1995) & Bowen and Lawler III (1992) viewed that in terms of this perspective, managers tend to empower people by sharing information, providing structure, developing a team-based alternative to hierarchy, offering relevant training opportunities and rewarding them for the risks and initiatives they are expected to take.

"Strategic information necessary to do their jobs well, understood top management's vision of the organization, and understood the goals of the organization" (Spreitzer, 1995).

“The most crucial contribution of sharing information is to building trust. The bureaucratic organizations are bankrupt in terms of trust. Accordingly, a lot of their

energy is wasted in protecting their skins. The sharing of sensitive information itself promotes trust. As soon as information is shared and trust starts building, the management has to move towards the second and third keys to empowerment simultaneously" (Dwivedi, 1997).

When empowered team members experience impact, or knowledge of how their work affects others, they are more likely to have the information necessary to make accurate adjustments in their work (Kirkman & Rosen, 1997).

"People without information cannot be empowered to act with responsibility; once they have information, they are almost compelled to act with responsibility. Sharing information seems to tap a natural desire in people to want to do a good job and to help make things better. With current information technology capabilities, there is no reason why anyone throughout an organization cannot have ready access to any information they need to do a better job" (Randolph, 2000).

Randolph (2000) argued that information sharing can show people the impact of their efforts on business results. Seeing and understanding this impact provides incentive to keep moving forward. People can also use information to adjust their efforts, avoiding problems before they become too severe.

Organizations must attempt to share their knowledge about business, business environment, competitor's strategies, counter strategies, etc., with all the employees, so as to make them understand the issues that warrant management and thus acquire confidence to address them with the necessary wisdom. It is the "Prajnanam" which helps employees understand the choices they need to make about their own level of commitment and the limits of their empowerment. It is only exercising empowerment with the accompanying knowledge that ensures continuity and sustainability of the organizational growth (Murty, 2005).

"A shift to an information economy requiring high skilled knowledge workers, and intensifying global competition etc. Organization will need to respond to these changes by innovating more rapidly, continually improving service, quality, and productivity" (Kaithapalli, 2006).

"The state that the empowerment process starts with information on managerial issues in organizations and ends with team-building" (Hur 2006).

"Installing information technology systems as well as making managers accountable for sharing information through performance reviews. Of course, information sharing is only instrumental in bringing empowerment into its embryonic stage. It can grow and blossom to its full power through creating autonomy and building self-managed teams. Knowledge and information needed in order to feel the ownership of the organization." (Dwivedi, 2008).

### **2.13 Forms of Empowerment through Attitude of Top-Level Management**

The development of empowerment depends on attitude of top-level management. So, the bank management always should be opened and positive towards the improvement of banking staffs. Mostly Policy and plan of bank support to empower employees. Empowerment process can be enhanced in banking sector through positive attitude of top-level management. The subsequent paragraphs entail the different opinions, and research findings done so far on 'attitude of top-level management'- one of the contributing factors for employee empowerment.

Mintzberg (1973) listed 10 key management activities or roles, in three general categories: interpersonal, informational and decisional.

Competence 'of managers depends on others' efforts and behavior as well as upon their own. While managers 'may well be responsible for the performance of their units. It almost impossible to determine the individual contribution of the manager' (Partridge, 1989) (as cited in Harrison, 1997).

Fonda's (1989) study found that developing managers, and especially senior managers, to improve their abilities related to strategic choice, decision-making and implementation has a direct impact on the strategic capability of the organization and so ultimately should enhance the ability of the business to complete in its environment.



McIntyre & Salas (1995) & Weiner, Kanki and Helmerich (1993) stated that teamwork requires that members monitor each other's behavior and action and feel free to provide and accept feedback based on monitoring of behavior (as cited in Singh & Muncherji, 2007).

"Attempts to detect patterns in employment strategies which are said to be empowering need to understand the contextual factors which will impact on managerial perceptions and definitions of the 'problem" (Lashley, 1996).

Zhang and Wu (2004) pointed that results of a study of Chinese employees at a Beijing hotel designed to determine attitudinal and behavioral patterns, and found that the western concepts of corporate culture, including empowerment, met with strong resistance from many Chinese employees who believed foreign ideals and concepts were not to be trusted.

Therefore, the banks should practice on different contributing factors for employee empowerment. Pre-requisites and barriers have also properly managed for better management of empowerment. Relationship of empowerment and performance must be closed that mean good practices of empowerment always help to improve performance of banks.

## **2.14 Performance and Employee Empowerment**

There is proximate relationship between practice of empowerment and performance. Practicing of empowerment activities can certainly lead to obtain better result and service. Performance of employees as well as banks will improve through good practice of empowerment. The subsequent paragraphs entail the different opinions and research findings on 'practice of empowerment and performance'- one of the contributing factors for employee empowerment.

### **2.14.1 Performance Management System**

"A performance management system is a set of interrelated activities and processes that are treated holistically as an integrated and key component of an organization's approach to managing performances through people and developing the skills and capabilities of its human capital, thus enhancing organizational capability

and the achievement of sustained competitive advantage"(Armstrong, 2010). Performance management is a means of getting better results from the organization, teams and individuals within an agreed framework of planned goals, objectives and standards (Brumbach, 1988).

#### **2.14.2 The Dimensions of Managing Organizational Performance**

Sink and Tuttle (1990) state that managing organizational performance includes five dimensions:

- ) Creating visions for the future;
- ) Planning-determining the present organizational state, and developing strategies to improve that state;
- ) Designing, developing and implementing improvement interventions;
- ) Designing, redesigning, developing, and implementing measurement and evaluation systems;
- ) Putting cultural support systems in place to reward and reinforce progress (as cited in Armstrong, 2010).

#### **2.14.3 Measures of Performance**

"The objective of performance management is initially to identify employee performance targets and then, by monitoring the work performance of employees towards these targets on a continuous basis, to manage the performance of employees by the use any appropriate management policies. Within performance management, the aim is to secure employee commitment to corporate objectives and individual targets by utilizing a number of management policies to assist successful achievement of such targets and objectives. Performance management systems must be part of the philosophy, culture and values of the organization and should focus the attention of both employer and employee on one mission-improved individual and organizational performance. The institute of personnel Management (IPM), in their survey Performance management in the UK; An analysis of the issues (1992), identified five key features, which are likely to be central to an effective performance management system: It should communicate a vision of its objectives to all its employees.

- ) It should set out departmental and individual performance target, which are related to the wider objectives.
- ) It should conduct a formal review of progress towards these targets.
- ) It should use the review process to identify training, development and reward outcomes.
- ) It should evaluate the effectiveness of the whole process in order to improve effectiveness.

Jones and Schilling (2000) have suggested eight performance management principles that are useful in measuring the performance of any team. Their recommendations have three distinctive features. First, they focus on the alignment between organizational objectives and team goals. An excellent team can work against overall organizational objectives. It may be an efficient team but it is not an effective team. Next, team members and the customers of the team should also be involved in setting performance measures and in the process of measurement. Finally, they suggest that the objectives of the performance management system are both performance measurement and performance improvement.

- ) A team's strategy needs to be integrated within team performance management.
- ) A team's strategy has to be aligned with the strategy of the organization.
- ) The purpose of a performance management system should not only be to measure performance but also to improve performance.
- ) Teams must discuss their performance in various meetings and make efforts to improve it.
- ) Only a few important dimensions should be measured, although there may be numerous measures of team effectiveness.
- ) All team members must know how their team's performance will be evaluated.
- ) Teams have internal and external customers. The customers of a team should be involved in deciding the accountability of team and how it be assessed.
- ) Finally, individual performance of each team member should also be measured.

Principles of effective performance management (Strebler, Bevan & Robertson, 2001)

- ) Have clear aims and measurable success criteria.
- ) Be designed and implemented with appropriate employee involvement.
- ) Be simple to understand and operate.
- ) Have its effective use core to all management goals.
- ) Allow employees a clear 'line of sight' between their performance goals and those of the organization.
- ) Focus on role clarity and performance improvement.
- ) Be closely allied to a clear and adequately resource training and development infrastructure.
- ) make crystal clear the purpose of any direct link to reward and build in proper equity and transparency safeguards.
- ) Be regularly and openly reviewed against its success criteria (as cited in Armstrong, 2010).

There are four principles as defined by Quinn (2003) governing the use of performance measures or metrics:

- ) Measure the right things-the system must measure activities that directly contribute to an organization's performance.
- ) Clearly communicate what will be measured-measures that are ill defined, and/or not communicated will not be used or understood.
- ) Consistently apply the measures-measures should be applied consistently to all units of the organization; failure to do so will result in loss of support for the system.
- ) Act on the measures-the measurement data must be used in a constructive way. Not using data or mis-applying the data will have the same results: a lack of support for the measurement system (as cited in Armstrong, 2010).

#### **2.14.4 Characteristics of a high-performance culture**

The following characteristics of a high-performance culture were defined by Loyds TSB (2003). He says “People know what is expected of them-they are clear about their goals and accountabilities.”

- ) They have the skills and competencies to achieve their goals.

- ) High performance is recognized and rewarded accordingly.
- ) People feel that their job is worth doing, and that there is a strong fit between the job and their capabilities.
- ) Managers act as supportive leaders and coaches, providing regular feedback, performance reviews and development.
- ) A pool of talent ensures a continuously supply of high performers in key roles.
- ) There is a climate of trust and teamwork, aimed at delivering a distinctive service to the customer (as cited in Armstrong, 2010).

#### **2.14.5 Issues in Performance Management**

Eight issues in performance management have been identified by Kathy Armstrong and Adrian ward (2005) of the work foundation. These are:

- ) Performance management is not a single intervention that can be implemented easily. It relies on wide range of activities, involving several core HR processes, and requires these to be carefully integrated.
- ) Sophisticated 'process' does not always lead to effective performance management.
- ) It is difficult to improve management capability in managing performance.
- ) There is an enduring underlying belief that performance management is a good thing to do. However, there is reluctance in organizations to evaluate the effectiveness of performance management systems and to harness the results of research.
- ) There is often a lack of understanding about the nature of the link between performance and organizational culture, and the implications for performance management. Performance management reflects the organizational culture and context.
- ) When the performance management system is not delivering that is likely to be reflecting a deeper issue such as lack of organizational agreement about clarity of purpose, priorities or standards, or a mismatch between espoused values and actual behaviors.
- ) Aligning the performance management process with the direction of any desired organizational change is essential.

- ) It can support organizational change but may not be the only or main driver of it (as cited in Armstrong, 2010).

#### **2.14.6 'Best practices' in performance management**

- ) Ownership of performance management by line managers. The way line managers handle performance management is a key to system effectiveness; they need to take control.
- ) Training for both managers and individuals being appraised. Both managers and employee need to understand the process, their roles and the skills and behaviors important to the process. The training also contributes to the accuracy of the ratings.
- ) Leadership by top management. Executive need to demonstrate their strong commitment to the performance system and the importance of high performance.
- ) Performance goals that are driven by business strategy. Most companies rely on individual goals with explicit ties to the strategy. The best practice relies on goals jointly set by managers and employees. The linkage helps to justify the ratings.
- ) Ongoing feedback from managers. Employees should receive regular feedback on results and their performance throughout the year.
- ) Use of competencies, development planning and how individuals achieve their results. The feedback should also focus on the individual's strengths and weaknesses and involve development planning to improve future performance.
- ) Ties between financial rewards and performance ratings. To manage the budget for salary increase, managers need to differentiate among their people.
- ) Calibration meetings for managers to compare and level ratings. When managers meet to discuss performance ratings, it strengthens the credibility and validity of ratings and reinforces the perceived importance of the process.
- ) Use of E-HR appraisal systems to integrate performance management. Web-enabled systems facilitate the integration of performance data with performance plans and ratings. E-HR systems also make the process more than a year-end event. Job infrastructure-workplace arrangements that equip workers with the proper abilities to do their jobs, provide them with the means to do their jobs, and give them the motivation to do their jobs. These practices must be combined to produce their proper affects.

- ) Training programs to enhance employee skills-investment in increasing employee skills, knowledge and ability.
- ) Information sharing and worker involvement mechanisms-to understand the available alternative and make correct decisions.
- ) Compensation and promotion opportunities that provide motivation-to encourage skilled employees to engage in effective discretionary decision making in a variety of environmental contingencies. An effective performance management system encourage managers and associates to work together, communicate openly and provide feedback regularly. Until people focus on communication, cooperation and collaboration skills, appraisal forms remain vehicles for failure and appraisals go on evoking fear and suspicion (Armstrong, 2010).

## **CHAPTER THREE**

### **AN OVERVIEW OF EMPLOYEE EMPOWERMENT AND PERFORMANCE IN NEPALESE COMMERCIAL BANKS**

#### **3.1 Introduction**

This chapter deals with evolution, different ownership, and present practices of employee empowerment and major financial performance of Nepalese Commercial Banks.

#### **3.2 Evolution of Commercial Bank of Nepal**

The history of banking in Nepal is believed to have started from the time of Prime Minister Ranodip Singh in 1820. The Tejaratha Adda was established at that time and its basic purpose was to provide facilities to public. It did not accept deposit from the public. But the real banking started with the establishment of Nepal Bank limited in 1937. Which was founded by Judda Shamasher. It was the first commercial bank in Nepal. On latter date, Nepal Rastra Bank was established as the central bank in 1956. Several commercial banks have been established since then (Retrieved from <http://nepalbankingsector.blogspot.com>).

#### **3.3 Scenario of Employee Empowerment in Nepalese Banks**

Banking business has become more competitive day by day. Employees of every commercial bank should be more capable to cope with present challenges. So, banks have to launch effective employee empowerment activities to achieve performance in Nepalese financial markets.

Delegation of authority, accountability, human resource management training, job autonomy, performance based reward system, job satisfaction, information sharing, managerial competence and attitude of top-level management are the major (job characters of banks) for empowering their employees. Moreover, banks should prepare pre-requisites and remove barriers of employee empowerment within their banks. Out of these tools national and international banking observation tour as well



training, delegation of authority, accountability of manager with CEO, human resource management training, and performance based salary incremental, performance based incentive allowances. Degree acquiring studies are general practice for empowerment in Nepalese commercial banks.

Banking is one of the basic instruments of economic growth. It is at the heart of all economic activities. Banking activities are in fact, considered So, vital for economic development of any country. Banking system in Nepal is currently changing its fiber and in undergoing sweeping and phenomenal changes. The three avenues of change viz., liberalization, technological innovation, and globalization, have shifted the focus from the security orientation to market orientation, thereby making manpower the key factor. As liberalization and deregulation exercises are gathering momentum, Government is giving a fresh look to the organizational preparedness of the public sector banks so as to enable them to face the emerging competition on national and global scenario, Public sector banks are being asked to go to the market and raise funds to meet their capital adequacy and also to reduce their dependency on the Government. The Government has also relaxed the restrictions on the entry of new private sector banks resulting in the establishment of a number of new banks in the private sector, which will hopefully pose greater challenges to the public sector banks. Banking by far is the most dominant segment of the financial system and plays a pivotal role in the development of a sound economy (Sangwan, 2009).

Commercial banks in Nepal have traditionally focused on meeting the short-term financial needs of industry, trade and agriculture. Till the mid July, 2010 there were 26 commercial banks in begging of this study, with a network of several branches. (Commercial banks in Nepal are listed in appendix 4).

### **3.4 Government and Semi-Government Sector Commercial Banks**

Public sector banks make up the largest category of banks in the Nepalese banking system. There are three Semi/fully public sector banks in Nepal, namely Agricultural Development Bank, and Nepal Bank Limited are semi government and Rastriya Banijya Bank can be known fully government owned commercial banks.

### **3.5 Private Sector Commercial Banks**

NRB has permitted entry of the private sector into the banking system in Nepal. This resulted in the introduction of twenty-three private sector banks. Among them six are joint venture banks operating at present. In addition, there are 17 private sector banks run by Nepalese investors (by the end of fiscal year 2010).

### **3.6 Categories of Commercial Bank in Nepal**

The major classification of commercial banks in Nepal is two-fold: Semi/fully government Commercial Bank and ii) Private Commercial Bank. Private commercial banks can further be divided into two types: Joint venture and Nepalese Shareholding commercial banks. Among them, following banks are selected as samples for the present study. As mentioned in 4.7.

### **3.7 Selected Commercial Banks as Samples**

1. Agricultural Development Bank Limited
2. Rastriya Banijya Bank Limited
3. Nepal Bank Limited
4. Nepal Investment Bank Limited
5. Nepal SBI Bank Limited
6. Bank of Kathmandu Limited
7. NIC Bank Limited
8. NABIL Bank Limited

#### **3.7.1.1 Agricultural Development Bank Limited**

Agricultural Development Bank Limited (ADBL/N) is known as Semi-government bank, which was established in 1968 under the Agricultural Development Bank Act 1967 with the major objective of improving the socio-economic status of rural populace. ADBL/N Act 1967 was repealed with the enactment of Bank and Financial Institution Act (BAFIA) and ADBL/N has established itself as a public limited bank with an A-class operational license from Nepal Rastra Bank in accordance with the provision of BAFIA. ([www.adbl.gov.np](http://www.adbl.gov.np))

### 3.7.1.2 Practice and Policies for Employee Empowerment

This bank has human resource policies and separate Human Resource Management Department, which is operating different empowerment activities.

### 3.7.1.3 Study leave

Under the process of employee empowerment, ADBL/N has provision that, employees who have passed three years as a permanent employee is entitled to get payable leave for five years for higher education in those subjects, which would be beneficial to the bank (Trans. Employee regulation of ADBL/N, 2006).

### 3.7.1.4 Training Policies

The ADBL/N has well equipped training center in central office and five regional training centers. Mostly employees are trained from these training centers. Moreover foreign banking training and observation tour are also launching every years. Sufficient budget is allocated to in-house and foreign training.

Currently, Central Training Institute (CTI) of ADBL/N has broadened its horizon to make the training institute a focal point for managing change in the bank. Initially, the need of training institute was materialized in the year 1975 when a farmer-centered program entitled "Small Farmers Development Program" (SFDP) was initiated. There are five Regional Training Centers, which are located in different regions and it has the different coverage area. (Trans. annual training report of ADBL/N, 2010).

**Table 3.1**  
**Name of Regional Training Center**

S.N.	Name	Establish	Location	District	Cov. Dist
1	Eastern RTC	1984	Letang	Morang	15
2	Central RTC	1984	Birendranager	Chitwan	20
3	Western RTC	1984	Mangalapur	Rupandehi	16
4	Mid-Western RTC	1985	Pipari	Banke	15
5	Far-Western RTC	1989	Dhangadhi	Kailali	9

### 3.7.1.5 Other Activities for Empowerment

Some power is provided to their regional and branch managers in program side and regional manager has power to select and reward cash to better performance employees. Performance based incentive allowance is implementing. Authority is delegated on business side to branch manager and other employees from top-level management. Regional director is responsible to Chief executive officer and branch manager is responsible to CEO and regional director. Branch wise Performance based allowance is implementing now. Information sharing system and pre-requisites of empowerment is better. (Trans. Employee regulation of ADBL/N, 2006).

**Table 3.2**

**Academic qualification and designation wise distribution of employees Position wise qualification**

S.N.	Post	Ph.D	Mphil	Master	Bachelor	Inter	S.L.C	Under S.L.C	Total
1.	Chief Officer								1
2.	DGM								4
3.	Division chief	1	0	24	10				35
4.	Section chief	1	2	98	105	2			208
5.	Officer	1		157	308	368	66		900
6.	Office assistant			64	219	336	385		1004
7.	Clerk			6	42	283	142		
8.	Driver						3	37	473
9.	Guard /helper						6	299	305
10.	Total	3	2	349	684	989	602	336	2965

According to (Trans. Employee regulation of ADB/N, 2006), The employees having different disciplinary educational background are working in the banks in different posts/designation designed/structured in the banking process. Employees are seen qualified and empowered in term of qualifications in banks.

### **3.7.2.1 Rastriya Banijya Bank Limited**

Rastriya Banijya Bank (RBB) is fully government owned, and the largest commercial bank in Nepal. RBB was established on January 23, 1966 under the RBB Act. Now, the bank is running under bank and financial institute act 2006 (www.rbb.com.np).

### **3.7.2.2 Practice and Policies for Employee Empowerment**

This bank has human resource policies and separate Human Resource Management Department that has to operate different empowerment activities.

### **3.7.2.3 Study Leave**

The RBB has provision that under the process of empowerment of the employees; if employees have passed five years permanent job, could get salary payable three years leave for higher education, but those employees are officer level and want to do PhD could get non-payable leave for that period (Employee regulation of RRB, 2006).

### **3.7.2.4 Performance Based Allowance Incentive**

According to the board meeting's decision held on Jan 20, 2010 to improve the conditions of banks operating profits, profit of per employee, position of loan, position of performing loan and provision of grand loan should evaluate in the three months and the basis of this evaluation every employees individual performance based allowance income should be under these criteria. Bank provides 0 to 35--incentive allowance to their employees as per work performance.

### **3.7.2.5 Training Policies**

This bank has well equipped training center in central office. Mostly employees are trained from these training centers. Moreover foreign banking training and observation tour also are launching every years. Sufficient budget is allocated to in-house and foreign training for empowerment of staffs.

**Table 3.3****Academic qualification and designation wise distribution of employees Position wise qualification**

S.N.	Leve 1	Post	Master	Bachelor	Inter	S.L.C	Under S.L.C	Total	Grand Total
1		11	D.G.M.	1	2				3
2		10	Chief Officer	8	4				12
3		9	Joint Chief Officer	21	9				30
4		8	Deputy Chief Officer	32	52	1			85
5		7	Account Officer	63	93	13			169
6		6	Joint Account Officer	62	152	110	39		363
7		5	Assistant Fifth	10	63	295	564	27	959
8		4	Assistant Fourth	11	78	110	280	106	585
9		3	Assistant Third			11	11	1	23
10		4	Peon Fourth				1	245	246
11		3	Peon Third				1	108	112
12		2	Peon Second				3	24	27
13		1	Peon First					4	4
			TOTAL	208	453	540	902	515	2618

According to (Trans. employee regulation of RBB, 2006), The employees have Different educational background are working in different posts/designation in the bank. Most of employees are seen qualified and empowered in term of qualifications.

**3.7.2.6 Other Activities for Empowerment**

Some power is provided to their regional and branch managers in program side and regional manager has power to select and reward cash to employees who have better performance. Performance based incentive allowance of implementing.

Authority is delegated on business side to branch manager and other employees from top-level management. Regional director is responsible to Chief executive officer and branch manager is responsible to CEO and regional director. Information sharing and pre-requisites is better in this bank. (trans. annual budget and program book of 2011).

### **3.7.3.1 Nepal Bank Limited (Semi-government )**

His Majesty King Tribhuvan inaugurated Nepal Bank Limited on December 15, 1937. This marked the beginning of an era of formal banking in Nepal. Until then all monetary transactions were carried out by private dealers and trading center. The then Prime Minister Maharaja Juddha Shumsher J.B.R. speaking on the occasion with the kind permission of His Majesty the King stated this work (www.nepalbank.com.np).

### **3.7.3.2 Practice and Policies for Employee Empowerment**

This bank has human resource policies and separate Human resource Management Department that has to operate different empowerment activities. The bank has a well-equipped training institute as a separate department. Employee for in-house and foreign training is selected by human resource department on the recommendation of branch manager for employee empowerment (Trans. employee regulation of NBL, 2005).

### **3.7.3.3 Study leave**

The bank has the provision of leave for higher education if subject is useful for the development of bank to those who have three years permanent job tenure; they receive three years payable leave for receiving higher academic degree (Trans. employee regulation of NBL, 2006).

**Table 3.4**  
**Academic qualification and designation wise distribution of employees Position**  
**wise qualification**

S.N	Level	Post	Masters	Bachelors	Intermediate	SLC	Under SLC	Total
	11		4	1				5
1	10	Chief Manager	3	1				4
2	9	Senior Manager	12	10				22
3	8	Manager	31	22				53
4	7	Deputy Manager	40	79	7			126
5	6	Assistant Manager	126	200	77	3		406
6	5	Senior Assistant	28	183	517	523		1251
7	4	Assistant	20	69	14	39	44	186
8	3	Junior Assistant		1	1	5	2	9
9		Driver					6	6
10		Driver Second					6	6
11		Driver Third					1	1
12		Peon(First)			2	25	205	232
13		Peon and same level(second)				7	86	93
14		Peon and same level (third)				2	11	13
		<b>Total</b>	264	566	618	604	361	2413
		<b>Percentage</b>	10.94%	23.46%	25.61%	25.03%	14.96%	

According to (trans. employee regulation of NBL, 2006), Employees having academic qualification are working in bank. Mostly employees are seen qualified and empowered in term of qualifications.

### **3.7.3.4 Other Activities for Empowerment**

Some power is providing to branch managers in program side, branch manager has power to recommend for reward, and performance based incentive allowance, which is under implementation now. Authority is delegated on business side to branch manager and other employees from top to bottom management. Branch manager is



responsible with chief executive officer. Branch manager would exchange information sharing for empowerment (Trans. employee regulation of NBL, 2005).

#### **3.7.4.1 Nepal Investment Bank Limited**

Nepal Investment Bank Ltd. (NIBL), previously Nepal Indosuez Bank Ltd, was established in 1986 as a joint venture between Nepalese and French partners. The French partner (holding 50% of the capital of NIBL) was Credit Agricole Indosuez, a subsidiary of one the largest banking groups in the world. With the decision of Credit Agricole Indosuez to divest, a group of companies comprising of bankers, professionals, industrialists and businessmen, had acquired on April 2002 the 50% shareholding of Credit Agricole Indosuez in Nepal Indosuez Bank Ltd. The name of the bank has been changed to Nepal Investment Bank Ltd. upon approval of bank's Annual General Meeting ([www.nibl.com.np](http://www.nibl.com.np)).

#### **3.7.4.2 Practice and Policies for Employee Empowerment**

This bank has human resource policies and separate Human Resource Management Department that is operating different empowerment activities.

#### **3.7.4.3 Study leave**

The Board of NIBL may approve study leave for a maximum period of two years with pay staff completing five years of service for higher academic degree. If such a leave is approved, the concerned staff shall be required to sign a bond agreeing to work in the Bank for certain amount of years (as stipulated in the bond) depending upon the duration of the leave. (Nepal Investment Bank Limited, Human Resource Policies, 2006).

#### **3.7.4.4 Reward System and present implementation System**

The objective of the banks compensation & benefits is to attract, retain, and motivate employees. To accomplish these goals, the Bank uses a mixture of two main components of compensation: Basic salary and incentive allowance. The range for basic salary is set for each position level and annual increment on basic salary will be minimal unless the staff is promoted to the next level. The incentive allowance is the

variable component of staff compensation and is dependent on empowerment and the performance rating of the staff. The bank must also reward staff for the development of skills & qualifications that causes proficiency in a job. The bank will take into various factors while determining the basis for salary increment. These include comparison with market rates, inflation, return on equity and return on assets of the bank.

Cash reward is given to motivate and reward staff who put extra effort towards the growth of the bank. The guideline to follow while selecting employees to receive reward cash reward is as under:

- ) Annual performance appraisals are done all staff for knowing empowerment.
- ) Head of Dept/Branch Manager as appraiser or check reviewer rank each staff in the Depart/ Branch.
- ) Ranking should be solely be based on the performance of the staff for the year under review.
- ) The appraiser or the check reviewer of the HOD/BM shall rank the HOD/BM.
- ) The Staff Development Committee shall collate all the rankings of the Departments/Branches and make a shortlist of the top two from each Department. The process of shortlist shall not create a branch wise shortlist, but of the bank as a whole.

Cash reward of one to three month's basic salary may be awarded to staff members and senior management. Staffs that are eligible for promotion may not be eligible for cash rewards, unless the staff eligible for promotion has also received an outstanding in his/her annual performance rating. Cash awards to staff shall, on the recommendation of the HRDC, be tabled to the board of Directors for their approval (Nepal Investment Bank Limited, Human Resource Policies, 2006).

#### **3.7.4.5 Human Resource Development Training and its Policies, Progress Reports**

Training needs of all staff is stipulated in the Annual Performance of staff by the staff's supervisor. Based on these stipulations the Human Resource Department shall compile the training needs of staff. Each staff will be responsible to ensure that his/her training requirements are fulfilled. However, recommendations for any course

will be strictly need based for employee empowerment. Once staff is nominated for course, it is mandatory for staff to attend and it carries due weightage in performance and career growth (Nepal Investment Bank Limited, Human Resource Policies, 2006).

**Table 3.5**  
**Total Trained Employee**

Description	Total	Trained	Untrained
Employee	725	366	359

Table 3.5 shows the trained employees. Those staff attending any courses more than NPR 50,000 shall sign a bond agreeing to work for the bank for at least one year after the completion of the training. If the training cost exceeds NPR 50,000 to NPR 100,000, the staff shall sign a bond agreeing to work for the bank for at least two years after training completion. If the cost exceeds NPR 100,000 the nominated staff shall sign a bond agreeing to work for the bank for at least three years after the training completion. Feedback on the effectiveness of training will be taken to ensure that it is cost effective, to identify need to modify course content or delivery, and to ensure that the objectives of the training are being met. We believe that NIBL, which is managed by a team of experienced bankers and professionals having proven track record, can offer you what you're looking for. We are sure that your choice of bank will be guided among other things by its reliability and professionalism (Nepal Investment Bank Limited, Human Resource Policies, 2006).

#### **3.7.4.6 Other Activities of Employee Empowerment**

This bank has already determined authority of each level of employee and Power of top level is to decentralize to employee. Career is tied-up with individual performance and responsibilities and authorities is given to their employees. Managerial competency is seen in this bank. Every manager is responsible with CEO in program side of bank and branch managers have job autonomy in business side. Attitude of top-level management is positive towards empowerment. This type of activities will help to some extent in empowering its employees (Nepal Investment Bank Limited, Human Resource Policies, 2006).

**Table 3.6****Academic qualification and designation wise distribution of employees Position wise qualification**

Designation	Number	Qualification
Chief executive director	1	Chartered accountant
General manager	1	Masters in Business Administration
Deputy General manager	1	Bachelor of Commerce
Asst. general manager	3	Executive in Masters in Business Administration
Senior manager	3	Chartered Accountant /MBA
Manager	5	MBA
Deputy manager	9	MBA
Assistant manager	17	MBA
Senior manager	23	MBA
Officer	34	MBA
Junior officer	63	MBA
Management trainee	14	MBA
Supervisor	55	Bachelor of Commerce/MBS
Senior Assistant	83	Bachelor of Commerce/MBS
Assistant	148	Bachelor of Commerce/business administration/ business studies
Junior assistant	67	Intermediate/Bachelor commerce/Administration/studies
Trainee	52	Bachelor commerce/Administration/studies
Part Time	140	Intermediate/Bachelor commerce/Administration/studies
On Call Teller	4	Intermediate/Bachelor in commerce/Administration/studies
Non- Banking Staff	153	NA
Total	876	

According to (human resource policies of NIB, 2006), Different posts are creating as per the qualification and experience set by the institution. Mostly employees are seen qualified and empowered in term of qualifications in banks.

### 3.7.5.1 Nepal State bank of India

Nepal SBI Bank Ltd. is the first Indo-Nepal joint venture in the financial sector sponsored by three institutional promoters, namely State Bank of India, Employees Provident Fund and Agricultural Development Bank of Nepal through a Memorandum of Understanding signed on July 17, 1992. NSBL was incorporated as a public limited company at the office of the Company Registrar on April 28, 1993 under Regd. No 17-1992/93 with an Authorized Capital of Rs.12 Crores and was licensed by Nepal Rastra Bank on July 6, 1993 (www.nepalsbi.com.np).

### 3.7.5.2 Practice and Policies for Employee Empowerment

This bank has separate human resource policies and separate Human Resource Management Department, which is operating different empowerment activities.

### 3.7.5.3 Extra-ordinary Leave for Study without Pay

Leave for study may be granted by the Managing Director on merit to permanent employees who have completed 3 years of service for a period not exceeding 2 years for higher academic degree. However, this period may be further extended by the Managing Director on merit with the approval of the board (staff service bye laws of NSB, 2006).

**Table 3.7**

**Academic qualification and designation wise distribution of employees Position wise qualification**

Level	Masters	Non-Master	Bachelor	Non-Bachelor	Total
AGM	1				1
Sr. Manager	4				4
Manager	8	1			9
Dy. Manager	3	2			5
Asst. Manager	4	1			5
Sr. Office	22	10			32
Officers	91	40			131
Assistants	30		147		177
Jr. Assistants	163	54	147	99	463

According to (staff service byelaws of NSBI, 2006) Different post are created for the employees who have different academic qualification. Mostly employees are seen qualified and empowered in term of qualifications in banks.

#### **3.7.5.4 Variable Allowance**

Bank is providing performance based incremental allowance based on performance evaluation of every employee. This evaluation system will encourage to empower to their employees (Annual report of NSBI, 2010).

#### **3.7.5.5 Human Resource**

It is always aspiring to create 'a great place to work 'as a part of their strategic objectives with people oriented management and focus on development of the people. The enthusiasm, talent and commitments of their people are the sources of competitive strength of the bank, which helps the bank in seizing every opportunity present in today's competitive market.

The team of employee shares common values and culture that help it propel its growth. Business policy and values demand high standards of ethical conduct in every activity we perform. It does not condone unfair treatment of any kind in the employee relations and compensation practices, nor do as if tolerate unethical behavior in any form (Annual report of NSBI, 2010).

#### **3.7.5.6 Human Resource Development**

The bank is committed at all the times to ensure that its people develop to their utmost potential and to equip them to face challenges and acquire opportunities present in the market effectively. Hence, to meet the training requirements of the staff, they have devised quarterly training calendar with an objective to give every individual ample opportunities to improve employees skills and professional competencies.

**Table 3.8**  
**Training and Development Programs (both External & In-House)**

Category	No. of Employees
Managerial Level	12
Officer Level	95
Assistant Level	142
Trainee Officer	10
Trainee Asst.	25
Junior Asst.	2
Sub Staff	0
Total	286

Table 3.8 shows the trained employees in total.

**Table 3.9**  
**Types of program (external and in-house)**

Functional Area	Target Group	No. of Programs	No. of Participants
General Banking	Officer/Assistants	4	41
Credit Management	Credit Officers	6	34
Marketing and communication	Branch Managers and all other staff	3	12
System and IT	System Team	6	82
Operations	Officers/Assistants	6	25
Customer Service and Relationship Management	Assistants	3	20
KYC and AML	Officers/Assistants	2	28
Accounting and administration	Officers/Assistants	5	40
Leadership and Management Development	Managers	2	4
Total		37	286

(Source: Annual report of NSBI, 2010)

### **3.7.5.7 Other Activities of Employee Empowerment**

Bank already determined authority of each level of employee and Power of top-level is to decentralize to employee. Career is tied-up with individual performance and responsibilities and authorities are given to their employees. Managerial competency is seen in this bank and branch managers have job autonomy in business side. Every manager is responsible to CEO in program side of bank. This type of activities will help to some extent in empowerment of employees (Staff service bye laws of NSBI, 2006).

#### **3.7.6.1 Bank of Kathmandu Limited (BOK)**

The BOK started its operation in March 1995 with the objective to stimulate the Nepalese economy and take it to newer heights. BOK also aims to facilitate the nation's economy and to become more competitive globally. To achieve these, BOK has been focusing on its set objectives right from the beginning. To highlight its few objectives: Bank of Kathmandu Limited (BOK) has today become a landmark in the Nepalese banking sector by being among the few commercial banks which is entirely managed by Nepalese professionals and owned by the general public ([www.bok.com.np](http://www.bok.com.np)).

#### **3.7.6.2 Practice and Policies for Employee Empowerment**

This bank has human resource policies and separate Human Resource Management Department, which is operating different empowerment activities.

#### **3.7.6.3 Study Leave and Manpower Planning**

The bank has provision of study leave for employee empowerment. Bank can provide study leave for two years as without salary for higher academic degree. Bank prepares manpower planning in every year in term of manpower management that also helps to empower their employees (trans. employee regulation of BOK, 2006).

#### **3.7.6.4 Other activities of Employee Empowerment**

Promotion is provided based on performance of employee. Training will be recognized of every employee and foreign and in-house training is provided based on



recommendation of supervisor. Annual salary is increased through performance evaluation of every employee of bank. Authority is delegated to their employees from top-level management. Every manager is responsible with bank CEO. Managerial competency is better in top-level manager (trans. employee regulation of Bok, 2006).

**Table 3.10**  
**Academic qualification and designation wise distribution of employees**

Level of employee	Ph.D	MPhil	Masters	Bachelor	Inter	SLC	Below SLC	Total
CEO			1					1
DGM			1					1
E. Manager			1	2				3
Manager			11	5				16
Asst .manager			7	8				15
Senior Officer			20	12	2			34
Junior Officer			32	16	2			50
Senior Assistant			14	36	17	1		68
Assistant			14	167	65	1		247
Diver						7	7	14
Massinger						16	4	20
Cleaning Personnel						2	1	3
<b>Total</b>								<b>472</b>

According to (employee regulation of BOK, 2006), Employees having different educational qualification are working in different posts in the bank. Most employees are seen qualified and empowered in term of qualifications in banks.

### **3.7.7.1 NIC Bank Limited**

Nepal Industrial & Commercial Bank Limited (NIC) commenced its operation on 21 July 1998 from Biratnagar. The Bank was promoted by some of the prominent business houses of the country. The current shareholding pattern of the bank

constitutes of promoters holding 51% of the shares while 49% is held by the general public ([www.nicbank.com.np](http://www.nicbank.com.np)).

### **3.7.7.2 Practice and policies for employee empowerment**

This bank has human resource policies that can be helped to empower their employees. Under this policy certain provision for empowerment is kept, which is mentioned below.

### **3.7.7.3 Special leave for Study without Pay**

Leave without pay may be granted by the bank employees who have completed five years of service for a period not exceeding two years for higher academic degree. However, this period may be further extended by the Managing Director on merit with the approval of the board (staff regulation of NIC, 2006).

### **3.7.7.4 Delegations of Authority**

The board of bank delegates authority to top-level management and top-level management has delegated authority as per need to different level of employees. That also helps to empower their employee to some extent (Staff regulation of NIC, 2006).

### **3.7.7.5 Training**

It has a well-equipped training center as separate division. Employee for training is selected by human resource management division on the basis of recommendation of branch manager. Bank provides the in-house and external training to their employee as needs that certainly help to empower employees (staff regulation of NIC, 2006).

**Table 3.11****Academic qualification and designation wise distribution of employees Position wise qualification**

Particulars	Total No. of Staff	Qualification
Managerial Staff	70	Masters
Support Level Staff	235	Bachelors
Auxiliary Staff	22	SLC
Total number of staffs	327	
Particulars	Number	Ratio
Male	216	0.66
Female	111	0.34
Total	327	
Particulars	Male	Female
Managerial Staff	49	21
Support Level Staff	149	86
Auxiliary Staff	18	4
Total No. Of Staff	216	111
		Total Staff trained
Training		
External	36	76
Internal	25	416

According to (Trans. employee regulation of NIC, 2006), Employees having different educational backgrounds are working in different positions in bank. Most employees are seen qualified and empowered in term of qualifications in banks.

**3.7.7.6 Other activities for empowerment.**

Some power is providing to branch managers in program side and branch manager has power to recommend for reward and annual salary increment for empowered employee of banks. Authority is delegated on business side to branch manager and other employees from top-level management. Branch managers have a certain job autonomy in business side. Top-level manager have a better managerial

competency and branch manager is responsible to chief executive officer (trans. employee regulation of NIC, 2006).

### **3.7.8.1 NABIL bank limited**

NABIL Bank Limited, the first foreign joint venture bank in Nepal, started operations in July 1984. NABIL was incorporated with the objective of extending international standard modern banking services to various sectors of the society. Pursuing its objective, NABIL provides a full range of commercial banking services through its 47 points of representation across the republic and over 170 reputed correspondent banks across the globe ([www.nabibank.com.np](http://www.nabibank.com.np)).

### **3.7.8.2 Practice and Policies for Employee Empowerment**

This bank has an employee service regulations. Under this regulation, promotion and annual salary is increased on the basis of individual performance evaluation and empowerment of employee. Bank is a lunching in-house and foreign training to their employees for empowerment activities of employee. This type of training is helping to empower their employees in term of improving personal ability and performance of bank. Bank has already determined to revise power dynamo of the institution thereby moving from top to bottom approach to shared role of employees in banking both bottom up approach. Career is tied up with individual performance and responsibilities and authorities are given to their employees. Reward is provided to those employees who show extra-ordinary performance in merit increase program. Top-level managers have better managerial competency and branch managers have a certain job autonomy in business side. This type of activities will help to some extent in empowerment of employees (Trans. employee regulation of NABIL, 2006).

**Table 3.12**  
**Academic qualification and designation wise distribution of employees Position wise qualification**

S.N	Position	Master	Bachelor	Intermediate	SLC	Under SLC	Total
	CEO	1					1
1	General Manager	1					1
1.1	Deputy General Manager	1					1
2	Asst. General Manager	5	1				6
3	Manager (M4)	1	3				4
4	Manager (M3)	6	3				9
5	Manager (M2)	5	5				10
6	Manager (M1)	10	9				19
7	Officer (O2)	25	19	1			45
8	Officer (O1)	68	58	3			129
9	Assistant (A3)	2	9	13	1		25
10	Assistant (A2)	12	25	19			56
11	Assistant (A1)	36	133	61			230
12	Senior Technician		1	1			2
13	Junior Technician						0
14	Senior Guard				2	7	9
15	Guard						0
16	Junior Guard					3	3
17	Senior Driver			1		9	10
18	Driver					7	7
19	Junior Driver					14	14
20	Senior Messenger			1	1	9	11
21	Messenger			2	2	15	19
22	Junior Messenger		1	2	2	40	45
	<b>Total:</b>	<b>173</b>	<b>267</b>	<b>104</b>	<b>8</b>	<b>104</b>	<b>656</b>

According to (trans. employee regulation of NABIL, 2006), Employees having different educational backgrounds are working in different positions in bank. Most employees are seen qualified and empowered in term of qualifications in bank in relation to their posts/designation.

### 3.8 Performance of the Commercial Banks

Commercial banks of Nepal provide service to society. Performance of bank is evaluated by different factors, mainly standardization of service to customer is major performance. Especially the eight financial ratios used to measure the performance of the banks under study are-Capital Adequacy Ratio, Net NPA to Net Advance Ratio, Return on Assets, Profitability Ratio, Business per Employee, Business per Branch, Operating profit per Employee and Operating profit per Branch. For analyzing the performance of the banks on the basis of ratio analysis, three-fold comparison was deemed desirable-comparison with its own performance over the years, comparison with the performance of the other banks over the years, and comparison with the average figure of that ratio for the banking industry as a whole over the years (Sangwan, 2009).

**Table 3.13**  
**Number of Employees of Sample Bank**

Name of bank	2006	2007	2008	2009	2010
ADBL/N	3595	3554	3442	3559	3528
RBB	3301	3140	2935	2697	2651
NBL	3398	3359	3374	2930	2926
NIB	390	514	622	766	877
NABIL	441	427	416	505	557
NIC	166	189	232	270	327
BOK	177	179	390	489	472
SBI	174	189	249	323	465

(Source: Bank supervision report of Nepal Rastra Bank, 2010)

**Table 3.14**  
**Number of Branches of Sample Bank**

Name of bank	2006	2007	2008	2009	2010
ADB/N	300	242	240	241	241
RBB	112	112	114	123	126
NBL	96	96	99	100	110
NIB	13	13	19	31	41
NABIL	18	18	26	32	36
NIC	9	9	16	21	26
BOK	11	11	22	31	37
SBI	16	16	17	33	42

(Source: Bank supervision report of Nepal Rastra Bank, 2010)

**Table 3.15**  
**Major Financial performance indicators of ADBL/N for five years**

(Rs 000)

S.N.	Financial indicator	2006	2007	2008	2009	2010	
1	Capital adequacy ratio	-2.07	4.84	11.41	15.69	18.30	
2	Net NPA to net advance ratio	20.59	17.96	11.69	9.71	8.36	
3	Return on assets	1.00	2.77	1.53	2.04	3.50	
4	Profitability ratio	2.88	3.88	2.18	3.24	5.59	
5	Business per employee	Deposit	8243	9121	9458	9036	9204
		Credit	7347	8562	10269	10536	10889
6	Business per branch	88041	125743	147277	155598	159407	
7	Operating profit per employee	174	384	-599	-394	-346	
8	Operating profit per branch (average)	2080	5631	-8587	-5824	-5063	

(Source: Bank supervision report of Nepal Rastra Bank, 2010)

**Table 3.16****Major Financial performance indicators of RBB for five years**

(Rs. 000)

S.N.	Financial indicator	2006	2007	2008	2009	2010	
1	Capital adequacy ratio	-55.54	-43.53	-37.19	-38.37	-24.08	
2	Net NPA to net advance ratio	37.09	26.63	24.43	15.64	9.78	
3	Return on assets	3.37	3.14	2.99	2.84	2.39	
4	Profitability ratio	11.75	10.08	8.97	9.35	8.62	
5	Business per employee	Deposit	13994	16071	21922	25273	25886
		Credit	7933	9547	12145	15426	16312
6	Business per branch (average)	233829	267669	312687	338244	343203	
7	Operating profit per employee	63	106	207	340	495	
8	Operating profit per branch (average)	1868	2985	5352	7466	10420	

(Source: Bank supervision report of Nepal Rastra Bank, 2010)

**Table 3.17****Major Financial performance indicators of NBL for five years**

(Rs 000)

S.N.	Financial indicator	2006	2007	2008	2009	2010	
1	Capital adequacy ratio	-43.09	-38.83	-13.46	-13.94	-11.74	
2	Net NPA to net advance ratio	18.18	13.49	12.38	4.94	4.94	
3	Return on assets	3.36	0.58	0.57	1.88	1.0	
4	Profitability ratio	12.37	2.05	1.80	5.07	1.82	
5	Business per employee	Deposit	10544	11615	12398	15425	14398
		Credit	7135	8077	8839	10584	10035
6	Business per branch (average)	374155	408946	424782	475591	391579	
7	Operating profit per employee	-115	10	-10	50	-181	
8	Operating profit per branch (average)	4053	356	-367	1455	-4835	

(Source: Bank supervision report of Nepal Rastra Bank, 2010)



**Table 3.18****Major Financial performance indicators of NIB for five years**

(Rs 000)

S.N.	Financial indicator		2006	2007	2008	2009	2010
1	Capital adequacy ratio		11.97	12.17	11.28	11.24	10.50
2	Net NPA to net advance ratio		2.07	2.37	1.12	0.58	0.62
3	Return on assets		1.61	1.79	1.77	1.68	2.19
4	Profitability ratio		2.74	2.90	2.58	2.79	3.13
5	Business per employee	Deposit	48532	47644	55389	60964	57121
		Credit	47125	46288	54454	56973	55820
6	Business per branch (average)		1413777	1830162	1782667	1407775	1193996
7	Operating profit per employee		1396	1451	1629	1711	2199
8	Operating profit per branch (average)		41870	55967	53333	42286	47035

(Source: Bank supervision report of Nepal Rastra Bank, 2010)

**Table 3.19****Major Financial performance indicators of NABIL for five years**

(Rs 000)

S.N.	Financial indicator		2006	2007	2008	2009	2010
1	Capital adequacy ratio		12.31	12.04	11.10	10.70	10.50
2	Net NPA to net advance ratio		1.38	1.12	0.74	.080	1.47
3	Return on assets		6.23	2.72	2.32	2.55	2.37
4	Profitability ratio		45.82	44.16	43.04	45.48	40.61
5	Business per employee	Deposit	43872	54666	76719	73957	83197
		Credit	43313	57356	75252	76072	82352
6	Business per branch (average)		1061171	1360616	1204031	1200509	1274161
7	Operating profit per employee		2162	2430	2699	2974	3064
8	Operating profit per branch (average)		52959	57645	43181	49069	47401

(Source: Bank supervision report of Nepal Rastra Bank, 2010)

**Table 3.20**  
**Major Financial performance indicators of NIC for five years**

(Rs 000)

S.N.	Financial indicator	2006	2007	2008	2009	2010	
1	Capital adequacy ratio	-3.46	-9.14	11.09	11.07	13.94	
2	Net NPA to net advance ratio	2.60	1.11	0.86	0.23	0.72	
3	Return on assets	1.08	1.36	1.81	1.88	2.30	
4	Profitability ratio	1.45	1.77	2.16	2.32	3.53	
5	Business per employee	Deposit	52807	53271	56400	57703	48835
		Credit	19445	55772	58518	61871	54064
6	Business per branch (average)	1015100	1171209	848510	795496	679954	
7	Operating profit per employee	910	1342	1585	1800	2103	
8	Operating profit per branch (average)	16786	28177	22978	23147	26449	

(Source: Bank supervision report of Nepal Rastra Bank, 2010)

**Table 3.21****Major Financial performance indicators of SBI for five years**

(Rs 000)

S.N.	Financial indicator	2006	2007	2008	2009	2010	
1	Capital adequacy ratio	13.57	13.29	12.32	11.92	12.25	
2	Net NPA to net advance ratio	6.13	4.56	3.83	2.02	1.48	
3	Return on assets	0.90	1.83	1.44	1.02	1.03	
4	Profitability ratio	1.53	2.69	2.05	2.16	2.24	
5	Business per employee	Deposit	63230	60557	55082	86555	74977
		Credit	64583	64126	61054	78693	72658
6	Business per branch (average)	702344	757494	894270	861149	804432	
7	Operating profit per employee	968	1591	1419	1370	1226	
8	Operating profit per branch (average)	10531	18799	20784	13405	13578	

(Source: Bank supervision report of Nepal Rastra Bank, 2010)

**Table 3.22**  
**Major Financial performance indicators of BOK for five years**

(Rs 000)

S.N.	Financial indicator	2006	2007	2008	2009	2010	
1	Capital adequacy ratio	14.52	12.62	11.94	11.68	10.85	
2	Net NPA to net advance ratio	2.72	2.51	1.86	1.27	1.51	
3	Return on assets	1.65	1.80	2.04	2.25	2.18	
4	Profitability ratio	2.79	2.79	2.90	3.15	3.06	
5	Business per employee	Deposit	59239	69212	40599	36982	43042
		Credit	183592	69227	40171	35646	42233
6	Business per branch (average)	966709	1126524	712123	563387	538760	
7	Operating profit per employee	1817	2162	1444	1433	1611	
8	Operating profit per branch (average)	29233	35183	25611	22610	20549	

(Source: Bank supervision report of Nepal Rastra Bank, 2010)

From above secondary data of different commercial banks, we can also analyze the employee empowerment position through financial performance. Private commercial banks of Nepal have better financial performance rather than government commercial banks. Capital adequacy ratio, return on assets, profitability ratio, business per employee and branch, operating profit per employees and branch of private commercial bank is higher than government commercial bank of Nepal. Moreover, non-performing loan of private commercial bank of Nepal is lower than government commercial bank. Position of employee empowerment in private bank of Nepal is stronger than government commercial bank of Nepal. (Bank supervision report of Nepal Rastra Bank, 2010).

**Table 3.23**  
**Closing share price of five years of sample bank**

(Rs)

Name of Bank	2006/7	2007/8	2008/9	2009/10	2010/11
Nepal Investment Bank Ltd.	1729	2450	1388	705	515
Nepal SBI Bank Limited	1176	1511	1900	741	565
Bank of Kathmandu	1375	2350	1750	840	570
Nepal Industrial & Co. Bank	950	1284	1126	626	520
Nabil bank	5050	5275	4899	2384	1252
Agriculture dev. Bank	0	0			130
Rastriya banijya bank*	0	0	0	0	0
Nepal bank limited*					

(Source: NEPSE, 2011)

\* Share of Nepal bank was listing out since November 2003 because of negative adequacy ratio and Rastriya Banijya Bank is not listing in Nepse till date. In the data, the Share price of private bank of Nepal is higher than government bank of Nepal.

## **CHAPTER FOUR**

### **RESEARCH METHODOLOGY**

This part of the dissertation presents the methods used to conduct the present study. It contains research design, procedure and sample data collection procedure, techniques of analysis with hypotheses. This research is based on the study of employee empowerment and performance in Nepalese commercial banks. It has been designed to compare employee empowerment system in between government and private banks. Eight major commercial banks have been considered as the institutional study in this research work.

#### **4.1 Research Design**

This research comprises quantitative method which has approached through both descriptive cum survey modalities. Questions were structured with five point Likert scale to know the views and opinions on the practices of employee empowerment and performance. Numbers of literature were reviewed to identify the practices of employee empowerment and performance. Survey data were collected from the different level employees of respondent by using single set of questionnaire.

#### **4.2 Nature and Sources of Data**

In order to conduct the present research work data were collected and analyzed. There were mainly two sources of data- primary and secondary.

#### **4.3 Primary Sources of Data**

This research has required to know the opinions of the banks employees. Employee empowerment and performance within their banks have been collected from primary data, structural five points Likert scale type of questionnaires were distributed to 3187 (officer level) respondents in eight banks, especially, to the executives, department heads, section chiefs, managers, and officers under Semi/fully government and private banks. 450 questionnaires were distributed to the respondents. (i.e. 337 questionnaires for Semi/fully government banks and 113 questionnaire for private sectors banks respondents) However, 303 questioners were received out of the

450 (200 respondents (from Semi/fully government banks respondents and 103 from private banks) successfully filled and returned the distributed questionnaire forms. There were no ambiguities in the forms encountered while filling by respondents.

#### **4.4 Secondary Data Source**

The following data have collected from the secondary source, which serves the data required to analysis present practice of employee empowerment and performance of sample commercial banks of Nepal.

The secondary data were obtained from the following sources:

- ) Annual report of concerned banks
- ) Employee regulation and bye law of commercial bank of Nepal.
- ) Annual training report of commercial bank of Nepal
- ) Publications of Nepal Rastra bank
- ) Publication of commercial bank of Nepal
- ) Library collection of BHU, Delli, JNU University India.
- ) Library collection of Tribhuvan University
- ) Offsite and supervision report of Nepal Rastra Bank
- ) Bank supervision reports of bank supervision department of Nepal Rastra bank.
- ) Publication of bankers association of Nepal
- ) Annual reports and publication of management association of Nepal
- ) Annual trading reports of Nepal stock exchange
- ) Websites

#### **4.5 Population**

At present, Nepalese financial institutions have been classified in four types of bank: (Commercial bank, Development bank, Finance company, and Micro finance bank). However, out of twenty-six commercial banks, this research is based on eight commercial banks only. Therefore, all the departments and sections of central office, regional and branch office's above officer level of eight banks are the population of the study.



## **4.6 Pre-test of employee empowerment and performance of Nepalese Banks**

In pre-test, 25 respondents out of sample 35 who returned filled questionnaires were from top-level management of the concerned banks. They were from executive bodies, HR department, Branch managers, and others head of departments.

The branch managers and human resource managers were asked to evaluate the questionnaire with a view to (1) assessing the questions related to employee empowerment in the Nepalese context, (2) assessing the suitability of the terminology to specific sectors, (3) making alternative suggestions, criticisms and comments on the questionnaire and its facets, and (4) uncovering unanticipated mistakes such as awkward expressions, leading questions and the like. To ensure the usefulness of the items and patterns that were developed and used for the first time in the current instrument, suggestions of these managers were sought. They provided an assessment of the validity of the questions, the measures used, and the conceptual and functional equivalence of the survey instrument was constructed. It is believed that the pilot study could eliminate unexpected problems in the data processing and analysis as the data obtained from this activity were coded, tabulated, and analyzed (Zikmund, 2003). It was found that the respondents had no problem understanding and answering the questions. However, concerns were raised about the confidentiality of information provided, the complexity of the topic and capability of branch managers and human resource managers in the Nepalese commercial banks to understand and respond. Despite the respondents' concerns, the returned questionnaires were reviewed and no major reworks were required for the questionnaires. Consequently, some wording changes were made and the complete set of questionnaires was presented.

No statistical analysis was conducted for the pilot study, as the sample size of 25 was too small. The pilot study was meant to gauge the friendliness of the survey instruments and to identify other possible unforeseen trouble spots. Subsequent to the pilot study and once the survey questionnaires were refined, the final data collection started in July 2011.

## 4.7 Sample Size and Process

Twenty six commercial banks have been already mentioned starting of this research work. Generally there are three categories commercial banks in Nepal. Pattern of ownership is given in the following table.

S.n	Types of Banks	Total number	Number of sample	Name of sample Banks
1	Government owned	3	3	Nepal Bank limited, Rastriya Banijya Bank and Agriculture Development Bank Ltd.
2	Joint venture	6	2	Nabil Bank and SBI Bank
3	Fully owned by Nepali shareholders	17	3	Nepal Investment Bank, Bank of Kathmandu and NIC Bank Ltd.
	Grand total	26	8	

The stratified sampling method was used for selecting eight sample banks out of twenty six commercial banks of Nepal. That sampling method represents all type of commercial banks of Nepal, which is 30% of total commercial banks of Nepal. It is sufficient for study and additional sample cannot take more than 30% due to time and cost constrain. Three sample banks were Semi/fully government commercial banks of Nepal i.e., Agriculture Development Bank, Rastriya Banijya Bank and Nepal Bank Limited. Five were selected out of twenty three private commercial bank of Nepal. Among five private banks i.e., two from joint venture those were SBI bank and NABIL bank and three from among Nepali shareholding commercial banks i.e., Nepal investment bank, NIC bank and Bank of Kathmandu. These five private commercial banks were selected based on old establishment date and central office in Kathmandu valley and out of Kathmandu valley.

It was necessary to take all Semi/fully government commercial banks as a sample as they all have long employee empowerment practices, business experience rather than other private commercial banks of Nepal. As objective of the research is to compare employee empowerment practices with five sample commercial banks So, all government commercial banks of Nepal was necessary for sample of this study.

Above officer level employee were taken as respondents for this purpose so as to know their intervention in making mechanism of the banks that is why officer level employee were directly involved in making and implementing of empowerment policy of commercial bank of Nepal. Altogether 450 human resource officer, section chief, branch manager, Department heads, and managerial level were distributed as survey sample questionnaire and divided by using proportional allocation of government and private banks commercial respectively. There are about 3187 officer level employees in eight banks and different departments and sections of central office, regional and branch office under eight banks. For the purpose of this study, I have selected different department, section, regional and branch offices of following sample commercial bank of Nepal.

#### 4.8 Respondents Profile

Various ages, gender, position, qualification, faculty of education, nature of job, working experience and working departments of the employees were selected as sample respondents in all sample banks so as to make it easy to draw the inference over the demographic variables. Their major profiles are given below.

**Table 4.1**  
**Gender wise employee and total officer level employees of sample banks**

No.	Name of Bank	Male	Female	Total employee	Officer level
1	ADB/N	2536	429	2965	1147
2	RBB	2213	405	2618	662
3	NBL	1888	563	2451	616
4	NIB	510	366	876	160
5	NIC	216	111	327	70
6	NSBI	348	117	465	187
7	NABIL	487	169	656	225
8	BOK	301	171	472	120
	Total	8499	2331	10830	3187

Table 4.1 shows the distribution of respondents total officer level employees.

**Table 4.2**  
**Number and categories of respondents**

S. N.	Name of bank	Questionnaire distributed	Questionnaire received	Returned %	Gender		Total
					Male	Female	
1	ADB/N	129	79	61	68	11	79
2	RBB	108	70	65	65	5	70
3	NBL	100	51	51	43	8	51
4	NIB	36	30	83	23	7	30
5	NIC	16	16	100	12	4	16
6	NSBI	20	18	90	11	7	18
7	NABIL	23	22	96	19	3	22
8	BOK	18	17	94	11	6	17
Total		450	303	67	252	51	303

Table 4.2 shows the distributed and received questionnaires of the respondents in total employees.

**Table 4.3**  
**Qualification Status of Respondents as official Position**

S.N	Position	Male						Female						Grand Total
		Types of qualification							Types of qualification					
		PhD	Mphil	Master	Bach	Other	Total	PhD	Mphil	Master	Bach	Other	Total	
1	Executive	0	0	8	3		11	0	0	0	0	0	0	11
2	Department heads	3	1	32	12	2	50	0	0	9	0	0	9	59
3	Section chief	0	2	32	12	1	47	0	0	8	2	1	11	58
4	Branch manager	1	5	73	18	1	98	0	0	13	3	0	16	114
5	Hr. officer	0	0	39	7		46	0	0	10	5	0	15	61
	Total	4	8	184	52	4	252	0	0	40	10	1	51	303

Table 4.3 shows the distribution of the respondents in different qualification of employees.

**Table 4.4**

**Samples are taken from total number offices of sample banks.**

S. N.	Name of Bank	Office			Officers		
		Total Office	Sample Office	% of Sample	Total officer	Number of sample	% of Sample
1	ADB/N	243	60	25	1147	78	7
2	RBB	134	45	34	662	70	11
3	NBL	111	35	31	616	51	8
4	NIB	40	20	50	160	30	19
5	NIC	33	15	46	70	16	23
6	NSBI	50	16	32	187	19	10
7	NABIL	50	17	34	225	22	10
8	BOK	44	13	30	120	17	14
	Total	705	234	33	3187	303	10

Source: annual report of banks.

Table 4.4 shows the distribution of sample of the total office and employees.

**Table 4.5**

**Gender wise respondents**

S.N.	Gender	Total	Percent
1	Male	252	83
2	Female	51	17
	Total	303	100

Table 4.5 shows the number of respondents of gender wise in the total.

**Table 4.6**  
**Sample bank wise respondents**

S.N.	Name of bank	Number of respondent	Percent
1	ADB/N	79	26
2	RBB	70	23
3	NBL	51	17
4	NIB	30	10
5	NIC	16	5
6	NSBI	18	6
7	NABIL	22	7
8	BOK	17	6
	Total	303	100

Table 4.6 shows the percentage and number of respondents in sample banks.

**Table 4.7**  
**District wise respondents**

S.N.	Name of district	Number of respondents	Percent
1	Kathmandu	205	68
2	Lalitpur	14	4
3	Bhakatapur	22	7
4	Kavrepalanchok	14	5
5	Other district	48	16
	Total	303	100

Table 4.7 shows the number of respondent's district wise.

**Table 4.8**  
**Designation wise respondents**

S.N.	Designation	Number of respondents	Percent
1	Officer	68	22
2	Manager	114	38
3	Section chief	61	20
4	Division chief	51	17
5	Executive	9	3
	Total	303	100

Table 4.8 shows the designation wise numbers of respondents

**Table 4.9**  
**Ownership wise respondent**

S.N.	Ownership	Number of respondents	Percent
1	Government	200	66
2	Joint venture	40	13
3	Nepalese shareholding	63	21
	Total	303	100

Table 4.9 shows the numbers of respondent's ownership wise.

**Table 4.10**  
**Level of office wise respondent**

S.N.	Level of bank	Number of office	Percent	Number of res.	Percent
1	Department of HO	59	25	126	42
2	Regional	14	6	14	4
3	Branch	163	69	163	54
	Total	236	100	303	100

Table 4.10 shows the numbers of respondents in different level wise of bank offices.

**Table 4.11**  
**Qualification wise respondent**

S.N.	Education	Number of respondent	Percent
1	Ph.D.	4	1
2	M.phil	8	3
3	Master	224	74
4	Bachelor	62	21
5	Others	5	2
	Total	303	100

Table 4.11 shows the status of qualification and number of total respondents.

**Table 4.12**  
**Number of Respondents with Faculties Wise**

S.N.	Name of faculty	Number of respondent	Percent
1	Management	203	67
2	Agricultural	21	7
3	Science	12	4
4	Humanities	51	17
5	Social science	7	2
6	Others	8	3
	Total	303	100

Table 4.12 shows the faculties' wise number of respondent.

## **4.9 Employee Empowerment Variables**

The main objective of this research is to determine the factors contributing (job characters) to employee empowerment in Nepalese banks under Semi/fully government and private banks. There are qualitative factors for determining empowerment in Nepalese banks. In this research, some qualitative variables such as delegation of authority, accountability, human resource management training, performance based reward system, job satisfaction, job autonomy, managerial competency and attitude of top-level management are used as basic variables of this study.

## **4.10 Statically Treatment of Data**

### **4.10.1 Reliability Test**

Since the key figures in interpreting the reliability of our scale is the alpha, the value of co-efficient alpha can be range of from zero (no) internal consistency to one ( complete internal consistency an acceptable level of internal consistency is suggested to be value of no less than 0.70. Nachmias and Nachmias (1996). The value of alpha for the questionnaire was found to be at least 0.70.

### **4.10.2 Correlation Analysis**

Correlation analysis was used in order to study relationship between practice of empowerment and performance variables of study (Levin and Levin, 1996).



### **4.10.3 Analysis of variance (ANOVA)**

Analysis of variance was used to determine whether significant different would be exhibited across practices of employee empowerment needs. Government, joint venture and Nepalese shareholding commercial banking aspects of employee empowerment. (Levin and Levin,1996).

### **4.10.4 One sample T test**

One sample 'T' test was computed to compare means of different statement of employee empowerment and performance i.e. delegation of authority, accountability, human resource management training, job autonomy, sharing information, job satisfaction, attitude of top level management, managerial competency, performance based reward system, pre-requisite and barriers aspects of various categories-wise commercial bank of Nepal and determine whether there is significant different.

## **4.11 Limitations of the Study**

This study limits itself to examine the existing employee empowerment and performance in Nepalese commercial banks. This is the pioneer research work on employee's empowerment and performance practices in Nepalese commercial banks: hence, it is bound to certain limitations as the following:

This research has following limitations:

1. This research is limited to the information collected from employees of commercial banks of Nepal.
2. The data for the period from 2006 to 2010 were used for analysis.
3. This study has been designed to focus on government and private owned commercial banks of Nepal.
4. The sample banks were 10 years and above in operation
5. Respondents of sample were taken from Kathmandu valley and out of the valley as well.
6. Respondents are officer level employees of sample banks.

## CHAPTER FIVE

### ANALYSIS AND INTERPRETATION OF DATA

Primary data was collected with the help of five point likert scales (questionnaire in appendix no1), in total 450 survey questioners were distributed but only 303 questionnaire were returned that rated 67 percent response. Among the returned 303 respondents 200 were from Semi/fully government, 63 from Nepalese share holding and 40 from joint venture. Those questionnaires were subjected to analysis with view to elicit information regarding employee empowerment and performance in Nepalese banks with related aspects. The collected data on questionnaire was processed using Excel and statically processing program (SPSS-13). The processed result is discussed in the following different sections:

**Table 5.1**  
**Reliability test of different research questions**

Reliability			
Statement	Cronbach's Alpha	No. of item	result
Delegation of authority	0.716	7	reliability
Accountability	0.70	7	reliability
Hr management training	0.787	8	reliability
Job autonomy	0.817	8	reliability
Performance reward	0.852	9	reliability
Managerial competency	0.80	10	reliability
Job satisfaction	0.824	9	reliability
Information sharing	0.809	8	reliability
Attitude of management	0.803	7	reliability
Practice of empowerment	0.812	7	reliability
Pre-requisites of empowerment	0.839	9	reliability
Barrier of empowerment	0.743	9	reliability

Table 5.1 shows the values of responses on quality assurance statements reliability of responses, which was tested by calculating Chronobach's Alpha in the SPSS 13.0 program. It revealed that the reliability of all statements was .70 or more

which indicates fairly good. Generally, value of Chronobach's Alpha is considered good if it is 0.70 or higher and the values of Alpha are higher than the lower limit of prescribed values, the data of all statements are reliable for further test.

### 5.1 Question 1: Analysis of contributing factor on regarding delegation of authority

**Table 5.2**

**Analysis of responses on contributing factors regarding delegation of authority**

Statement	Agreement					Total
	SA	A	NS	D	SD	
Maintain self discipline	115 (38)	172(57)	13 (4)	3 (1)	0(0)	303
Develop skill and ability	124 (41)	144(48)	30(10)	5(2)	0(0)	303
Building the capacity	79 (26)	180(59)	39(13)	5(2)	0(0)	303
To be capable and independent	78(26)	188(62)	34(11)	3(1)	0(0)	303
Scientific motivation	79(26)	151(50)	63(21)	10(3)	0(0)	303
Confidence in employee	106(35)	169(56)	25(8)	3(1)	0(0)	303
Opportunity to empower	105(35)	161(53)	35(11)	2(1)	0(0)	303
Total	686(32)	1165(55)	239(13)	31(1)	0(0)	0

Table 5.2 shows that out of 303 respondents more than 90% agreed with the statement that system of well-delegated authority maintains self-discipline of employee and provides good environment for empowerment. Only 1% disagreed with the statements.

**Table 5.3**  
**Respondents' views on contributing factors on delegation of authority to**  
**employee empowerment practice in Nepalese commercial banks.**

Statement	Mean	Std. Deviation	P value	Result
Maintain self discipline	4.32	0.602	0.000	Sig
Develop skill and ability	4.28	0.706	0.000	Sig
Building the capacity	4.10	0.669	0.000	Sig
To be capable and independent	4.13	0.628	0.000	Sig
Scientific motivation	3.99	0.776	0.000	Sig
Confidence in employee	4.25	0.642	0.000	Sig
Opportunity to empower	4.22	0.665	0.000	Sig
N=303	4.18	0.409	0.000	Sig

Table 5.3 shows the grand mean of respondents regarding different statements is 4.18, it falls under strongly agreed band and that means almost all the statements is greater than agree band. To test the significant difference from the mean score, the P value of all statements come out 0.000(<0.05) which indicates that all the statements are significant factors. However, each and every statement is significant that means they all are important factors for employee empowerment, system of well delegated authority maintains self discipline of employee and provides good environment for empowerment was found to be highest mean score (4.32). Hence, every commercial bank of Nepal should give high priority to system of well delegated authority for empowerment and provides good environment for empowerment and the scientific motivation process of bank encourages employees in taking authority was found to be the lowest mean score (3.99). However, it is also the least important contributing factor to employee empowerment.

**Table 5.4**

**Analysis between Semi/fully government and private banks of respondents' responses regarding on contributing factors on delegation of authority**

Statement	Agreement												G. Total
	Government Bank						Private Bank						
	SA	A	NS	D	SD	Total	SA	A	NS	D	SD	Total	
Maintain self discipline	84	105	9	2	0	200	31	67	4	1	0	103	303
Develop skill and ability	92	91	17	0	0	200	32	53	13	5	0	103	303
Building the capacity	57	114	28	1	0	200	22	66	11	4	0	103	303
To be capable and independent	60	114	25	1	0	200	18	74	9	2	0	103	303
Scientific motivation	59	100	35	6	0	200	20	51	28	4	0	103	303
Confidence in employee	66	116	15	3	0	200	40	53	10	0	0	103	303
Opportunity to empower	76	101	22	1	0	200	29	60	13	1	0	103	303
Total													

Table 5.4 shows that 90% out of 200 respondents are from Semi/fully government commercial banks and 90 % out of 103 respondents are of private commercial banks of Nepal agreed with the statements under delegation of authority of system of well delegated authority maintains self-discipline of employee and provide good environment under delegation of authority. Only 1% comes under disagreed with all statements in government banks and 2% disagreed with all statements in private commercial banks of Nepal.

**Table 5.5**  
**Respondents' views on contributing factors on delegation of authority practices**  
**in Semi/fully government banks**

Statement	Mean	Std. Deviation	P value	Result
Maintain self discipline	4.36	0.617	0.000	Sig
Develop skill and ability	4.38	0.638	0.000	Sig
Building the capacity	4.14	0.655	0.000	Sig
To be capable and independent	4.17	0.648	0.000	Sig
Scientific motivation	4.06	0.768	0.000	Sig
Confidence in employee	4.23	0.645	0.000	Sig
Opportunity to empower	4.26	0.667	0.000	Sig
N=303	4.23	0.397	0.000	Sig

Table 5.5 shows the grand mean of respondents regarding different statements is 4.23. It falls under strongly agreed band and that means almost all the statements are greater than agreed band. That means all statements are important factors. To test the significant difference from the mean score the P value of all statements come out 0.000(<0.05) which indicates that all the statements are significant factors. However, each and every statement are significant that means they all are important factors for employee empowerment, system of well delegated authority maintains self discipline of employee and provides good environment for empowerment that was found to be highest mean score (4.36). Hence, every Semi/fully government commercial bank of Nepal should give high priority to system of well delegate authority for employee empowerment and provides good environment for empowerment and sharing of authority thereby helping build the capability of employees to utilize available resources properly and was found to be lowest mean score (4.14). However, it has been significant factor, it is also the least important contributing factors to employee empowerment.

**Table 5.6**  
**Respondents' views on contributing factors on delegation of authority practices**  
**in private banks**

Statement	Mean	Std. Deviation	P value	Result
Maintain self discipline	4.24	0.568	0.000	Sig
Develop skill and ability	4.09	0.793	0.000	Sig
Building the capacity	4.03	0.692	0.000	Sig
To be capable and independent	4.05	0.584	0.000	Sig
Scientific motivation	3.84	0.777	0.000	Sig
Confidence in employee	4.29	0.636	0.000	Sig
Opportunity to empower	4.14	0.658	0.000	Sig
N=303	4.10	0.421	0.000	Sig

Table 5.6 shows the grand mean of respondents regarding different statements is 4.10. It falls under strongly agreed band and that means almost all the statements are greater than agreed band. That means all statements are important factors. To test the significant difference from the mean score the P value of all statements come out 0.000(<0.05) which indicates that all the statements are significant factors. However, each and every statement are significant that means they all are important factors for employee empowerment, confidence of employee at work which is only increased through delegation of power was found to be highest mean score (4.29). Hence, every private commercial bank of Nepal should provide high priority to confidence of employee at work increases through delegation of power for employee empowerment and the scientific motivation process of bank encourages employees in taking authority which was found to be the lowest mean score (3.84). However, it has been significant factors, it is also the least important contributing factor to employee empowerment.

## 5.2 Question 1: Analysis of contributing factor on accountability

**Table 5.7**  
**Analysis of respondents' responses on contributing factors regarding accountability**

Statement	Agreement					
	SA	A	NS	D	DA	Total
Participatory management	114(38)	164(54)	23(8)	2(1)	0(0)	303
Necessary authorities	128(42)	146(48)	28(9)	1(0)	0(0)	303
Wins the trust in staffs	168(55)	114(38)	17(6)	4(1)	0(0)	303
Good mechanism in team	101(33)	168(55)	31(10)	3(1)	0(0)	303
Self control working system	84(28)	171(56)	42(14)	6(2)	0(0)	303
Authority will compel for accountability	61(20)	157(52)	71(23)	14(5)	0(0)	303
Freedom of working environment	47(16)	114(38)	108(36)	29(10)	5(1)	303
Total	703	1034	320	59	5	2121

Table 5.7 shows that out of 303 respondents more than 90 % agreed with the statements under accountability of if the manager wins the trust of employees then both will proximate and be more accountable. Only 3% disagreed with the available statements.



**Table 5.8**  
**Respondents' views on contributing factors on accountability to employee empowerment practices in Nepalese commercial banks**

Statement	Mean	Std. Deviation	P value	Result
Participatory management	4.29	0.630	0.000	Sig
Necessary authorities	4.32	0.652	0.000	Sig
Wins the trust in staffs	4.47	0.665	0.000	Sig
Good mechanism in team	4.21	0.657	0.000	Sig
Self control working system	4.10	0.698	0.000	Sig
Authority will compel for accountability	3.87	0.779	0.000	Sig
Freedom of working environment	3.58	0.922	0.000	Sig
N=303	4.12	0.423	0.000	Sig

Table 5.8 shows the grand mean of respondents regarding different statements is 4.12. It falls under strongly agreed band and mean of almost all the statements is greater than agreed band. That means all statements are important factors. To test the significant difference from the mean score the P value of all statements come out 0.000(<0.05) which indicates that all the statements are significant factors. However, each and every statement are significant that means they all are important factors for employee empowerment, if the manager wins the trust of employees then both will get closer consequently more accountable situation was found to be highest mean score (4.47). Hence, every commercial bank of Nepal should win the trust of employees then both will get closer and more accountable for empowerment and the freedom of working environment given to the employees increases accountability that was found to be lowest mean score (3.58). However, it is a significant factors, it was found least contributing factor in employee empowerment.

**Table 5.9**

**Analysis between Semi/fully government and private banks of respondent's responses on contributing factors regarding accountability**

Statement	Agreement												Grand Total
	Government Bank						Private Bank						
	SA	A	NS	D	SD	Total	SA	A	NS	D	SD	Total	
Participatory management	80	103	15	2	0	200	34	61	8	0	0	103	303
Necessary authorities	87	92	20	1	0	200	41	54	8	0	0	103	303
Wins the trust in staffs	111	75	11	3	0	200	57	39	6	1	0	103	303
Good mechanism in team	68	112	17	3	0	200	33	56	14	0	0	103	303
Self control working system	53	114	30	3	0	200	31	57	12	3	0	103	303
Authority will compel for accountability	33	108	52	7	0	200	28	49	19	7	0	103	303
Freedom of working environment	24	81	75	17	3	200	23	33	33	12	2	103	303
Total													

Table 5.9 shows that out of 200 respondents of Semi/fully government commercial banks of Nepal more than 90 % and out of 103 respondents of private commercial banks of Nepal more than 90% agreed with the statement under the accountability of if the manager wins the trust of employees then both will get closer and more accountable. Only 3% disagreed with the all statements in government banks and 3% disagreed with the all statements in private commercial banks of Nepal.

**Table 5.10**  
**Respondents' views on contributing factors on accountability practices in Semi/**  
**fully government banks**

Statement	Mean	Std. Deviation	P value	Result
participatory management	4.31	0.651	0.000	Sig
Necessary authorities	4.33	0.672	0.000	Sig
Wins the trust in staffs	4.47	0.672	0.000	Sig
Good mechanism in team	4.23	0.661	0.000	Sig
Self control working system	4.09	0.686	0.000	Sig
Authority will compel for accountability	3.84	0.735	0.000	Sig
Freedom of working environment	3.53	0.868	0.000	Sig
N=303	4.11	0.402	0.000	Sig

Table 5.10 shows the grand mean of respondents regarding different statements is 4.11. It falls under strongly agreed band and mean of almost all the statement is greater than agreed band. That means all statement are important factors. To test the significant difference from the mean score the P, value of all statement comes out to be 0.000(<0.05), which indicates that all the statements are significant factors. However, each statement is significant that means they all are important factors for employee empowerment. If the manager wins the trust of employees then both will get closer and be more accountable that was found to be highest mean score (4.47). Hence, every Semi/fully government commercial bank of Nepal should win the trust of employees then both will get closer and more accountable for employee empowerment and the freedom of working environment given to the employees increases accountability that was found to be the lowest mean score (3.53). However it has been significant factors, it is also least important contributing factors to employee empowerment.

**Table 5.11**  
**Respondents' views on accountability practices in private banks**

Statement	Mean	Std. Deviation	P value	Result
Participatory management	4.25	0.589	0.000	Sig
Necessary authorities	4.32	0.614	0.000	Sig
Wins the trust in staffs	4.48	0.654	0.000	Sig
Good mechanism in team	4.18	0.653	0.000	Sig
Self control working system	4.13	0.723	0.000	Sig
Authority will compel for accountability	3.95	0.856	0.000	Sig
Freedom of working environment	3.61	1.022	0.000	Sig
N=303	4.1318	0.46126	0.000	Sig

Table 5.11 shows the grand mean of respondents regarding different statements is 4.13. It falls under strongly agreed band and mean of almost all the statements is greater than agreed band. To test the significant difference from the mean score, the P value of all statements come out 0.000(<0.05) which indicates that all the statements are significant factors. However, each and every statement are significant that means they all are important factors for employee empowerment, if the manager wins the trust of employees then both will get closer and more accountable was found to be highest mean score (4.48). Hence, every private commercial bank of Nepal should win the trust of employees then both will get closer and more accountable for employee empowerment and the freedom of working environment given to the employees increases accountability it was found to be the lowest mean score (3.61). Although, it has been significant factor, it is found to be least contributing factor to employee empowerment.

### 5.3 Question 1: Analysis of Contributing factor on Human Resource Management Training

**Table 5.12**

**Analysis of respondents' responses on contributing factors on regarding human resource management training**

Statement	Agreement					
	SA	A	NS	D	SD	Total
Pre-attitude can be changed	82(27)	145(48)	65(22)	10(3)	1(0)	303
Practical and theoretical knowledge	140(46)	147(49)	14(4)	2(1)	0(0)	303
Mechanism in sharing knowledge	106(35)	170(56)	23(8)	4(1)	0(0)	303
Improves morale and working style	97(32)	164(54)	40(13)	2(1)	0(0)	303
Provides occupational knowledge	99(33)	170(56)	30(10)	4(1)	0(0)	303
Develop the ability to empowerment.	114(38)	165(55)	21(6)	3(1)	0(0)	303
Provides skill and technical change	85(28)	162(54)	47(16)	8(2)	1(1)	303
Teaches new banking practice and theory	63(21)	127(42)	80(26)	27(8)	6(2)	303
Total						0

Table 5.12 shows that out of 303 respondents more than 90 % agreed with the statements under Human Resource Management Training in regular basis, who provides practical, technical and theoretical knowledge to the employees in order to be empowered. Only 3% disagreed with the all statements.

**Table 5.13**  
**Respondents' views on contributing factors on Human Resource Management training to employee empowerment and performance in Nepalese commercial banks**

Statement	Mean	Std. Deviation	p value	Result
Pre-attitude can be changed	3.98	0.805	0.000	Sig
practical and theoretical knowledge	4.4	0.611	0.000	Sig
Mechanism in sharing knowledge	4.25	0.647	0.000	Sig
Improves morale and working style	4.17	0.67	0.000	Sig
Provides occupational knowledge	4.2	0.663	0.000	Sig
Develop the ability to empowerment.	4.29	0.636	0.000	Sig
Provides skill and technical change	4.06	0.754	0.000	Sig
Teaches new banking practice and theory	3.71	0.961	0.000	Sig
N=303	4.1328	0.46023	0.000	Sig

Table 5.13 shows the grand mean of respondents regarding different statements is 4.13. It falls under strongly agreed band and mean of almost all the statements is greater than agreed band. That means all statements are important factors. To test the significant difference from the mean score the P, value of all statements comes out to be 0.000(<0.05), which indicates that all the statements are significant factors. However, each and every statement is significant that means they all are important factors for employee empowerment, the purpose of the training is to develop the abilities of employees to satisfy current and future empowerment needs, that was found to be highest mean score (4.29). Hence, every commercial bank of Nepal should give high priority to the training for employee empowerment. Human Resource Management Training teaches new banking practice and theory that was found to be the lowest mean score (3.71). In this regards, it has been significant factor, it was found that it is the least contributing factor to employee empowerment.

**Table 5.14**

**Analysis between Semi/fully government and private banks of respondents' responses on contributing factors regarding Human Resource Management Training (HRMT)**

Statement	Agreement												Grand Total
	Government Bank						Private Bank						
	SA	A	NS	D	SD	Total	SA	A	NS	D	SD	Total	
Pre-attitude can be changed	56	101	37	5	1	200	26	44	28	5	0	103	303
practical and theoretical knowledge	97	93	9	1	0	200	43	54	5	1	0	103	303
Mechanism in sharing knowledge	62	120	14	4	0	200	44	50	9	0	0	103	303
Improves morale and working style	69	106	24	1	0	200	28	58	16	1	0	103	303
Provides occupational knowledge	65	114	19	2	0	200	34	56	11	2	0	103	303
Develop the ability to empowerment.	80	101	18	1	0	200	34	64	3	2	0	103	303
Provides skill and technical change	55	113	27	4	1	200	30	49	20	4	0	103	303
Teaches new banking practice and theory	40	90	48	16	6	200	23	37	32	11	0	103	303
Total													

Table 5.14 shows that out of 200 respondents of Semi/fully government commercial banks of Nepal, more than 95% and out of 103 respondents of private commercial banks of Nepal more than 94% agreed with the statements for the need of human resource management training on the regular basis, which provides practical, technical and theoretical knowledge to the employees in order to be empowered. Only 3% strongly disagreed with the all statements of government banks and 3% disagreed with the all statements in private banks of Nepal.

**Table 5.15**  
**Respondents' views on contributing factors on Human Resource Management**  
**training practices in Semi/fully government banks**

Statement	Mean	Std. Deviation	P value	Result
Pre-attitude can be changed	4.03	0.782	0.000	Sig
practical and theoretical knowledge	4.43	0.606	0.000	Sig
Mechanism in sharing knowledge	4.2	0.65	0.000	Sig
Improves morale and working style	4.22	0.664	0.000	Sig
Provides occupational knowledge	4.21	0.647	0.000	Sig
Develop the ability to empowerment.	4.30	0.65	0.000	Sig
Provides skill and technical change	4.09	0.728	0.000	Sig
Teaches new banking practice and theory	3.71	0.975	0.000	Sig
N=303	4.15	0.431	0.000	Sig

Table 5.15 shows the grand mean of respondents regarding different statements is 4.15. It falls under strongly agreed band and mean of almost all the statements is greater than agreed band. That means all statements are important factors. To test the significant difference from the mean score, the P value of all statements comes out 0.000(<0.05) which indicates that all the statements are significant factors. However, each and every statement are significant that means they all are important factors for employee empowerment, the regular training provides practical, technical and theoretical knowledge to the employees in order to be empowered, was found to be highest mean score (4.43). Hence, every Semi/fully government commercial bank of Nepal should give high priority to the regular training, which provides practical, technical and theoretical knowledge to the employees in order to be empowered and human resource management training teaches new banking practice and theory that was found to be the lowest mean score (3.71). However, it has been significant factor; it is also the least important contributing factor to employee empowerment.



**Table 5.16**  
**Respondents' views on contributing factors on Human Resource Management**  
**Training practices in private banks**

Statement	Mean	Std. Deviation	P value	Result
Pre-attitude can be changed	3.88	0.844	0.000	Sig
practical and theoretical knowledge	4.35	0.622	0.000	Sig
Mechanism in sharing knowledge	4.34	0.635	0.000	Sig
Improves morale and working style	4.10	0.679	0.000	Sig
Provides occupational knowledge	4.18	0.697	0.000	Sig
Develop the ability to empowerment.	4.26	0.61	0.000	Sig
Provides skill and technical change	4.02	0.804	0.000	Sig
Teaches new banking practice and theory	3.70	0.938	0.000	Sig
N=303	4.10	0.513	0.000	Sig

Table 5.16 shows the grand mean of respondents regarding different statements is 4.10. It falls under strongly agreed band and mean of almost all the statements is greater than agreed band. That means all statements are important factors. To test the significant difference from the mean score the P value of all statements come out 0.000(<0.05) which indicates that all the statements are significant factors. However, each and every statement is significant that means they all are important factors for employee empowerment, the regular training provides practical, technical and theoretical knowledge to the employees in order to be empowered that was found to be highest mean score of (4.35). Hence, every private commercial bank of Nepal should give high priority to the regular training which provides practical, technical and theoretical knowledge for empowered and human resource management training teaches new banking practice and theory was found to be the lowest mean score (3.70). However, it has been significant factor; it is also the least important contributing factor to employee empowerment.

#### 5.4 Question 1: Analysis of contributing factor on job autonomy

**Table 5.17**

**Analysis of respondents' responses on contributing factors regarding job autonomy**

Statement	Agreement					Total
	SA	A	NS	D	SD	
Independently working employee	66(22)	173(57)	52(17)	10(3)	2(1)	303
Authority decentralization	70(23)	174(57)	52(17)	7(2)	0(0)	303
Creates mechanism to empower	38(13)	166(55)	93(31)	5(2)	1(0)	303
Empowering activities improves	40(13)	162(54)	85(28)	16(5)	0(0)	303
Self decision making	58(19)	168(55)	62(21)	15(5)	0(0)	303
Features of autonomy	119(39)	151(50)	26(8)	6(2)	1(1)	303
Delegation of power	73(24)	18(62)	40(13)	1(1)	1(0)	303
System of task allocation	68(22)	171(56)	59(20)	5(2)	0(0)	303
Total						0

Table 5.17 shows that out of 303 respondents more than 89 % agreed with the statements under job autonomy of dynamic, professional and capable employees are basic features for job autonomy in bank. Only 3% strongly disagreed with the all statements.

**Table 5.18**  
**Respondents' views on job autonomy to employee empowerment and performance in Nepalese commercial banks**

Statement	Mean	Std. Deviation	P value	Result
Independently working employee	3.96	0.762	0.000	Sig
Authority decentralization	4.01	0.705	0.000	Sig
Creates mechanism to empower	3.78	0.692	0.000	Sig
Empowering activities improves	3.75	0.749	0.000	Sig
Self decision making	3.89	0.764	0.000	Sig
Features of autonomy	4.26	0.723	0.000	Sig
Delegation of power	4.09	0.639	0.000	Sig
System of task allocation	4.00	0.698	0.000	Sig
N=303	3.96	0.475	0.000	Sig

Table 5.18 shows the grand mean of respondents regarding different statements is 3.96. It falls under agreed band and mean of almost all the statements is greater than not sure band. That means all statements are important factors. To test the significant difference from the mean score, the P value of all statement comes out 0.000(<0.05) which indicates that all the statements are significant factors. However, each and every statement is significant that means they all are important factors for employee empowerment, dynamic, professional and capable employees are basic features for job autonomy in bank was found to be highest mean score (4.26). Hence, every commercial bank of Nepal should develop professional and capable employees for job autonomy in bank for employee empowerment and the improvement of empowering activities in banks automatically improves job autonomy was found to be the lowest mean score (3.75). However, it has been significant factors, it is also the least important contributing factors to employee empowerment.

**Table 5.19**  
**Analysis between Semi/fully government and private banks of respondents’**  
**responses regarding job autonomy**

Statement	Agreement												Grand Total
	Government Bank						Private Bank						
	SA	A	NS	D	SD	Total	SA	A	NS	D	SD	Total	
Independently working employee	41	113	37	7	2	200	25	60	15	3	0	103	303
Authority decentralization	47	117	31	5	0	200	23	57	21	2	0	103	303
Creates mechanism to empower	25	117	54	3	1	200	13	49	39	2	0	103	303
Empowering activities improves	20	110	58	12	0	200	20	52	27	4	0	103	303
Self decision making	39	112	15	3	1	170	19	56	21	7	0	103	273
Features of autonomy	83	98	15	3	1	200	36	53	11	3	0	103	303
Delegation of power	50	122	26	1	1	200	23	66	14	0	0	103	303
System of task allocation	44	114	39	3	0	200	24	57	20	2	0	103	303
Total						0						0	0

Table 5.19 shows that out of 200 respondents of Semi/fully government commercial banks of Nepal, more than 90% and out of 103 respondents of private commercial banks of Nepal more than 86% agreed with the statements that job autonomy of dynamic, professional and capable employees are basic features for job autonomy in banks. Only 3% disagreed with all statements of government banks and 3% disagreed with the all statements in private banks of Nepal.

**Table 5.20****Respondents' views on job autonomy practices in Semi/fully government banks**

Statement	Mean	Std. Deviation	P value	Result
Independently working employee	3.92	0.785	0.000	Sig
Authority decentralization	4.03	0.701	0.000	Sig
Creates mechanism to empower	3.81	0.683	0.000	Sig
Empowering activities improves	3.69	0.733	0.000	Sig
Self decision making	3.91	0.745	0.000	Sig
Features of autonomy	4.3	0.715	0.000	Sig
Delegation of power	4.1	0.662	0.000	Sig
System of task allocation	4.0	0.691	0.000	Sig
N=303	3.97	0.451	0.000	Sig

Table 5.20 shows that the grand mean of respondents regarding different statements is 3.97. It falls under agreed band and mean of almost all the statements is greater than agreed band. It can be assumed that this construct also is proximate to the sufficient evidence. That means all statements are important factors. To test the significant difference from the mean score, the P value of all statements comes out 0.000 ( $<0.05$ ) which indicates that all the statements are significant factors. However, each and every statement are significant that means they all are important factors for employee empowerment, dynamic, professional and capable employees are basic features for job autonomy in bank was found to be highest mean score (4.3). Hence, every Semi/fully government commercial bank of Nepal should develop dynamic, professional and capable employees for job autonomy to employee empowerment and the improvement of empowering activities in banks automatically improves job autonomy that was found to be the lowest mean score (3.69). However, it has been significant factor, it is also the least important contributing factor to employee empowerment.

**Table 5.21**  
**Respondents' views on job autonomy practices in private banks**

Statement	Mean	Std. Deviation	P value	Result
Independently working employee	4.04	0.713	0.000	Sig
Authority decentralization	3.98	0.714	0.000	Sig
Creates mechanism to empower	3.71	0.709	0.000	Sig
Empowering activities improves	3.85	0.772	0.000	Sig
Self decision making	3.84	0.801	0.000	Sig
Features of autonomy	4.18	0.738	0.000	Sig
Delegation of power	4.09	0.596	0.000	Sig
System of task allocation	4	0.714	0.000	Sig
N=303	3.9624	0.52096	0.000	Sig

Table 5.21 shows the grand mean of respondents regarding different statements is 3.96. It falls under agreed band and mean of almost all the statements is greater than not sure band. That means all statements are important factors. To test the significant difference from the mean score P, the value of all statements comes out to be 0.000(<0.05), which indicates that all the statements are significant factors. However, each and every statement is significant that means they all are important factors for employee empowerment, dynamic, professional and capable employees are basic features for job autonomy in bank was found to be highest mean score (4.18). Hence, every private commercial bank of Nepal should develop professional and capable employees for job autonomy in bank for employee empowerment and broad job autonomy creates a mechanism through. it has been significant factor, it is also the least important contributing factor to employee empowerment.

## 5.5 Question 1: Analysis of contributing factor on performance based reward system

**Table 5.22**

**Analysis of respondents' responses regarding performance based reward system**

Statement	Agreement					Total
	SA	A	NS	D	SD	
Dynamic and result oriented	166(44)	119(49)	16(6)	1(1)	1(0)	303
Awareness of performance	134(44)	147(49)	18(6)	4(1)	0(0)	303
Healthy working environment	109(36)	142(47)	43(14)	8(2)	1(1)	303
Motives in working efficiency	129(43)	129(42)	37(12)	7(2)	1(1)	303
Education and economic incentive	181(60)	113(37)	9(3)	0(0)	0(0)	303
Empowerment and performance	118(39)	153(51)	28(8)	3(1)	1(1)	303
Effective direction to change behavior	84(27)	162(53)	51(17)	5(2)	1(1)	303
Hard working employee	109(36)	144(47)	44(15)	6(2)	0(0)	303
Confidence of employee	97(32)	167(55)	31(10)	8(3)	0(0)	303
Total						

Table 5.22 shows that out of 303 respondents more than 95 % agreed with the statements performance based reward system of bank should empower employees by providing them training, higher education, economic incentive and promotion. Only 3% disagreed with the all statements.

**Table 5.23****Respondents' views on performance based reward system to employee empowerment and performance in Nepalese commercial banks**

Statement	Mean	Std. Deviation	P value	Result
Dynamic and result oriented	4.48	0.645	0.000	Sig.
Awareness of performance	4.36	0.655	0.000	Sig
Healthy working environment	4.16	0.784	0.000	Sig
Motives in working efficiency	4.25	0.781	0.000	Sig
Education and economic incentive	4.57	0.553	0.000	Sig
Empowerment and performance	4.27	0.694	0.000	Sig
Effective direction to change behavior	4.07	0.734	0.000	Sig
Hard working employee	4.17	0.745	0.000	Sig
Confidence of employee	4.17	0.709	0.000	Sig
N-303	4.28	0.476	0.000	Sig

Table 5.23 shows the grand mean of respondents regarding different statements is 4.28. It falls under strongly agreed band and mean of almost all the statements is greater than agreed band. That means all statements are important factors. To test the significant difference from mean score, the P value of all statements comes out 0.000(<0.05) which indicates that all the statements are significant factors. However, each and every statement are significant that means they all are important factors for employee empowerment, bank should empower employees by providing them training, higher education, economic incentive and promotion was found to be highest mean score (4.57). Hence, every commercial bank of Nepal should provide training, higher education, economic incentive and promotion for encouragement, empowerment and rewards that give effective direction to employees to change their behaviors that was found to be the lowest mean score (4.07). However, it has been significant factors, it is also least important contributing factors to employee empowerment.



**Table 5.24**

**Analysis between Semi/fully government and private banks of respondents’  
responses regarding performance based reward system**

Statement	Agreement												Grand Total
	Government Bank						Private Bank						
	SA	A	NS	D	SD	Total	SA	A	NS	D	SD	Total	
Dynamic and result oriented	115	74	9	1	1	200	51	45	7	0	0	103	303
Awareness of performance	86	96	14	4	0	200	48	51	4	0	0	103	303
Healthy working environment	81	91	26	1	1	200	28	51	17	7	0	103	303
Motives in working efficiency	89	82	25	3	1	200	40	47	12	4	0	103	303
Education and economic incentive	124	70	6	0	0	200	57	43	3	0	0	103	303
Empowerment and performance	58	107	30	4	1	200	36	53	12	2	0	103	303
Effective direction to change behavior	58	107	30	4	1	200	26	55	21	1	0	103	303
Hard working employee	74	96	29	1	0	200	35	48	15	5	0	103	303
Confidence of employee	62	108	25	5	0	200	35	59	6	3	0	103	303
Total						0						0	0

Table 5.24 shows that out of 200 respondents of Semi/fully government commercial banks of Nepal, more than 95% with the statements performance based reward system of dynamic and result oriented employees can be developed through performance based reward system and out of 103 respondent of private commercial banks of Nepal also more than 96% agreed with the statements under awareness of performance based reward and punishment system makes employee proactive in their

work. Only 2% disagreed with all statements of government bank and 2% disagreed with the all statements in private banks of Nepal.

**Table 5.25**  
**Respondents' views on performance based reward system practices in Semi/ fully government banks**

Statement	Mean	Std. Deviation	P value	Result
Dynamic and result oriented	4.51	0.657	0.000	Sig
Awareness of performance	4.32	0.693	0.000	Sig
Healthy working environment	4.25	0.735	0.000	Sig
Motives in working efficiency	4.28	0.776	0.000	Sig
Education and economic incentive	4.59	0.551	0.000	Sig
Empowerment and performance	4.31	0.681	0.000	Sig
Effective direction to change behavior	4.09	0.749	0.000	Sig
Hard working employee	4.22	0.701	0.000	Sig
Confidence of employee	4.14	0.721	0.000	Sig
N=303	4.30	0.463	0.000	Sig

Table 5.25 shows the grand mean of respondents regarding different statements is 4.30. It falls under strongly agreed band and mean of almost all the statement is greater than agreed band. That means all statements are important factors. To test the significant difference from the mean score, the P value of all statements comes out 0.000 ( $<0.05$ ) which indicates that all the statements are significant factors. However, each statement is significant that means they all are important factors for employee empowerment. Dynamic and result oriented employees can be developed through performance based reward and punishment system that was found to be highest mean score (4.51). Hence, every Semi/fully government commercial bank of Nepal should produce dynamic and result oriented employees which can be developed through performance based reward and punishment system for employee empowerment and rewards that give effective direction to employees in order to change their behaviors that was found to be the lowest mean score (4.09). However, it has been significant factor, it is also the least important contributing factor to employee empowerment.

**Table 5.26****Respondents' views on performance based reward system practices in private banks**

Statement	Mean	Std. Deviation	P value	Result
Dynamic and result oriented	4.43	0.62	0.000	Sig
Awareness of performance	4.43	0.571	0.000	Sig
Healthy working environment	3.97	0.845	0.000	Sig
Motives in working efficiency	4.19	0.793	0.000	Sig
Education and economic incentive	4.52	0.557	0.000	Sig
Empowerment and performance	4.19	0.715	0.000	Sig
Effective direction to change behavior	4.03	0.707	0.000	Sig
Hard working employee	4.10	0.823	0.000	Sig
Confidence of employee	4.22	0.685	0.000	Sig
N=303	4.23	0.500	0.000	Sig

Table 5.26 shows the grand mean of respondents regarding different statements is 4.23. It falls under strongly agreed band and mean of almost all the statement is greater than agreed band. That means all statements are important factors. To test the significant difference from the mean score P, the value of all statements comes out 0.000 ( $<0.05$ ) which indicates that each and every statement is significant that means they all are important factors for employee empowerment. Banks should empower employees by providing them training, higher education, economic incentive and promotion was found to be highest mean score (4.52). Hence, every private commercial bank of Nepal should provide training, higher education, economic incentive and promotion to their employee for encouragement of empowerment, which is the most important job character for employee empowerment and rewards give effective direction to employees to change their behaviors that was found to be the lowest mean score (4.03). However, it has been significant factor, it is also the least important contributing factors to employee empowerment.

## 5.6 Question 1: Analysis of contribution factor on managerial competency

**Table 5.27**

**Analysis of respondents' responses regarding managerial competency**

Statement	Agreement					Total
	SA	A	NS	D	SD	
Working competition	87(28)	167(55)	37(12)	11(4)	1(1)	303
Training from national and international	127(42)	146(48)	27(9)	3(1)	0(0)	303
Learning environment is required	136(45)	139(46)	22(7)	6(2)	0(0)	303
Independent working environment	53(18)	185(61)	55(18)	10(3)	0(0)	303
Demonstration of good behavior	59(20)	163(54)	67(22)	13(3)	1(1)	303
Risky and challenging job	68(22)	154(51)	68(22)	12(4)	1(1)	303
Self-encouragement	60(20)	169(56)	69(23)	5(1)	0(0)	303
Learning and commitment	115(38)	164(54)	22(7)	2(1)	0(0)	303
Frequently shown a better efficiency	110(36)	163(54)	27(9)	3(1)	0(0)	303
Outcome of bank	94(31)	172(57)	31(10)	6(2)	0(0)	303
Total						0

Table 5.27 shows that out of 303 respondents more than 90% agreed with the statements under managerial competency of long professional experience, skill, ability and higher learning environment are required to obtain strong managerial competency in banks. Only 3% disagreed with the all statements.

**Table 5.28****Respondents' views on managerial competency to employee empowerment and performance in Nepalese commercial banks**

Statement	Mean	Std. Deviation	P value	Result
Working competition	4.08	0.761	0.000	Sig
Training from national and international	4.31	0.673	0.000	Sig
Learning environment is required	4.34	0.699	0.000	Sig
Independent working environment	3.93	0.696	0.000	Sig
Demonstration of good behavior	3.88	0.777	0.000	Sig
Risky and challenging job	3.91	0.794	0.000	Sig
Self-encouragement	3.94	0.700	0.000	Sig
Learning and commitment	4.29	0.627	0.000	Sig
Frequently shown a better efficiency	4.25	0.655	0.000	Sig
Outcome of bank	4.17	0.682	0.000	Sig
N=303	4.10	0.423	0.000	Sig

Table 5.28 shows the grand mean of respondents regarding different statements is 4.10. It falls under strongly agreed band and mean of almost all the statements is greater than agreed band. That means all statements are important factors. To test the significant difference from the mean score, the P value of all statements comes out 0.000(<0.05) which indicates that all the statements are significant factors. However, each and every statement are significant that means they all are important factors for employee empowerment, long professional experience, skill, ability and higher learning environment are required to obtain strong managerial competency in banks was found to be highest mean score (4.34). Hence, every commercial bank of Nepal should give high priority to long professional experience, skill, ability and higher learning environment, which are required to obtain strong managerial competency in banks for employee empowerment and managerial competency can be obtained through demonstration of good behavior of banks management that was found to be the lowest mean score (3.88). However, it has been significant factor, it is also the least important contributing factor to employee empowerment.

**Table 5.29****Analysis between Semi/fully government and private banks of respondents' responses regarding managerial competency**

Statement	Agreement												Grand Total
	Government Bank						Private Bank						
	SA	A	NS	D	SD	Total	SA	A	NS	D	SD	Total	
Working competition	65	116	16	3	0	200	22	51	21	8	1	103	303
Training from national and international	83	100	17	0	0	200	44	46	10	3	0	103	303
Learning environment is required	94	90	13	3	0	200	42	49	9	3	0	103	303
Independent working environment	36	124	35	5	0	200	17	61	20	5	0	103	303
Demonstration of good behavior	39	112	43	5	1	200	20	51	24	8	0	103	303
Risky and challenging job	51	113	30	6	0	200	17	41	38	6	1	103	303
Self-encouragement	42	111	45	2	0	200	18	58	24	3	0	103	303
Learning and commitment	71	113	15	1	0	200	44	51	7	1	0	103	303
Frequently shown a better efficiency	74	109	16	1	0	200	36	54	11	2	0	103	303
Outcome of bank	59	117	21	3	0	200	35	55	10	3	0	103	303
Total						0						0	0

Table 5.29 shows that out of 200 respondents of Semi/fully government commercial banks of Nepal, more than 92% agreed with the statements under managerial competency of long professional experience, skill, ability and higher learning environment. These things are required to obtain strong managerial competency and continuous learning habit and internal commitment of banks managers can improve managerial competency in banks and out of 103 respondents of private commercial banks of Nepal more than 92% agreed with the statements the continuous learning habit and internal commitment of banks managers can improve

managerial competency in banks. Only 2% disagreed with the all statements in government banks and 4% disagreed with the all statements in private banks.

**Table 5.30**  
**Respondents' views on managerial competency practices in Semi/fully government banks**

Statement	Mean	Std. Deviation	P value	Result
Working competition	4.22	0.649	0.000	Sig
Training from national and international	4.33	0.627	0.000	Sig
Learning environment is required	4.38	0.676	0.000	Sig
Independent working environment	3.96	0.675	0.000	Sig
Demonstration of good behavior	3.92	0.742	0.000	Sig
Risky and challenging job	4.05	0.725	0.000	Sig
Self-encouragement	3.97	0.69	0.000	Sig
Learning and commitment	4.27	0.616	0.000	Sig
Frequently shown a better efficiency	4.28	0.627	0.000	Sig
Outcome of bank	4.16	0.661	0.000	Sig
N=303	4.15	0.391	0.000	Sig

Table 5.30 shows the grand mean of respondents regarding different statements is 4.15. It falls under strongly agreed band and mean of almost all the statements is greater than agreed band. That means all statements are important factors. To test the significant difference from the mean score, the P value of all statements comes out 0.000(<0.05) which indicates that all the statements are significant factors. However, each and every statement are significant that means they all are important factors for employee empowerment, long professional experience, skill, ability and higher learning environment are required to obtain strong managerial competency in bank was found to be highest mean score (4.38). Hence, every Semi/fully government commercial bank of Nepal should give high priority to long professional experience, skill, ability and higher learning environment which are required to obtain strong managerial competency in bank for employee empowerment and managerial competency can be obtained through demonstration of good behavior of bank management was found to be the lowest mean score (3.92). However, it has been significant factor, it is also the least important contributing factor to employee empowerment.

**Table 5.31****Respondents' views on managerial competency practices in private banks**

Statement	Mean	Std. Deviation	P value	Result
Working competition	3.83	0.890	0.000	Sig
Training from national and international	4.27	0.757	0.000	Sig
Learning environment is required	4.26	0.740	0.000	Sig
Independent working environment	3.87	0.737	0.000	Sig
Demonstration of good behavior	3.81	0.841	0.000	Sig
Risky and challenging job	3.65	0.860	0.000	Sig
Self-encouragement	3.88	0.718	0.000	Sig
Learning and commitment	4.34	0.650	0.000	Sig
Frequently shown a better efficiency	4.20	0.705	0.000	Sig
Outcome of bank	4.18	0.724	0.000	Sig
N=303	4.03	0.472	0.000	Sig

Table 5.31 shows the grand mean of respondents regarding different statements is 4.03. It falls under strongly agreed band and mean of almost all the statements is greater than agreed band. That means all statements are important factors. To test the significant difference from the mean score, the P value of all statements comes out 0.000 ( $<0.05$ ) which indicates that all the statements are significant factors. However, each and every statement are significant that means they all are important factors for employee empowerment, long professional experience, skill, ability and higher learning environment are required to obtain strong managerial competency in banks was found to be highest mean score (4.34). Hence, every private commercial bank of Nepal should give high priority to long professional experience, skill, ability and higher learning environment which are required to obtain strong managerial competency in bank for employee empowerment and practice of doing challenging and risky job can enhance managerial competencies of bank managers was found to be the lowest mean score (3.65). However, it has been significant factor, it is also the least important contributing factors for employee empowerment.



## 5.7 Questio1: Analysis of contribution factor on job satisfaction

**Table 5.32**

### **Analysis of respondents' responses regarding job satisfaction**

Statement	Agreement					Total
	SA	A	NS	D	SD	
Reward and punishment	121(40)	147(49)	29(9)	6(2)	0(0)	303
Good co-ordination in staffs	136(45)	147(48)	18(6)	2(1)	0(0)	303
Follows rule and norms	87(29)	124(41)	73(24)	19(6)	0(0)	303
Earning goodwill in bank	92(30)	150(50)	52(17)	9(3)	0(0)	303
Environment for healthy working	114(38)	167(55)	21(6)	1(1)	0(0)	303
Creation in empowering environment	63(20)	194(64)	44(15)	2(1)	0(0)	303
Close rapport in employee	7(25)	168(55)	57(19)	5(1)	0(0)	303
Opportunity to earn skill	97(32)	169(56)	33(20)	4(2)	0(0)	303
Better policy and incentive	116(38)	158(52)	27(9)	2(1)	0(0)	303
Total						0

Table 5.32 shows that out of 303 respondents more than 90% agreed with the statements under job satisfaction of good co-ordination among employees provide better job satisfaction in the bank. Only 2% disagreed with the all statements.

**Table 5.33**

### **Respondents' views on job satisfaction to employee empowerment and performance in Nepalese commercial banks**

Statement	Mean	Std. Deviation	P value	Result
Reward and punishment	4.26	0.711	0.000	Sig
Good co-ordination in staffs	4.38	0.628	0.000	Sig
Follows rule and norms	3.92	0.88	0.000	Sig
Earning goodwill in bank	4.07	0.769	0.000	Sig
Environment for healthy working	4.3	0.608	0.000	Sig
Creation in empowering environment	4.05	0.615	0.000	Sig
Close rapport in employee	4.02	0.704	0.000	Sig
Opportunity to earn skill	4.18	0.67	0.000	Sig
Better policy and incentive	4.28	0.649	0.000	Sig
N=303	4.1632	0.4499	0.000	Sig

Table 5.33 shows the grand mean of respondents regarding different statements is 4.16. It falls under strongly agreed band and the mean of almost all the statements is greater than agreed band. That means all statements are important factors. To test the significant difference from the mean score, the P value of all statements comes out 0.000(<0.05) which indicates that all the statements are significant factors. However, each and every statement are significant that means they all are important factors for employee empowerment, good co-ordination among employees provides better job satisfaction in the banks was found to be highest mean score (4.38). Hence, every commercial bank of Nepal should give high priority to good co-ordination among employees which provides better job satisfaction in the bank for employee empowerment and if the bank management strictly follows rules and norms that increases the level of job satisfaction of employee was found to be the lowest mean score (3.92). However, it has been significant factor, it is also the least important contributing factor to employee empowerment.

**Table 5.34**

**Analysis of respondents' responses regarding job satisfaction between Semi/fully government and private banks**

Statement	Agreement												Grand Total
	Government Bank						Private Bank						
	SA	A	NS	D	SD	Total	SA	A	NS	D	SD	Total	
Reward and punishment	89	95	13	3	0	200	32	52	16	3	0	103	303
Good co-ordination in staffs	89	98	12	1	0	200	47	49	6	1	0	103	303
Follows rule and norms	64	88	39	9	0	200	23	36	34	10	0	103	303
Earning goodwill in bank	64	105	29	2	0	200	28	45	23	7	0	103	303
Environment for healthy working	75	109	16	0	0	200	39	58	5	1	0	103	303
Creation in empowering environment	43	127	29	1	0	200	20	67	15	1	0	103	303
Close rapport in employee	42	116	38	4	0	200	31	52	19	1	0	103	303
Opportunity to earn skill	61	112	24	3	0	200	36	57	9	1	0	103	303
Better policy and incentive	68	110	21	1	0	200	48	48	6	1	0	103	303
Total						0						0	

Table 5.34 shows that out of 200 respondents of Semi/fully government commercial banks more than 94% and out of 103 respondents of private commercial banks of Nepal more than 93% agreed with the statement under job satisfaction of good co-ordination among employees provide better job satisfaction in the banks. Only 1% disagreed with the all statements in government banks and 3% disagreed with the all statements in private banks.

**Table 5.35**  
**Respondents' views on job satisfaction practices in Semi/fully government banks**

Statement	Mean	Std. Deviation	P value	Result
Reward and punishment	4.35	0.671	0.000	Sig
Good co-ordination in staffs	4.38	0.622	0.000	Sig
Follows rule and norms	4.04	0.835	0.000	Sig
Earning goodwill in bank	4.16	0.695	0.000	Sig
Environment for healthy working	4.30	0.608	0.000	Sig
Creation in empowering environment	4.06	0.615	0.000	Sig
Close rapport in employee	3.98	0.694	0.000	Sig
Opportunity to earn skill	4.16	0.681	0.000	Sig
Better policy and incentive	4.23	0.645	0.000	Sig
N=303	4.18	0.429	0.000	Sig

Table 5.35 shows the grand mean of respondents regarding different statements is 4.18. It falls under strongly agreed band and mean of almost all the statements is greater than agreed band. That means all statements are important factors. To test the significant difference from the mean score, the P value of all statements come out 0.000(<0.05) which indicates that all the statements are significant factors. However, each and every statement is significant that means they all are important factors for employee empowerment, good co-ordination among employees provide better job satisfaction in the bank was found to be highest mean score (4.38). Hence, every Semi/fully government commercial bank of Nepal should give high priority for good co-ordination among employees to provide better job satisfaction for employee empowerment, and close rapport between supervisors and

employees enhances job satisfaction in bank that was found to be the lowest mean score (3.98). However, it has been significant factor, It is also the least important contributing factors to employee empowerment.

**Table 5.36**  
**Respondents' views on job satisfaction practices in private banks**

Statement	Mean	Std. Deviation	P value	Result
Reward and punishment	4.10	0.761	0.000	Sig
Good co-ordination in staffs	4.38	0.643	0.000	Sig
Follows rule and norms	3.70	0.927	0.000	Sig
Earning goodwill in bank	3.91	0.876	0.000	Sig
Environment for healthy working	4.31	0.611	0.000	Sig
Creation in empowering environment	4.03	0.618	0.000	Sig
Close rapport in employee	4.10	0.721	0.000	Sig
Opportunity to earn skill	4.24	0.649	0.000	Sig
Better policy and incentive	4.39	0.645	0.000	Sig
N=303	4.13	0.488	0.000	Sig

Table 5.36 shows the grand mean of respondents regarding different statements is 4.13. It falls under strongly agreed band and mean of almost all the statements is greater than agreed band. That means all statements are important factors. To test the significant difference from the mean score, the P value of all statements comes out 0.000(<0.05) which indicates that all the statements are significant factors. However, each and every statement are significant that means they all are important factors for employee empowerment, good co-ordination among employees provide better job satisfaction in the bank was found to be highest mean score (4.38). Hence, every private commercial bank of Nepal should give high priority for good co-ordination among employees to provide better job satisfaction in the bank for employee empowerment. If the bank management strictly followed rules and norms, it would increase the level of job satisfaction of employee was found to be the lowest mean score (3.70). However, it has been significant factor, it is also the least important contributing factor to employee empowerment.

## 5.8 Question 1: Analysis of contribution factor on information sharing

**Table 5.37**

**Analysis of respondents' responses regarding information sharing**

Statement	Agreement					
	SA	A	NS	D	SD	Total
Competent and empowerment	56(19)	177(58)	62(20)	8(3)	0(0)	303
Continuous interaction in employees	107(34)	181(60)	14(5)	1(1)	0(0)	303
Electronic devices help to empower	76(25)	148(49)	66(22)	13(4)	0(0)	303
Reduce gap and dissatisfaction in staff	99(32)	173(57)	20(7)	8(3)	3(1)	303
Effective decision	75(25)	172(57)	44(14)	10(3)	2(1)	303
Efficiency in planning and implement	88(29)	155(51)	56(19)	4(1)	0(0)	303
Provides require input	102(34)	174(57)	25(8)	2(1)	0(0)	303
Understand policies and objectives	121(40)	161(53)	20(6)	1(1)	0(0)	303
Total						0

Table 5.37 shows that out of 303 respondents, more than 95% agreed with the statements under information sharing of continuous interaction between management and employees, which helps establish effective information sharing in bank. Only 2% disagreed with the all statements.

**Table 5.38**  
**Respondents' views on information sharing to employee empowerment and performance in Nepalese commercial banks**

Statement	Mean	Std. Deviation	P value	Result
Competent and empowerment	3.93	0.701	0.000	Sig
Continuous interaction in employees	4.30	0.569	0.000	Sig
Electronic devices help to empower	3.95	0.8	0.000	Sig
Reduce gap and dissatisfaction in staff	4.18	0.747	0.000	Sig
Effective decision	4.02	0.765	0.000	Sig
Efficiency in planning and implement	4.08	0.724	0.000	Sig
Provides require input	4.24	0.624	0.000	Sig
Understand policies and objectives	4.33	0.611	0.000	Sig
N=303	4.13	0.456	0.000	Sig

Table 5.38 shows the grand mean of respondents regarding different statements is 4.13. It falls under strongly agreed band and mean of almost all the statements is greater than agreed band. It can be assumed that this construct also is close to the sufficient evidence. That means all statements are important factors. To test the significant difference from the mean score, the P value of all statements comes out 0.000(<0.05) which indicates that all the statements are significant factors. However, each and every statement is significant that means they all are important factors for employee empowerment, transmission helps employees better understand policies and objectives of the bank was found to be highest mean score (4.33). Hence, every commercial bank of Nepal should give high priority to transmission. It helps employees better understand policies and objectives of the bank for employee empowerment and have an easy access to information that certainly makes the employees competent and empowered in the bank was found to be the lowest mean score (3.93). However, it has been significant factor, it is also the least important contributing factor to employee empowerment.

**Table 5.39****Analysis between Semi/fully government and private banks of respondents' responses regarding sharing information**

Statement	Agreement												Grand Total
	Government Bank						Private Bank						
	SA	A	NS	D	SD	Total	SA	A	NS	D	SD	Total	
Competent and empowerment	34	120	42	4	0	200	22	57	20	4	0	103	303
Continuous interaction in employees	68	122	9	1	0	200	39	59	5	0	0	103	303
Electronic devices help to empower	57	95	43	5	0	200	19	53	23	8	0	103	303
Reduce gap and dissatisfaction in staff	65	115	14	5	1	200	34	58	6	3	2	103	303
Effective decision	48	120	27	4	1	200	27	52	17	6	1	103	303
Efficiency in planning and implement	58	104	36	2	0	200	30	51	20	2	0	103	303
Provides require input	73	113	13	1	0	200	29	61	12	1	0	103	303
Understand policies and objectives	79	105	16	0	0	200		42	56	4	1	103	303
Total						0						0	0

Table 5.39 shows that out of 200 respondents of Semi/fully government commercial banks more than 95% and out of 103 respondents of private commercial banks of Nepal more than 95% agreed with the statement under sharing information of continuous interaction between management and employee helps to establish effective information sharing in bank. Only 2% strongly disagreed in government banks and 4% strongly disagreed with the all statements in private banks of Nepal.

**Table 5.40**  
**Respondents' views on information sharing practices in Semi/fully government banks**

Statement	Mean	Std. Deviation	P value	Result
Competent and empowerment	3.92	0.675	0.000	Sig
Continuous interaction in employees	4.29	0.57	0.000	Sig
Electronic devices help to empower	4.02	0.776	0.000	Sig
Reduce gap and dissatisfaction in staff	4.19	0.712	0.000	Sig
Effective decision	4.05	0.707	0.000	Sig
Efficiency in planning and implement	4.09	0.71	0.000	Sig
Provides require input	4.29	0.606	0.000	Sig
Understand policies and objectives	4.32	0.615	0.000	Sig
N=303	4.15	0.429	0.000	Sig

Table 5.40 shows the grand mean of respondents regarding different statements is 4.15. It falls under strongly agreed band and mean of almost all the statements is greater than agreed band. That means all statements are important factors. To test the significant difference from the mean score, the P value of all statements comes out 0.000(<0.05) which indicates that all the statements are significant factors. However, each and every statement is significant that means they all are important factors for employee empowerment, and transmission which helps employees better understand policies and objectives of the bank was found to be highest mean score (4.32). Hence, every Semi/fully government commercial bank of Nepal should give high priority to transmission. It helps employees better understand policies and objectives of the bank for employee empowerment and have an easy access over information makes the employees competent and empowered in the bank that was found to be the lowest mean score (3.92). However, it has been significant factor, it is also the least important contributing factor to employee empowerment.



**Table 5.41**  
**Respondents' views on information sharing practices in private banks**

Statement	Mean	Std. Deviation	P value	Result
Competent and empowerment	3.94	0.752	0.000	Sig
Continuous interaction in employees	4.33	0.567	0.000	Sig
Electronic devices help to empower	3.81	0.829	0.000	Sig
Reduce gap and dissatisfaction in staff	4.16	0.814	0.000	Sig
Effective decision	3.95	0.867	0.000	Sig
Efficiency in planning and implement	4.06	0.752	0.000	Sig
Provides require input	4.15	0.648	0.000	Sig
Understand policies and objectives	4.35	0.606	0.000	Sig
N=303	4.09	0.504	0.000	Sig

Table 5.41 shows the grand mean of respondents regarding different statements is 4.09. It falls under strongly agreed band and mean of almost all the statement is greater than agreed band. That means all statements are important factors. To test the significant difference from the mean score, the P value of all statements comes out 0.000(<0.05) which indicates that all the statements are significant factors. However, all the statements are significant that means they all are important factors for employee empowerment and transmission which helps employees better understand policies and objectives of the bank was found to be highest mean score (4.35). Hence, every private commercial bank of Nepal should give high priority to transmission. It helps employees better understand policies and objectives of the bank for employee empowerment and have an easy access over information makes the employees competent and empowered in the bank that was found to be the lowest mean score (3.94). However, it has been significant factor, it is also the least important contributing factor to employee empowerment.

## 5.9 Question 1: Analysis of contributing factor on attitude of top-level management

**Table 5.42**

**Analysis of respondents' responses regarding attitude of top-level management**

Statement	Agreement					Total
	SA	A	NS	D	SD	
System makes strengthened	153(51)	131(43)	19(6)	0(0)	0(0)	303
Plan and policies of empowerment	89(29)	163(54)	49(17)	1(0)	1(0)	303
Generosity and openness	62(21)	171(56)	64(21)	4(1)	2(1)	303
Efficiency of staff	58(19)	169(56)	66(22)	10(3)	0(0)	303
Audit of human resource	65(22)	176(58)	56(18)	5(2)	1(0)	303
Frequent interaction in staff	67(22)	195(64)	38(13)	3(1)	0(0)	303
Innovative behavior and competency	69(23)	168(55)	59(20)	7(2)	0(0)	303
Total						0

Table 5.42 shows that out of 303 respondents more than 90% agreed with the statements under attitude of top-level management of the empowerment system can be strengthened if the top-level management has positive attitude. Only 2% disagreed with the all statements.

**Table 5.43**  
**Respondents' views on attitude of top-level management to employee empowerment and performance in Nepalese commercial banks**

Statement	Mean	Std. Deviation	P value	Result
System makes strengthened	4.44	0.611	0.000	Sig
Plan and policies of empowerment	4.12	0.698	0.000	Sig
Generosity and openness	3.95	0.726	0.000	Sig
Efficiency of staff	3.91	0.731	0.000	Sig
Audit of human resource	3.99	0.705	0.000	Sig
Frequent interaction in staff	4.08	0.618	0.000	Sig
Innovative behavior and competency	3.99	0.719	0.000	Sig
N=303	4.07	0.466	0.000	Sig

Table 5.43 shows the grand mean of respondents regarding different statements is 4.07. It falls under strongly agreed band and mean of almost all the statements is greater than agreed band. That means all statements are important factors. To test the significant difference from the mean scorer, the P value of all statements comes out 0.000 ( $<0.05$ ) which indicates that all the statements are significant factors. However, each statement is significant that means they all are important factors for employee empowerment, the empowerment system can be strengthened if the top-level management has positive attitude. It was found to be highest mean score (4.44). Hence, every top-level management of commercial bank of Nepal should make positive attitude for employee empowerment and the attitude of the top-level management about empowerment can also be reflected through the efficiency of staff that was found to be the lowest mean score (3.91). However, it has been significant factor, it is also the least important contributing factor to employee empowerment.

**Table 5.44****Analysis between Semi/fully government and private banks of respondents' responses regarding attitude of top-level management**

Statement	Agreement												Grand Total
	Government Bank						Private Bank						
	SA	A	NS	D	SD	Total	SA	A	NS	D	SD	Total	
System makes strengthened	100	85	15	0	0	200	53	46	4	0	0	103	303
Plan and policies of empowerment	55	111	33	1	0	200	34	52	16	1	0	103	303
Generosity and openness	39	118	41	1	1	200	23	53	23	3	1	103	303
Efficiency of staff	46	116	36	2	0	200	18	55	24	6	0	103	303
Audit of human resource	46	116	36	2	0	200	19	60	20	3	1	103	303
Frequent interaction in staff	46	123	29	2	0	200	21	72	9	1	0	103	303
Innovative behavior and competency	49	110	37	4	0	200	20	58	22	3	0	103	303
Total						0							0

Table 5.44 shows that out of 200 respondents of Semi/fully government commercial banks more than 93% and out of 103 respondents of private commercial banks of Nepal more than 96% agreed with the statement under attitude of top-level management of the empowerment system can be strengthened, if the top-level management has positive attitude. Only 1% disagreed in government bank and 3% disagreed with the all statements in private banks of Nepal.

**Table 5.45**  
**Respondents' views on attitude of top-level management practices in Semi/fully**  
**government banks**

Statement	Mean	Std. dev.	P value	Result
System makes strengthened	4.43	0.63	0.000	Sig
Plan and policies of empowerment	4.10	0.692	0.000	Sig
Generosity and openness	3.97	0.683	0.000	Sig
Efficiency of staff	3.95	0.7	0.000	Sig
Audit of human resource	4.03	0.672	0.000	Sig
Frequent interaction in staff	4.07	0.643	0.000	Sig
Innovative behavior and competency	4.02	0.716	0.000	Sig
N=303	4.08	0.448	0.000	Sig

From table 5.45, the grand mean of respondents regarding different statements are seen to be 4.08. It falls under strongly agreed band and mean of almost all the statements is greater than agreed band. That means all statements are important factors. To test the significant difference from the mean score, the P value of all statements comes out 0.000(<0.05) which indicates that all the statements are significant factors. However, each and every statement is significant that means they all are important factors for employee empowerment, the empowerment system that can be strengthened if the top-level management has positive attitude that was found to be highest mean score (4.43). Hence, every top-level management of Semi/fully government commercial bank of Nepal should make positive attitude regarding employee empowerment. It can also be reflected through the efficiency of staff that was found to be the lowest mean score (3.95). However, it has been significant factor, it is also the least important contributing factor to employee empowerment.

**Table 5.46**  
**Respondents' views on attitude of top-level management practices in private banks**

Statement	Mean	Std. Deviation	P value	Result
System makes strengthened	4.48	0.575	0.000	Sig
Plan and policies of empowerment	4.16	0.711	0.000	Sig
Generosity and openness	3.91	0.806	0.000	Sig
Efficiency of staff	3.83	0.785	0.000	Sig
Audit of human resource	3.90	0.761	0.000	Sig
Frequent interaction in staff	4.10	0.569	0.000	Sig
Innovative behavior and competency	3.92	0.723	0.000	Sig
N=303	4.04	0.500	0.000	Sig

Table 5.46 shows the grand mean of respondents regarding different statements is 4.04. It falls under strongly agreed band and mean of almost all the statements are greater than agreed band. That means all statements are important factors. To test the significant difference from the mean score, the P value of all statements comes out 0.000(<0.05) which indicates that all the statements are significant factors. However, each of statement is significant they all are important factors for employee empowerment, the empowerment system which can be strengthened if the top-level management has positive attitude that was found to be highest mean score (4.48). Hence, every top-level management of private commercial bank of Nepal should make positive attitude regarding empowerment. The attitude of the top-level management about empowerment can also be reflected through the efficiency of staff that was found to be the lowest mean score (3.83). However, it has been significant factor, it is also the least important contributing factor to employee empowerment.

## 5.10 Question 2: Analysis on pre-requisites of empowerment

**Table 5.47**

**Analysis of respondent's responses regarding pre-requisites of employee empowerment**

Statement	Agreement					Total
	SA	D	NS	D	SD	
Well equipped training center	116(38)	147(49)	30(10)	9(3)	1(0)	303
Participatory management in bank	85(28)	192(63)	24(9)	1(0)	1(0)	303
Sharing of information and authority	104(34)	175(58)	24(8)	0	0(0)	303
Professionalism in recruitment	127(42)	143(47)	28(9)	5(2)	0(0)	303
Commitment in manager and staff	126(42)	142(47)	33(10)	2(1)	0(0)	303
Human resource planning	141(47)	143(47)	15(5)	4(1)	0(0)	303
Co-ordination in bank offices	123(41)	155(51)	24(8)	1(0)	0(0)	303
National and international training	138(46)	137(45)	25(8)	3(1)	0(0)	303
Job autonomy and satisfaction	122(40)	156(52)	24(8)	1(0)	0(0)	303
Total						0

Table 5.47 shows that out of 303 respondents, more than 90% agreed with the statements under pre-requisites of empowerment of information sharing and authority decentralization mechanism plays a vital role for empowerment in a bank. Only 1% disagreed with the all statements.

**Table 5.48****Respondents' views on pre-requisites of employee empowerment to employee empowerment and performance in Nepalese commercial banks**

Statement	Mean	Std. Deviation	P value	Result
Well equipped training center	4.21	0.766	0.000	Sig
Participatory management in bank	4.18	0.608	0.000	Sig
Sharing of information and authority	4.26	0.595	0.000	Sig
Professionalism in recruitment	4.29	0.702	0.000	Sig
Commitment in manager and staff	4.29	0.683	0.000	Sig
Human resource planning	4.39	0.646	0.000	Sig
Co-ordination in bank offices	4.32	0.630	0.000	Sig
National and international training	4.35	0.674	0.000	Sig
Job autonomy and satisfaction	4.32	0.629	0.000	Sig
N=303	4.29	0.437	0.000	Sig

Table 5.48 shows the grand mean of respondents regarding different statements is 4.29. It falls under strongly agreed band and mean of almost all the statements is greater than agreed band. That means all statements are important factors. To test the significant difference from the mean score, the P value of all statements comes out 0.000(<0.05) which indicates that all the statements are significant factors. However, each and every statement are significant that means they all are important factors for employee empowerment, it is very important to have human resource planning to empower the employees of the bank which was found to be highest mean score (4.39). Hence, every commercial bank of Nepal should give high priority for human resource planning to maintain primary pre-requisites of empowerment. They are likely to be empowered more if the practice of the participatory management is in place in the bank was found to be the lowest mean score (4.18). However, it has been significant factor, it is also the least important pre-requisites to employee empowerment.



**Table 5.49**

**Analysis between Semi/fully government and private banks of respondents’  
responses regarding pre-requisites of employee empowerment**

Statement	Agreement												Grand Total
	Government Bank						Private Bank						
	SA	A	NS	D	SD	Total	SA	A	NS	D	SD	Total	
Well equipped training center	85	92	16	6	1	200	31	55	14	3	0	103	303
Participatory management in bank	58	126	15	1	0	200	27	66	9	1	0	103	303
Sharing of information and authority	72	111	17	0	0	200	32	64	7	0	0	103	303
Professionalism in recruitment	85	95	18	2	0	200	42	48	10	3	0	103	303
Commitment in manager and staff	83	95	20	2	0	200	43	47	13	0	0	103	303
Human resource planning	92	96	9	3	0	200	49	47	6	1	0	103	303
Co-ordination in bank offices	77	106	16	1	0	200	46	49	8	0	0	103	303
National and international training	90	92	17	1	0	200	48	45	8	2	0	103	303
Job autonomy and satisfaction	73	109	17	1	0	200	49	47	7	0	0	103	303
Total						0						0	0

Table 5.49 shows that out of 200 respondents of Semi/fully government commercial banks of Nepal, more than 94% agreed with the statement under pre-requisites of employee empowerment. It is very important to have human resource planning to empower the employees of the bank and out of 103 respondents of private

commercial bank of Nepal, more than 93% agreed with the statement under pre-requisites of employee empowerment. It is important to have human resource planning to empower the employees of the bank and banks should ensure good environment for job autonomy and employees satisfaction for empowerment process. Only 1% disagreed in government banks and 2% disagreed with the all statements in private banks of Nepal.

**Table 5.50**  
**Respondents' views on pre-requisites of employee empowerment practices in**  
**Semi/fully government banks**

Statement	Mean	Std. Deviation	P value	Result
Well equipped training center	4.27	0.775	0.000	Sig
Participatory management in bank	4.21	0.587	0.000	Sig
Sharing of information and authority	4.28	0.609	0.000	Sig
Professionalism in recruitment	4.32	0.677	0.000	Sig
Commitment in manager and staff	4.30	0.686	0.000	Sig
Human resource planning	4.39	0.647	0.000	Sig
Co-ordination in bank offices	4.30	0.632	0.000	Sig
National and international training	4.36	0.657	0.000	Sig
Job autonomy and satisfaction	4.27	0.632	0.000	Sig
N=303	4.29	0.418	0.000	Sig

Table 5.50 shows the grand mean of respondents regarding different statements is 4.29. It falls under strongly agreed band and mean of almost all the statements greater than agreed band. That means all statements are important factors. To test the significant difference from the mean score, the P value of all statements comes out 0.000(<0.05) which indicates that all the statements are significant factors. However, each and every statement are significant that means they all are important factors for employee empowerment, it is very important to have human resource planning to empower the employees of the bank which was found to be highest mean score (4.39). Hence, every Semi/fully, government commercial bank of Nepal should give high priority to human resource planning in order to maintain primary pre-requisites of empowerment. They are likely to be empowered more if the practice of

the participatory management is in place in the bank which was found to be the lowest mean score (4.21). However, it has been significant factor, it is also the least important pre-requisites to employee empowerment.

**Table 5.51**  
**Respondents' views on pre-requisites of employee empowerment practices in private banks**

Statement	Mean	Std. Deviation	P value	Result
Well equipped training center	4.11	0.74	0.000	Sig
Participatory management in bank	4.15	0.648	0.000	Sig
Sharing of information and authority	4.24	0.568	0.000	Sig
Professionalism in recruitment	4.25	0.75	0.000	Sig
Commitment in manager and staff	4.29	0.681	0.000	Sig
Human resource planning	4.40	0.647	0.000	Sig
Co-ordination in bank offices	4.37	0.626	0.000	Sig
National and international training	4.35	0.71	0.000	Sig
Job autonomy and satisfaction	4.41	0.617	0.000	Sig
N=303	4.28	0.473	0.000	Sig

Table 5.51 shows the grand mean of respondents regarding different statements is 4.28. It falls under strongly agreed band and mean of almost all the statements is greater than agreed band. That means all statements are important factors. To test the significant difference from the mean score, the P value of all statements comes out 0.000(<0.05) which indicates that all the statements are significant factors. However, each and every statement are significant that means they all are important factors for employee empowerment, bank should ensure good environment for job autonomy and employees satisfaction for empowerment process was found to be highest mean score (4.41). Hence, every private commercial bank of Nepal should give high priority to good environment for job autonomy and employees satisfaction for empowerment process as a sound pre-requisites of empowerment and management which needs a well equipped training center that can be utilized for implementing empowerment related activities and programs was found to be the

lowest mean score (4.11). However, it has been significant factor, it is also the least important contributing factor to employee empowerment.

### 5.11 Question 3: Analysis on barriers to employee empowerment.

**Table 5.52**  
**Analysis of respondents' responses regarding barriers to employee empowerment**

Statement	Agreement					Total
	SA	D	NS	D	SD	
Trade union activities	71(23)	88(29)	85(28)	43(15)	16(5)	303
Not ready for responsibilities	63(20)	127(42)	64(21)	44(15)	5(2)	303
Lack of co-ordination in bank	95(31)	164(54)	32(11)	10(3)	2(1)	303
Lack in banking competency	69(23)	174(57)	48(16)	10(3)	2(1)	303
Not recognized of training	82(27)	170(56)	32(11)	17(5)	2(1)	303
Long time working employee	40(13)	129(43)	89(29)	40(13)	5(2)	303
Risky and challenging element	45(15)	149(49)	78(26)	27(9)	4(1)	303
Not ready for accountability	86(28)	171(56)	33(11)	10(4)	3(1)	303
Not ready to delegate authority	101(33)	167(55)	24(8)	10(4)	1(0)	303
Total						0

Table 5.52 shows that out of 303 respondents more than 88% agreed with the statements under barriers to empowerment of some managers may not be willing to delegate the necessary authorities to their subordinates. Only 9% disagreed with the all statements.

**Table 5.53****Respondent's views on barriers to employee empowerment and performance in Nepalese commercial banks**

Statement	Mean	Std. Deviation	P value	Result
Trade union activities	3.51	1.150	0.000	Sig
Not ready for responsibilities	3.66	1.017	0.000	Sig
Lack of co-ordination in bank	4.12	0.773	0.000	Sig
Lack in banking competency	3.98	0.761	0.000	Sig
Not recognized of training	4.03	0.813	0.000	Sig
Long time working employee	3.52	0.938	0.000	Sig
Risky and challenging element	3.67	0.881	0.000	Sig
Not ready for accountability	4.08	0.781	0.000	Sig
Not ready to delegate authority	4.18	0.738	0.000	Sig
N=303	3.86	0.504	0.000	Sig

Table 5.53 shows the grand mean of respondents regarding different statements is 3.86. It falls under agreed band and mean of almost all the statements is greater than not sure band. That means all statements are important factors. To test the significant difference from the mean score, the P value of all statements comes out to be 0.000(<0.05), which indicates that all the statements are significant factors. However, each and every statement is significant that means they all are important factors for employee empowerment, some managers may not be willing to delegate the necessary authorities to their subordinates it was found to be highest mean score (4.18). Hence, every commercial bank of Nepal should make scientific mechanism to delegate the necessary authorities to their subordinates for removed barrier in time to empowerment and trade unions 'activities can disturb employee empowerment in bank it was found to be the lowest mean score (3.51). However, it has been significant factor, it is also the least barrier to employee empowerment.

**Table 5.54****Analysis between Semi/fully government and private banks of respondents' responses regarding barriers to employee empowerment**

Statement	Agreement												Grand Total
	Government Bank						Private Bank						
	SA	A	NS	D	SD	Total	SA	A	NS	D	SD	Total	
Trade union activities	59	53	49	29	10	200	12	35	36	14	6	103	303
Not ready for responsibilities	42	98	38	20	2	200	21	29	26	24	3	103	303
Lack of co-ordination in bank	59	112	22	5	2	200	36	52	10	5	0	103	303
Lack in banking competency	50	110	34	6	0	200	19	64	14	4	2	103	303
Not recognized of training	56	111	20	11	2	200	26	59	12	6	0	103	303
Long time working employee	22	91	59	26	2	200	18	38	30	14	3	103	303
Risky and challenging element	29	95	56	18	2	200	16	54	22	9	2	103	303
Not ready for accountability	67	108	20	3	2	200	19	63	13	7	1	103	303
Not ready to delegate authority	68	113	14	5	0	200	33	54	10	5	1	103	303
Total												0	

Table 5.54 shows that out of 200 respondents of Semi/fully government commercial banks of Nepal, more than 91% agreed with the statement under barriers to employee empowerment of some managers may not be willing to delegate the necessary authorities to their subordinates and out of 103 respondents of the private commercial banks of Nepal. More than 85% agreed with the statement under barriers to employee empowerment lack of co-ordination among functional departments and branches in a bank can pose obstruction in the process of staff empowerment. Only

8% strongly disagreed in government banks and 11% strongly disagreed with the all statements in private banks of Nepal.

**Table 5.55**  
**Respondents' views on barriers to employee empowerment practices in Semi/ fully government banks**

Statement	Mean	Std. Deviation	P value	Result
Trade union activities	3.61	1.194	0.000	Sig
Not ready for responsibilities	3.79	0.922	0.000	Sig
Lack of co-ordination in bank	4.11	0.766	0.000	Sig
Lack in banking competency	4.02	0.736	0.000	Sig
Not recognized of training	4.04	0.832	0.000	Sig
Long time working employee	3.53	0.891	0.000	Sig
Risky and challenging element	3.66	0.872	0.000	Sig
Not ready for accountability	4.18	0.746	0.000	Sig
Not ready to delegate authority	4.22	0.681	0.000	Sig
N=303	3.90	0.491	0.000	Sig

) Table 5.55 shows the grand mean of respondents regarding different statements is 3.90. It falls under agreed band and mean of almost all the statements is greater than not sure band. That means all statements are important factors. To test the significant difference from the mean score, the P value of all statements comes out 0.000(<0.05) which indicates that all the statements are significant factors. However, each and every statement is significant that means they all are important factors for employee empowerment, some managers may not be willing to delegate the necessary authorities to their subordinates was found to be highest mean score (4.22). Hence, every Semi/fully government commercial bank of Nepal should make scientific mechanism to delegate the necessary authorities to their subordinates for removed barrier of empowerment and employees working for long period of time tend to resist empowerment actions was found to be the lowest mean score (3.53). However, it has been significant factor, it is also the least problem-posing barrier to employee empowerment.

**Table 5.56****Respondents' views on barriers to employee empowerment practices in private banks**

Statement	Mean	Std. Deviation	P value	Result
Trade union activities	3.32	1.04	0.002	Sig
Not ready for responsibilities	3.4	1.141	0.001	Sig
Lack of co-ordination in bank	4.16	0.789	0.000	Sig
Lack in banking competency	3.91	0.806	0.000	Sig
Not recognized of training	4.02	0.779	0.000	Sig
Long time working employee	3.52	1.028	0.000	Sig
Risky and challenging element	3.71	0.903	0.000	Sig
Not ready for accountability	3.89	0.815	0.000	Sig
Not ready to delegate authority	4.1	0.834	0.000	Sig
N=303	3.78	0.523	0.000	Sig

Table 5.56 shows the grand mean of respondents regarding different statements is 3.78. It falls under agreed band and mean of almost all the statements is greater than not sure band. That means all statements are important factors. To test the significant difference from the mean score, the P value of all statements comes out 0.000(<0.05) which indicates that all the statements are significant factors. However, each and every statement is significant that means they all are important factors for employee empowerment, lack of co-ordination among functional departments and branches in a bank can pose obstruction in the process of staff empowerment that was found to be highest mean score (4.16). Hence, every private commercial bank of Nepal should strength and re-engineering of bank organization for improving co-ordination among functional departments and branches in a bank for removed barrier of empowerment and trade unions' activities can disturb employee empowerment in bank that was found to be the lowest mean score (3.32). However, it has been significant factor, it is also least important contributing factor to employee empowerment.



## 5.12 Question 4: Analysis of relationship between practices of employee empowerment and performance

**Table 5.57**

**Correlations between practice of delegation of authority and performance**

Statement	Objectives set by bank	Positive financial indicator	Positive result in all indicator	Better result in plan and implement	Standardized service to clients	Improves financial performance	Different practices between banks
Maintain self discipline	.206(**)	.143(*)	.171(**)	.185(**)	.215(**)	.172(**)	0.048
P value	0	0.013	0.003	0.001	0	0.003	0.404
Develop skill and ability	.162(**)	0.087	.139(*)	0.073	0.064	0.089	.125(*)
	0.005	0.133	0.016	0.202	0.267	0.124	0.029
Building the capacity	.181(**)	0.1	.176(**)	.172(**)	.220(**)	.233(**)	.214(**)
P value	0.002	0.083	0.002	0.003	0	0	0
To be capable and independent	.241(**)	.122(*)	.132(*)	.223(**)	.169(**)	.135(*)	0.081
P value	0	0.034	0.021	0	0.003	0.019	0.158
Scientific motivation	.302(**)	.233(**)	.231(**)	.319(**)	.183(**)	.282(**)	.136(*)
P value	0	0	0	0	0.001	0	0.018
Confidence in employee	.147(*)	0.047	0.022	.140(*)	.127(*)	0.049	.159(**)
P value	0.011	0.416	0.697	0.015	0.027	0.392	0.005
Opportunity to empower	.226(**)	0.091	.187(**)	.280(**)	.221(**)	.141(*)	.229(**)
P value	0	0.115	0.001	0	0	0.014	0
** Significant at 5%							
* Significant at 1%							

Table 5.57 shows correlation between statements of delegation authority and performance. Almost all the statements of delegation of authority and statement of performance are positively correlated and their corresponding P value indicates that most of the statements are significant at 5% level of significance. So, the analysis of data reveals that practice of delegation of authority and performance of commercial banks of Nepal have a significant relationship. In this study, all statement of delegation of authority and statement of performance found equal scale. That means delegation of authority and performance factors are in same direction. Good practice of delegation of authority enhances performance of bank.

**Table 5.58**  
**Correlations between practice of accountability and performance**

Statement	Objectives set by bank	Positive financial indicator	Positive result in all indicator	Better result in plan and implement	Standardized service to clients	Improves financial performance	Different practices between banks
participatory management	.141(*)	.152(**)	.171(**)	.199(**)	.217(**)	.165(**)	.148(**)
P value	0.014	0.008	0.003	0.001	0	0.004	0.01
Necessary authorities	.323(**)	.197(**)	.269(**)	.276(**)	.272(**)	.317(**)	.178(**)
P value	0	0.001	0	0	0	0	0.002
Wins the trust in staffs	.130(*)	.150(**)	.128(*)	.130(*)	.175(**)	0.104	0.093
P value	0.023	0.009	0.026	0.023	0.002	0.072	0.106
Good mechanism in team	.299(**)	.338(**)	.175(**)	.261(**)	.299(**)	.188(**)	.127(*)
P value	0	0	0.002	0	0	0.001	0.027
Self control working system	.312(**)	.301(**)	.199(**)	.255(**)	.246(**)	.135(*)	.198(**)
P value	0	0	0	0	0	0.019	0.001
Authority will compel for accountability	.341(**)	.295(**)	.255(**)	.220(**)	.226(**)	.255(**)	.194(**)
P value	0	0	0	0	0	0	0.001
Freedom of working environment	.137(*)	.160(**)	.154(**)	.213(**)	.156(**)	.146(*)	0.073
P value	0.017	0.005	0.007	0	0.007	0.011	0.208
** Significant at 5%							
* Significant at 1%							

Table 5.58 shows the correlation between different statements of accountability and performance. Almost all the statements of accountability and statement of performance are positively correlated and their corresponding P value indicates that most of the statements are significant at 5% level of significance. So, the analysis of data reveals that practice of accountability and performance of commercial banks of Nepal have a significant relationship. In this study, all statement of accountability and statement of performance found equal in scale. That means accountability and performance factors are in same direction. Good practice of accountability enhances performance of bank.

**Table 5.59**  
**Correlation between practice of human resource management training and performance**

Statement	Objectives set by bank	Positive financial indicator	Positive result in all indicator	Better result in plan and implement	Standardized service to clients	Improves financial performance	Different practices between banks
Pre-attitude can be changed	.228(**)	.243(**)	.164(**)	.205(**)	.292(**)	.221(**)	.188(**)
P.value	0	0	0.004	0	0	0	0.001
practical and theoretical knowledge	.268(**)	.232(**)	.145(*)	.194(**)	.272(**)	.226(**)	.168(**)
P.value	0	0	0.011	0.001	0	0	0.003
Mechanism in sharing knowledge	.216(**)	.211(**)	.159(**)	.214(**)	.269(**)	.172(**)	.179(**)
P.value	0	0	0.006	0	0	0.003	0.002
Improves morale and working style	.301(**)	.289(**)	.322(**)	.378(**)	.276(**)	.243(**)	.179(**)
P.value	0	0	0	0	0	0	0.002
Provides occupational knowledge	.258(**)	.203(**)	.222(**)	.288(**)	.334(**)	.324(**)	.195(**)
P.value	0	0	0	0	0	0	0.001
Develops the ability to empowerment	.275(**)	.202(**)	.176(**)	.304(**)	.299(**)	.309(**)	.219(**)
P.value	0	0	0.002	0	0	0	0
Provides skill and technical change	.343(**)	.203(**)	.200(**)	.344(**)	.290(**)	.282(**)	.207(**)
P.value	0	0	0	0	0	0	0
Teaches new banking practice and theory	.172(**)	.281(**)	.246(**)	.254(**)	.293(**)	.305(**)	.209(**)
P.value	0.003	0	0	0	0	0	0
** Significant at 5%							
* Significant at 1%							

Table 5.59 shows the correlation between different statements of human resource management training and performance. Almost all the statements of human resource management training and statement of performance are positively correlated and their corresponding P value indicates that most of the statements are significant at 5% level of significance. So, the analysis of data reveals that practice of human resource management training and performance of commercial banks of Nepal have significant relationship. In this study, all statement of human resource management

training and statement of performance found equal in scale. That means human resource management training and performance factors are in same direction. Good practice of human resource management training enhances performance of bank.

**Table 5.60**  
**Correlation between practice of job autonomy and performance**

Statement	Objectives set by bank	Positive financial indicator	Positive result in all indicator	Better result in plan and implement	Standardized service to clients	Improves financial performance	Different practices between banks
Independently working employee	.207(**)	.160(**)	0.071	.126(*)	.208(**)	.155(**)	0.018
P value	0	0.005	0.22	0.028	0	0.007	0.757
Authority decentralization	.137(*)	0.103	.134(*)	.208(**)	.171(**)	.204(**)	.228(**)
P value	0.017	0.074	0.02	0	0.003	0	0
Creates mechanism to empower	.275(**)	.218(**)	.117(*)	.293(**)	.287(**)	.304(**)	.184(**)
P value	0	0	0.042	0	0	0	0.001
Empowering activities improves	.221(**)	.192(**)	.143(*)	.256(**)	.281(**)	.252(**)	.146(*)
P value	0	0.001	0.013	0	0	0	0.011
Self decision making	.288(**)	.272(**)	.273(**)	.251(**)	.299(**)	.262(**)	.180(**)
P value	0	0	0	0	0	0	0.002
Features of autonomy	.341(**)	.248(**)	.254(**)	.306(**)	.334(**)	.278(**)	0.065
P value	0	0	0	0	0	0	0.258
Delegation of power	.357(**)	.185(**)	.124(*)	.248(**)	.277(**)	.284(**)	.202(**)
P value	0	0.001	0.032	0	0	0	0
System of task allocation	.248(**)	.274(**)	.259(**)	.286(**)	.307(**)	.246(**)	.191(**)
P value	0	0	0	0	0	0	0.001
** Significant at 5%							
* Significant at 1%							

Table 5.60 shows the correlation between different statements of job autonomy and performance. Almost all the statements of job autonomy and statement of performance are positively correlated and their corresponding P value indicates that most of the statements are significant at 5% level of significance. So, the analysis of data reveals that practice of job autonomy and performance of commercial banks of Nepal have significant relationship. In this study, all statement of job autonomy and statement of performance found equal in scale. That means job autonomy and performance factors are in same direction. Good practice of job autonomy enhances performance of bank.

**Table 5 .61**  
**Correlation between practice of performance based reward system and performance**

Statement	Objectives set by bank	Positive financial indicator	Positive result in all indicator	Better result in plan and implement	Standardized service to clients	Improves financial performance	Different practices between banks
Dynamic and result oriented	.300(**)	.227(**)	.205(**)	.248(**)	.180(**)	.286(**)	0.003
P value	0	0	0	0	0.002	0	0.953
Awareness of performance	.274(**)	0.089	.139(*)	.194(**)	.230(**)	.208(**)	.185(**)
P value	0	0.123	0.015	0.001	0	0	0.001
Healthy working environment	.244(**)	.315(**)	.384(**)	.347(**)	.349(**)	.294(**)	.200(**)
P value	0	0	0	0	0	0	0
Motives in working efficiency	.309(**)	.316(**)	.277(**)	.190(**)	.279(**)	.250(**)	.207(**)
P value	0	0	0	0.001	0	0	0
Education and economic incentive	.219(**)	.241(**)	.236(**)	.268(**)	.302(**)	.286(**)	.254(**)
P value	0	0	0	0	0	0	0
Empowerment and performance	.275(**)	.256(**)	.267(**)	.250(**)	.249(**)	.298(**)	.207(**)
P value	0	0	0	0	0	0	0
Effective direction to change behavior	.200(**)	.304(**)	.315(**)	.261(**)	.264(**)	.248(**)	.188(**)
P value	0	0	0	0	0	0	0.001
Hard working employee	.182(**)	.266(**)	.278(**)	.333(**)	.255(**)	.277(**)	0.1
P value	0.001	0	0	0	0	0	0.083
Confidence of employee	.292(**)	.311(**)	.326(**)	.316(**)	.358(**)	.265(**)	0.105
P value	0	0	0	0	0	0	0.069
** Significant at 5%							
* Significant at 1%							

Table 5.61 shows the correlation between different statements of performance based reward system and performed performance. Almost all the statements of performance based reward system and statement of performance are positively correlated and their corresponding P value indicates that most of the statements are significant at 5% level of significance. So, the analysis of data reveals that practice of performance based reward system and performance of commercial banks of Nepal have significant relationship. In this study, all statement of performance based reward system and statements of performance found equal in scale. That means performance

based reward system, and performance factors are in same direction. Good practice of performance based reward system enhances performance of bank.

**Table 5.62**  
**Correlation between practice of managerial competency and performance**

Statement	Objectives set by bank	Positive financial indicator	Positive result in all indicator	Better result in plan and implement	Standardized service to clients	Improves financial performance	Different practices between banks
Working competition	.199(**)	.292(**)	.323(**)	.221(**)	.259(**)	.300(**)	.169(**)
P value	0	0	0	0	0	0	0.003
Working competition	.169(**)	.193(**)	.214(**)	.216(**)	.273(**)	.172(**)	.193(**)
P value	0.003	0.001	0	0	0	0.003	0.001
Training from national and international	.141(*)	0.077	.163(**)	.118(*)	.176(**)	0.096	.120(*)
P value	0.014	0.181	0.004	0.039	0.002	0.097	0.036
Learning environment is required	.169(**)	.171(**)	.253(**)	.228(**)	.239(**)	.137(*)	0.105
P value	0.003	0.003	0	0	0	0.017	0.068
Independent working environment	.290(**)	.317(**)	.348(**)	.296(**)	.338(**)	.352(**)	.188(**)
P value	0	0	0	0	0	0	0.001
Demonstration of good behavior	.302(**)	.238(**)	.346(**)	.309(**)	.328(**)	.184(**)	.242(**)
P value	0	0	0	0	0	0.001	0
Risky and challenging job	.343(**)	.325(**)	.307(**)	.296(**)	.362(**)	.309(**)	.249(**)
P value	0	0	0	0	0	0	0
Self engorgement	.295(**)	.207(**)	.254(**)	.293(**)	.349(**)	.209(**)	.134(*)
P value	0	0	0	0	0	0	0.02
Learning and commitment	.346(**)	.323(**)	.364(**)	.286(**)	.384(**)	.347(**)	.149(**)
P value	0	0	0	0	0	0	0.009
Frequently shown a better efficiency	.281(**)	0.09	.148(**)	.157(**)	.236(**)	.153(**)	.190(**)
P value	0	0.116	0.01	0.006	0	0.008	0.001
** Significant at 5%							
* Significant at 1%							

Table 5.62 shows the correlation between different statements of managerial competency and performance. Almost all the statements of managerial competency and statement of performance are positively correlated and their corresponding P

value indicates that most of the statements are significant at 5% level of significance. So, the analysis of data reveals that practice of managerial competency and performance of commercial banks of Nepal have significant relationship. In this study, all statement of managerial competency and statement of performance found equal in scale. That means managerial competency and performance factors are in same direction. Better practice of managerial competency enhances performance of bank.

**Table 5.63**  
**Correlation between practice of job satisfaction and performance**

Statement	Objectives set by bank	Positive financial indicator	Positive result in all indicator	Better result in plan and implement	Standardized service to clients	Improves financial performance	Different practices between bank
Reward and punishment	.339(**)	.300(**)	.337(**)	.325(**)	.243(**)	.284(**)	.124(*)
P value	0	0	0	0	0	0	0.03
Good co-ordination in staffs	.245(**)	.256(**)	.263(**)	.289(**)	.322(**)	.362(**)	.178(**)
P value	0	0	0	0	0	0	0.002
Follows rule and norms	.267(**)	.412(**)	.395(**)	.384(**)	.289(**)	.404(**)	.182(**)
P value	0	0	0	0	0	0	0.001
Earning goodwill in bank	.224(**)	.287(**)	.351(**)	.357(**)	.315(**)	.347(**)	.180(**)
P value	0	0	0	0	0	0	0.002
environment for healthy working	.338(**)	.183(**)	.235(**)	.294(**)	.367(**)	.152(**)	0.108
P value	0	0.001	0	0	0	0.008	0.06
Creation in empowering environment	.338(**)	.270(**)	.318(**)	.358(**)	.452(**)	.170(**)	.202(**)
P value	0	0	0	0	0	0.003	0
Close rapport in employee	.310(**)	.209(**)	.272(**)	.339(**)	.329(**)	.274(**)	.215(**)
P value	0	0	0	0	0	0	0
Opportunity to earn skill	.202(**)	.189(**)	.229(**)	.204(**)	.442(**)	.225(**)	.131(*)
P value	0	0.001	0	0	0	0	0.022
Better policy and incentive	.223(**)	.152(**)	.171(**)	.193(**)	.286(**)	.158(**)	.193(**)
P value	0	0.008	0.003	0.001	0	0.006	0.001
** Significant at 5%							
* Significant at 1%							

Table 5.63 shows the correlation between different statements of job satisfaction and performance. Almost all the statements of job satisfaction, and statement of performance are positively correlated and their corresponding P value indicates that most of the statements are significant at 5% level of significance. So, the analysis of data reveals that practice of job satisfaction and performance of commercial banks of Nepal have significant relationship. In this study, all statement of job satisfaction and statement of performance are found equal in scale. That means job satisfaction, and performance factors are in same direction. Good job satisfaction of employees certainly enhances performance of bank.

**Table 5.64**  
**Correlation between practice of sharing information and performance**

Statement	Objectives set by bank	Positive financial indicator	Positive result in all indicator	Better result in plan and implement	Standardized service to clients	Improves financial performance	Different practices between bank
Competent and empowerment	.400(**)	.228(**)	.281(**)	.295(**)	.314(**)	.288(**)	.183(**)
P value	0	0	0	0	0	0	0.001
Continuous interaction in employees	.290(**)	.174(**)	.252(**)	.264(**)	.333(**)	.147(*)	.132(*)
P value	0	0.002	0	0	0	0.01	0.022
Electronic devices help to empower	.261(**)	.307(**)	.360(**)	.339(**)	.395(**)	.289(**)	.235(**)
P value	0	0	0	0	0	0	0
Reduce gap and dissatisfaction in staff	.236(**)	.184(**)	.137(*)	.209(**)	.306(**)	.165(**)	.179(**)
P value	0	0.001	0.017	0	0	0.004	0.002
Effective decision	.332(**)	.261(**)	.366(**)	.344(**)	.360(**)	.361(**)	.246(**)
P value	0	0	0	0	0	0	0
Efficiency in planning and implement	.252(**)	.205(**)	.258(**)	.299(**)	.320(**)	.236(**)	.127(*)
P value	0	0	0	0	0	0	0.027
Provides require input	.347(**)	.223(**)	.332(**)	.245(**)	.358(**)	.262(**)	.215(**)
P value	0	0	0	0	0	0	0
understand policies and objectives	.319(**)	.138(*)	.198(**)	.239(**)	.306(**)	.187(**)	.243(**)
P value	0	0.016	0.001	0	0	0.001	0
** Significant at 5%							
* Significant at 1%							



Table 5.64 shows the correlation between different statements of sharing information and performance. Almost all the statements of sharing information and statement of performance are positively correlated, and their corresponding P value indicates that most of the statements are significant at 5% level of significance. So, the analysis of data reveals that practice of sharing information and performance of commercial banks of Nepal have significant relationship. In this study, all statement of sharing information and statement of performance are found equal in scale. That means sharing information and performance factors are in same direction. Good practice of sharing information enhances performance of bank.

**Table 5.65**  
**Correlation between practice of positive attitude of management and performance**

Statement	Objectives meet by bank	Positive non-financial indicator	Positive result in all indicator	Better result in plan and implement	Standardized service to clients	Improves financial performance	Different practices between bank
System makes strengthened	.259(**)	.120(*)	.153(**)	.196(**)	.243(**)	.185(**)	.131(*)
P value	0	0.038	0.007	0.001	0	0.001	0.022
Plan and policies of empowerment	.232(**)	.154(**)	.136(*)	.228(**)	.216(**)	.157(**)	.218(**)
P value	0	0.007	0.018	0	0	0.006	0
Generosity and openness	.253(**)	.125(*)	.130(*)	.246(**)	.274(**)	.263(**)	.221(**)
P value	0	0.03	0.024	0	0	0	0
Efficiency of staff	.314(**)	.402(**)	.381(**)	.342(**)	.376(**)	.338(**)	.207(**)
P value	0	0	0	0	0	0	0
Audit of human resource	.383(**)	.338(**)	.380(**)	.331(**)	.422(**)	.286(**)	.195(**)
P value	0	0	0	0	0	0	0.001
Frequent interaction in staff	.254(**)	.285(**)	.315(**)	.311(**)	.391(**)	.240(**)	.253(**)
P value	0	0	0	0	0	0	0
Innovative behavior and competency	.312(**)	.343(**)	.343(**)	.311(**)	.401(**)	.305(**)	.198(**)
P value	0	0	0	0	0	0	0.001
** Significant at 5%							
* Significant at 1%							

Table 5.65 shows the correlation between different statements of positive attitude of top-level management and performance. Almost all the statements of positive attitude of top-level management and statement of performance are positively correlated and their corresponding P value indicates that most of the statements are significant at 5% level of significance. So, the analysis of data reveals that practice of positive attitude of top-level management for empowerment and performance of commercial banks of Nepal have significant relationship. In this study, all statement of positive attitude of top-level management and statement of performance are found equal in scale. That means positive attitude of top-level management for empowerment and performance factors are in same direction. Positive attitude of top-level management regarding empowerment enhances performance of bank.

### **5.13 Question 5: Analysis on difference practices of employee empowerment among categories bank**

**Table 5.66**

**ANOVA (F Test) for the Semi/fully government, joint venture and Nepalese share holding private banks**

Analysis of variance of delegation of authority						
Categories of bank	N	Mean	Std. Deviation	F value	P value	Result
Government	200	4.22	0.397	3.326	0.037	Sig
Joint Venture	40	4.10	0.423			
Nepalese Investor	63	4.13	0.422			
Total	303	4.18	0.409			

Table 5.66 shows the average score of Semi/fully government banks, Joint venture banks and Nepalese share investors banks to the delegation of authority are 4.22, 4.10 and 4.13 respectively. It shows that the government banks' employees were found the highest scorer among these three categories of banks. The F value and P value are obtained as 3.326 and 0.037(<0.05) respectively i.e., the null hypothesis is rejected. It indicates that there is significant difference in average score among the three categories of banks. So, the analysis of data reveals that there are different employee empowerment practices on delegation of authority between three categories banks.

**Table 5.67**  
**ANOVA (F Test)**

Analysis of variance of accountability						
Categories of bank	N	Mean	Std. Deviation	F value	P value	Result
Government	200	4.11	0.404	0.203	0.816	In sig
Joint Venture	40	4.16	0.447			
Nepalese Investor	63	4.12	0.470			
Total	303	4.12	0.423			

Table 5.67 shows the average score of Semi/fully government banks, Joint venture banks and Nepalese share investors banks to the accountability are 4.11, 4.16 and 4.12 respectively. It shows that the joint venture bank's employees were found the highest score among these three categories of banks. To compare the significant differences in average score in accountability among these three categories of banks, the F value and P value are obtained as 0.203 and 0.816 ( $>0.05$ ) respectively i.e., the null hypothesis accepted, which indicates that there is no significant difference in average score among the three categories of banks. So, the analysis of data reveals that there is no different employee empowerment practices on accountability between three categories of banks.

**Table 5.68**  
**ANOVA (F Test)**

Analysis of variance for human resource management training						
Categories of bank	N	Mean	Std. Deviation	F test	P value	Result
Government	200	4.15	0.432	0.376	0.687	in sig
Joint Venture	40	4.08	0.485			
Nepalese Investor	63	4.12	0.530			
Total	303	4.13	0.460			

Table 5.68 shows the average score of Semi/fully government banks, joint venture banks and Nepalese share investors banks to the human resource management training are 4.15, 4.08 and 4.12 respectively. It shows that the Semi/fully government bank's employees were found the highest score among these three categories of banks. To compare the significant difference in average score in human resource management training among these three categories of banks, the F value and P value are obtained as 0.376 and 0.687(>0.05) respectively i.e., the null hypothesis is accepted. It indicates that there is no significant difference in average score among the three categories of banks. So, the analysis of data reveals that there is no different employee empowerment practices on human resource management training between three categories banks.

**Table 5.69**  
**ANOVA (F Test)**

Analysis of variance of job autonomy							
Categories of bank	N	Mean	Std. Deviation	F value	P value	Result	
Government	200	3.97	0.452	0.576	0.568	In sig.	
Joint Venture	40	3.90	0.475				
Nepalese Investor	63	4.0	0.545				
Total	303	3.97	0.475				

Table 5.69 shows the average score of Semi/fully government banks, Joint venture banks and Nepalese share investors banks to the job autonomy are 3.97, 3.90 and 4.0 respectively. It shows that the Nepalese investor bank's employees were found the highest scorer among these three categories of banks. To compare the significant difference in average score in job autonomy among these three categories of banks, the F value and P value are obtained as 0.576 and 0.568(>0.05) respectively i.e., the null hypothesis is accepted. It indicates that there is no significant difference in average score among the three categories of banks. So, the analysis of data reveals that there is no different employee empowerment practices on job autonomy between three categories banks.

**Table 5.70**  
**ANOVA (F Test)**

Analysis of variance of performance based reward system						
Categories of bank	N	Mean	Std. Deviation	F value	P value	Result
Government	200	4.30	0.464	1.214	0.298	insignificant.
Joint Venture	40	4.30	0.406			
Nepalese Investor	63	4.19	0.548			
Total	303	4.28	0.476			

Table 5.70 shows the average score of Semi/fully government banks, Joint venture banks and Nepalese share investors banks to the performance based reward system are 4.30, 4.30 and 4.19 respectively. It shows that in government and joint venture banking employees were found the highest scorer among these three categories of banks. To compare the significant difference in average scorer in performance based reward system among these three categories of banks, the F value and P value are obtained as 1.214 and 0.298(>0.05) respectively i.e., the null hypothesis is accepted. It indicates that there is no significant difference in average scorer among the three categories of banks. So, the analysis of data reveals that there is no different employee empowerment practices on performance based reward system between three categories banks.

**Table 5.71**  
**ANOVA (F Test)**

Analysis of variance of managerial competency						
Categories of bank	N	Mean	Std. Deviation	F value	P value	Result
Government	200	4.15	0.391	2.939	0.054	In sig.
Joint Venture	40	4.03	0.465			
Nepalese Investor	63	4.03	0.477			
Total	303	4.12	0.423			

Table 5.71 shows the average score of Semi/fully government banks, Joint venture banks and Nepalese share investors banks to the managerial competency are 4.15, 4.03 and 4.03 respectively. It shows that the Semi/fully government bank's employees were found the highest scorer among these three categories of banks. To compare the significant difference in average score in managerial competency among these three categories of banks, the F value and P value are obtained as 2.939 and 0.054(>0.05) respectively i.e., the null hypothesis is accepted. It indicates there is no significant difference in average score among the three categories of banks. So, the analysis of data reveals that there is no different employee empowerment practices on managerial competency between three categories of banks.

**Table 5.72**  
**ANOVA (F Test)**

Analysis of variance of job satisfaction							
Categories of bank	N	Mean	Std. Deviation	F value	P value	Result	
Government	200	4.18	0.430	1.124	0.326	insignificant.	
Joint Venture	40	4.20	0.397				
Nepalese Investor	63	4.09	0.535				
Total	303	4.16	0.450				

Table 5.72 shows the average score of Semi/fully government banks and Nepalese share investor's banks are found 4.18, 4.20 and 4.09 respectively. It shows that the joint venture bank's employees were found the highest score among these three categories of banks. To compare the significant differences in average scorer in job satisfaction among these three categories of banks, the F value and P value are obtained as 1.124 and 0.326 (>0.05) respectively i.e., the null hypothesis is accepted, Which indicates there is no significant difference in average scorer among the three categories of banks. So, the analysis of data reveals that there is no different employee empowerment practices on job satisfaction between three categories of banks.

**Table 5.73**  
**ANOVA (F Test)**

Analysis of variance of sharing information						
Categories of bank	N	Mean	Std. Deviation	F value	P value	Result
Government	200	4.14	0.429	1.98	0.14	insignificant.
Joint Venture	40	4.00	0.480			
Nepalese Investor	63	4.16	0.511			
Total	303	4.13	0.456			

Table 5.73 shows the average score of Semi/fully government banks, Joint venture banks and Nepalese share investor's banks to the sharing information are 4.14, 4.00 and 4.16 respectively. It shows that the Nepalese investor bank's employees were found the highest scorer among these three categories of banks. To compare the significant difference in average score in sharing information among these three categories of banks, the F value and P value are obtained as 1.98 and 0.14(>0.05) respectively i.e., the null hypothesis is accepted. It indicates there is no significant difference in average score among the three categories of banks. So, the analysis of data reveals that there is no different employee empowerment practices on sharing information between three categories of banks.

**Table 5.74**  
**ANOVA (F Test)**

Analysis of variance of attitude of top level management						
Categories of bank	N	Mean	Std. Deviation	F value	P value	Result
Government	200	4.08	0.449	0.267	0.766	In sig.
Joint Venture	40	4.02	0.459			
Nepalese Investor	63	4.05	0.524			
Total	303	4.07	0.466			

Table 5.74 shows the average score of Semi/fully government banks, Joint venture banks and Nepalese share investors banks to the attitude of top-level management are 4.08, 4.02 and 4.05 respectively. It shows that the Semi/fully government bank's employees were found the highest scorer among these three categories of banks. To compare the significant difference in average score in attitude of top level management among these three categories of banks, the F value and P value are obtained as 0.267 and 0.766(>0.05) respectively i.e., the null hypothesis is accepted, Which indicates that there is no significant difference in average score among the three categories of banks. So, the analysis of data reveals that there is no different employee empowerment practices on attitude of top-level management between three categories of banks.

**Table 5.75**  
**ANOVA (F Test)**

Analysis of variance of practice of empowerment							
Categories of bank	N	Mean	Std. Deviation	F value	P value	Result	
Government	200	4.02	0.451	5.784	0.003	Sin	
Joint Venture	40	3.84	0.499				
Nepalese Investor	63	3.80	0.598				
Total	303	3.95	0.499				

Table 5.75 shows the average score of Semi/fully government banks, Joint venture banks and Nepalese share investors banks' practice of empowerment are 4.02, 3.84 and 3.80 respectively. It shows that the Semi/fully government banks employees were found the highest score among these three categories of banks. To compare the significant difference an average scorer in practice of empowerment among these three categories of banks the F value and P value are obtained as 5.784 and 0.003(<0.05) respectively i.e., the null hypothesis is rejected. It indicates that there is significant difference in average score among the three categories of banks. So, the analysis of data reveals that there is different employee empowerment practices on employee empowerment between three categories banks.



**Table 5.76**  
**ANOVA (F Test)**

Analysis of variance of pre-requisites of empowerment						
Categories of bank	N	Mean	Std. Deviation	F value	P value	Result
Government	200	4.30	0.419	1.143	0.32	insignificant .
Joint Venture	40	4.20	0.422			
Nepalese Investor	63	4.33	0.498			
Total	303	4.29	0.437			

Table 5.76 shows the average score of Semi/fully government banks, Joint venture banks and Nepalese share investors banks to the pre-requisites of empowerment are 4.30, 4.20 and 4.33 respectively. It shows that the Nepalese investor bank's employees were found the highest scorer among these three categories of banks. To compare the significant difference in average score in pre-requisites of empowerment among these three categories of banks, the F value and P value are obtained as 1.143 and 0.32(>0.05) respectively i.e., the null hypothesis is accepted, Which indicates there is no significant difference in average score among the three categories of banks. So, the analysis of data reveals that there is no different employee empowerment practices on pre-requisites of empowerment between three categories of banks.

**Table 5.77**  
**ANOVA (F Test)**

Analysis of variance of barriers to employee empowerment						
Categories of bank	N	Mean	Std. Deviation	F value	P value	Result
Government	200	3.90	0.487	3.02	0.05	Sig
Joint Venture	40	3.69	0.528			
Nepalese Investor	63	3.86	0.527			
Total	303	3.86	0.504			

Table 5.77 shows the average score of Semi/fully government banks, Joint venture banks and Nepalese share investors banks to the barriers of empowerment are 3.90, 3.69 and 3.86 respectively. It shows that the Semi/fully government bank's employees scoring highest among these three categories of banks. To compare the significant difference in average score in delegation of authority among these three categories of bank, the F value and P value are obtained as 3.02 and 0.05(<0.05) respectively i.e., the null hypothesis is rejected. This indicates that there is significant difference in average score among the three categories of banks. So, the analysis of data reveals that there is different employee empowerment barriers between three categories of banks.

## **CHAPTER SIX**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **6.0 Summary**

This chapter presents the summary and conclusion drawn from the major findings of the study with recommendations for employee empowerment and performance. The conclusion may be useful for banks in order to seek possible resolution in future problems related to employees' empowerment and performance in Nepalese banks. This study aimed at examining into contributing factors (job characters) for employee empowerment, pre-requisites of empowerment, barriers of empowerment, relationship between empowerment and performance. It also compares empowerment practices in different aspects between Semi/fully government, joint venture and Nepalese shareholding banks. It provides an insight into integrated view of the practices of employee empowerment and performance in Nepalese commercial banks. Besides the scope for future research has been highlighted.

Conceptual review indicates that employee empowerment and performance is a single point for Semi/fully government and private commercial banks of Nepal. The literature review reveals that besides opinion and statement of different author to fulfill the gap of the objectives of study (as indicated in the chapter two).

Present policies and practices of employee empowerment and performance also reveals in chapter-three, where real scenario is shown in the aforementioned section. This helps to know present practices of employee empowerment and performance in sample commercial banks (as indicated in the chapter three).

Data was collected through primary and secondary sources. Reliability, descriptive statistics, analysis of variance and correlation were used as a statistical tools ( as indicated in chapter four).

Quantitative data gathered through the five point likert scale questionnaires are analyzed in chapter five. The results are classified and tabulated for each variable and objective. The main finding of each of the variable and objectives of the study are

shown from table 5.1 to 5.77. Employees empowerment and performance in Nepalese banks and questionnaires serve as the tool to address the five research questions (as indicated in the chapter five).

- ) What are the contributing factors (job characters) of employee empowerment in Nepalese banking sectors?.
- ) What are the pre-requisites of employee empowerment in Nepalese commercial banks?.
- ) What are the barriers of employee empowerment in Nepalese commercial banks?.
- ) What is the relationship between practice of employee empowerment and performance in Nepalese commercial banks?.
- ) Is there any significant difference in practice of employee empowerment and performance of various categories (government, joint venture and Nepalese share holding) commercial banks of Nepal?.

## **6.1 Summary of results on question 1 to 5.**

### **6.1.1 Question 1: Summary of results of contributing factor on delegation of authority**

- ) There is almost a consensus among the respondents (90%) that system of well delegated authority maintains self discipline of employee and provides good environment for empowerment.
- ) An examination of the one sample 'T' test showed that in commercial banks of Nepal, system of well delegated authority maintains self discipline of employee and provides good environment for empowerment, has the highest mean score 4.32 (as indicated in the table no 5.3).
- ) An examination of the one sample 'T' test showed that in Semi/fully government commercial banks of Nepal, system of well delegated authority maintains self discipline of employees and provides good environment for empowerment, has the highest mean score (4.36) (as indicated in the table no 5.5).

- J An examination of the one sample ‘T’ test showed that in private commercial banks of Nepal should need confidence of employee at work increases through delegation of power for empowerment , has the highest mean score (4.29) (as indicated in the table no 5.6).

#### **6.1.2 Question 1: Summary of results of contributing factor on accountability.**

- J There is almost a consensus among the respondents (90%) that if the manager wins the trust of employees, they can be more accountable for empowerment.
- J An examination of the one sample ‘T’ test showed that in commercial banks of Nepal win the trust of employees; both will become closer and more accountable for empowerment. It has the highest mean score (4.47) (as indicated in the table no 5.8).
- J An examination of the one sample ‘T’ test showed that in Semi/fully government commercial banks of Nepal win the trust of employees, both will become closer and more accountable for empowerment, it has highest mean score (4.47) ( as indicated in the table no 5.10).
- J An examination of the one sample ‘T’ test showed that in private commercial banks of Nepal win the trust of employees both will become closer and more accountable for empowerment. It has the highest mean score (4.48) (as indicated in the table no 5.11).

#### **6.1.3 Question 1: Summary of results of contributing factor on Human Resource Management Training.**

- J There is almost a consensus among the respondents (90%) that the regular training provides practical, technical and theoretical knowledge to the employees in order to be empowered in commercial banks of Nepal.
- J An examination of the one sample ‘T’ test showed that in commercial banks of Nepal, the purpose of the training is to develop the abilities of employees to satisfy current and future empowerment needs. It has the highest mean score (4.29) (as indicated in the table no 5.13).
- J An examination of the one sample ‘T’ test showed that in Semi/fully government commercial banks of Nepal the regular training provides

practical, technical and theoretical knowledge to the employees in order to be empowered. It has the highest mean score (4.43) ( as indicated in the table no 5.15).

- ) An examination of the one sample ‘T’ test showed that in private commercial banks of Nepal, the regular training provides practical, technical and theoretical knowledge to the employees in order to be empowered. It has the highest mean score (4.35) (as indicated in the table no 5.16).

#### **6.1.4 Question 1: Summary of results of contributing factor on job autonomy**

- ) There is almost a consensus among the respondents (89%) that dynamic, professional and capable employees are basic features for job autonomy to empower employee in bank.
- ) An examination of the one sample ‘T’ test showed that in commercial banks of Nepal, dynamic, professional and capable employees are basic features for job autonomy in banks, it has the highest mean score (4.26) ( as indicated in the table no 5.18).
- ) An examination of the one sample ‘T’ test showed that in Semi/fully government commercial banks of Nepal, dynamic, professional and capable employees are basic features for job autonomy in bank. It has the highest mean score (4.3) (as indicated in the table no 5.20).
- ) An examination of the one sample ‘T’ test showed that in private commercial banks of Nepal, dynamic professional and capable employees are basic features for job autonomy in bank. It has the highest mean score (4.18) (as indicated in the table no 5.21).

#### **6.1.5 Question 1: Summary of results of contributing factor on performance based reward system**

- ) There is almost a consensus among (95%) respondents that banks should empower employees by providing them training, higher education, economic incentive and promotion in commercial banks of Nepal.
- ) An examination of the one sample ‘T’ test showed that in commercial banks of Nepal, banks should empower employees by providing them training,

higher education, economic incentive and promotion, has highest mean score ( 4.57) (as indicated in the table no 5.23).

- ) An examination of the one sample ‘T’ test showed that in Semi/fully government commercial banks of Nepal, dynamic and result oriented employees can be developed through performance based reward and punishment system. It has the highest mean score (4.51) (as indicated in the table no 5.25).
- ) An examination of the one sample ‘T’ test showed that in private commercial banks of Nepal, banks should empower employees by providing them training, higher education, economic incentive and promotion. It has the highest mean score (4.52) (as indicated in the table no 5.26).

#### **6.1.6 Question 1: Summary of results of contributing factor on managerial competency**

- ) There is almost a consensus among the respondents (90% ) agreed that long professional experience, skill, ability and higher learning environment are required to obtain strong managerial competency for empowerment in commercial banks of Nepal.
- ) An examination of the one sample ‘T’ test showed that in commercial bank of Nepal, long professional experience, skill, ability and higher learning environment are required to obtain strong managerial competency for empowerment in banks. It has the highest mean score (4.34) (as indicated in the table no 5.28).
- ) An examination of the one sample ‘T’ test showed that in Semi/fully government commercial banks of Nepal, long professional experience, skill, ability and higher learning environment are required to obtain strong managerial competency in banks. It has the highest mean score (4.38) (as indicated in the table no 5.30).
- ) An examination of the one sample ‘T’ test showed that in private commercial banks of Nepal, long professional experience, skill, ability and higher learning environment are required to obtain strong managerial competency in bank. It has the highest mean score (4.34) (as indicated in the table no 5.31).

### **6.1.7 Question 1: Summary of results of contributing factor on job satisfaction**

- J There is almost a consensus among the respondents (90%) agreed that good co-ordination among employees provide better job satisfaction in commercial banks of Nepal.
- J An examination of the one sample 'T' test showed that in commercial banks of Nepal, good co-ordination among employees provides better job satisfaction in the banks for empowerment. It has the highest mean score (4.38) (as indicated in the table no 5.33).
- J An examination of the one sample 'T' test showed that in Semi/fully government commercial banks of Nepal, good co-ordination among employees provides better job satisfaction in the banks. It has the highest mean score (4.38). (as indicated in the table no 5.35).
- J An examination of the one sample 'T' test showed that in private commercial banks of Nepal, good co-ordination among employees provide better job satisfaction in the banks. It has the highest mean score (4.38) (as indicated in the table no 5.36).

### **6.1.8 Question 1: Summary of results of contributing factor on sharing information**

- J There is almost a consensus among the respondents (95% agreed that continuous interaction between management and employees that helps establish effective information sharing for empowerment in commercial banks of Nepal.
- J An examination of the one sample 'T' test showed that in commercial banks of Nepal, information transmission helps employees better understand policies and objectives of the banks, it has the highest mean score (4.33) ( as indicated in the table no 5.38).
- J An examination of the one sample 'T' test showed that in Semi/fully government commercial banks of Nepal, information transmission helps employees better understand policies and objectives of the banks. It has the highest mean score (4.32 (as indicated in the table no 5.40).



- ) An examination of the one sample ‘T’ test showed that in private commercial banks of Nepal, information transmission helps employees better understand policies and objectives of the banks. It has the highest mean score (4.35) (as indicated in the table no 5.41).

#### **6.1.9 Question 1: Summary of results of contributing factor on attitude of top-level management**

- ) There is almost a consensus among (90%) respondents agreed that the empowerment system can be strengthened if the top-level management has positive attitude in commercial banks of Nepal.
- ) An examination of the one sample ‘T’ test showed that in commercial banks of Nepal, the empowerment system can be strengthened if the top-level management has positive attitude. It has the highest mean score (4.44) (as indicated in the table no 5.43).
- ) An examination of the one sample ‘T’ test showed that in Semi/fully government commercial banks of Nepal, the empowerment system can be strengthened if the top-level management has positive attitude. It has the highest mean score (4.43) (as indicated in the table no 5.45).
- ) An examination of the one sample ‘T’ test showed that in private commercial banks of Nepal, the empowerment system can be strengthened if the top-level management has positive attitude. It has the highest mean score (4.48) (as indicated in the table no 5.46).

#### **6.1.10 Question 2: Summary of results on pre-requisites of empowerment**

- ) There is almost a consensus among (90%) respondents agreed that practice of information sharing and authority decentralization mechanism plays a vital role for empowerment in a banks.
- ) An examination of the one sample ‘T’ test shows that in commercial banks of Nepal, It is very important to have human resource planning to empower the employee’s of the banks. It has the highest mean score (4.39) (as indicated in the table no 5.48).
- ) An examination of the one sample ‘T’ test shows that in Semi/fully government commercial banks of Nepal, it is very important to have human

resource planning to empower the employees of the banks. It has the highest mean score (4.39) ( as indicated in the table no 5.50).

- ) An examination of the one sample ‘T’ test shows that in private commercial banks of Nepal, bank should ensure good environment for job autonomy and employees satisfaction for empowerment process. It has the highest mean score (4.41) (as indicated in the table no 5.51).

#### **6.1.11 Question 3: Summary of results on barriers of empowerment.**

- ) There is almost a consensus among 88% respondents agreed that some managers may not be willing to delegate the necessary authorities to their subordinates is found major barrier for empowerment in commercial banks of Nepal.
- ) An examination of the one sample ‘T’ test shows that in commercial banks of Nepal, some managers may not be willing to delegate the necessary authorities to their subordinates is found major barrier for empowerment. It has the highest mean score (4.18) (as indicated in the table no 5.53).
- ) An examination of the one sample ‘T’ test shows that in Semi/fully government commercial banks of Nepal, some managers may not be willing to delegate the necessary authorities to their subordinates is found major barrier for empowerment. It has the highest mean score (4.18) (as indicated in the table no 5.55).
- ) An examination of the one sample ‘T’ test shows that in private commercial banks, of Nepal, lack of co-ordination among functional departments and branches in a bank can pose obstruction in the process of staff empowerment. It has the highest mean score (4.16 (as indicated in the table no 5.56).

#### **6.1.12 Question 4: Summary of results on relationship between empowerment and performance.**

- ) An examination of the correlation showed that the practice of delegation of authority and performance in commercial banks of Nepal have positive and significant relationships (as indicated in the table no 5.57).

- J An examination of the correlation shows that the practice of accountability and performance in commercial banks of Nepal has positive and significant relationship (as indicated in the table no 5.58).
- J An examination of the correlation shows that the practice of human resource management training and performance in commercial banks of Nepal has positive and significant relationship (as indicated in the table no 5.59).
- J An examination of the correlation shows that the practice of job autonomy and performance in commercial banks of Nepal have positive and significant relationship (as indicated in the table no 5.60).
- J An examination of the correlation shows that the practice of performance based reward system and performance in commercial banks of Nepal have positive and significant relationship (as indicated in the table no 5.61).
- J An examination of the correlation shows that the practice of managerial competency and performance in commercial banks of Nepal has positive and significant relationship (as indicated in the table no 5.62).
- J An examination of the correlation shows that the practice of job satisfaction and performance in commercial banks of Nepal has positive and significant relationship (as indicated in the table no 5.63).
- J An examination of the correlation shows that the practice of sharing information and performance in commercial banks of Nepal has positive and significant relationship (as indicated in the table no 5.64).
- J An examination of the correlation shows that the practice of positive attitude of management and performance in commercial banks of Nepal has positive and significant relationship (as indicated in the table no 5.65).

**6.1.13 Question 5: Summary of results on difference practices between categories bank**

- J An examination of analysis of variance on 'delegation of authority' in chapter V shows that the government banks obtained highest mean scorer 4.22 (Ref. table no 5.66). The null hypothesis is rejected. As the table demonstrates significant differences among three categories of the banks regarding the practice of delegation of authority on employee empowerment.

- J An examination of analysis of variance on accountability in chapter V shows that the joint venture banks obtained highest mean scorer which accounts for 4.16 (Ref. table no 5.67). The null hypothesis is accepted. As the table demonstrates no significant differences among three categories of the banks regarding the practice of accountability on employee empowerment.
- J An examination of analysis of variance on human resource management training in chapter V shows that the Semi/fully government banks obtained highest mean scorer which accounts for 4.15 ( Ref. table no 5.68). The null hypothesis is accepted. As the table demonstrates, no significant differences among three categories of the banks regarding the practice of human resource management training on employee empowerment.
- J An examination of analysis of variance on job autonomy in chapter V shows that Nepalese share investment banks obtained highest mean score which accounts for 4.0 (Ref. table no 5.69). The null hypothesis is accepted. As the table demonstrates, no significant differences among three categories of the banks regarding the practice of job autonomy on employee empowerment.
- J An examination of analysis of variance on performance based reward system in chapter V shows that the Semi/fully government and joint venture banks obtained highest mean scorer which accounts for 4.30 ( Ref. table no 5.70) . ). The null hypothesis is accepted. As the table demonstrates no significant differences among three categories of the banks regarding the practice of performance based reward system on employee empowerment.
- J An examination of analysis of variance on managerial competency in chapter V shows that the Semi/fully government bank's obtained highest mean score which accounts for 4.15(Ref. Table no 5.71). The null hypothesis is accepted. As the table demonstrates, no significant difference among three categories of the banks regarding the practice of managerial competency on employee empowerment is found.
- J An examination of analysis of variance on job satisfaction in chapter V shows that the joint venture bank's obtained highest score which accounts for 4.20 ( Ref. table no 5.72). The null hypothesis is accepted. As the table demonstrates, no significant difference among three categories of the banks regarding the practice of job satisfaction on employee empowerment is found.

- ) An examination of analysis of variance on sharing information in chapter V shows that the Nepalese share investment banks obtained highest mean scorer which accounts for 4.16 (Ref. table no 5.73). The null hypothesis is accepted. As the table demonstrates, no significant difference among three categories of the banks regarding the practice of sharing information on employee empowerment is found.
- ) An examination of analysis of variance on attitude of top level management on in chapter V shows that the Semi/fully government bank's obtained highest mean score which accounts for 4.08 (Ref. table no 5.74). The null hypothesis is accepted. As the table demonstrates, no significant difference among three categories of the banks regarding the practice of attitude of top-level management on employee empowerment is found.
- ) An examination of analysis of variance on practice of empowerment in chapter V shows that the government bank's obtained highest mean score which accounts for 4.02 (Ref. table no 5.75). The null hypothesis is rejected. As the table demonstrates, significant differences among three categories of the banks regarding the practice of empowerment on employee empowerment is found.
- ) An examination of analysis of variance on pre-requisites of empowerment in chapter V shows that Nepalese share investment bank's obtained highest mean score which accounts for 4.33 ( Ref. table no 5.76). The null hypothesis is accepted. As the table demonstrates, no significant differences among three categories of the banks regarding the practice of pre-requisites of empowerment on employee empowerment.
- ) An examination of analysis of variance on barriers to employee empowerment in chapter V shows that the Semi/fully government bank's obtained highest mean score which accounts for 3.90 (Ref. table no 5.77). The null hypothesis is rejected. As the table demonstrates, significant differences among three categories of the banks regarding barriers of empowerment. .

## 6.2 Conclusion

The focal point of this study is to examine into the contributing factors, prerequisites, and barriers of employee empowerment. Therefore, this study identifies the relationship among practices of empowerment and performance as well shown different practices of empowerment between various types of Nepalese commercial banks. Twenty-six commercial banks have already established in Nepal. However, it has a great challenge to employee empowerment and better performance of all type of stakeholders in the globalized world. Among different stakeholders, human resource officers, branch manager, section chief, Head of department and higher-level managerial employees, which are selected as the main respondents of this study.

- ) The research inferred that system of well-delegated authority maintains self-discipline in the employee and provides good environment for empowerment it is contributing factor to employee empowerment in both Semi/fully government and private commercial banks of Nepal. This finding is consistent with result of Brower (1995), who mentioned the task authority is one of most important factor for employee empowerment.
- ) The research found that the accountability is ensured if the manager wins the trust of employees. Both will get closer and more accountable thereby contributing factors to employee empowerment in both Semi/fully government and private commercial banks of Nepal.
- ) The research shows that the regular training provides practical, technical and theoretical knowledge to the employees in order to be empowered in both Semi/fully government and private commercial banks of Nepal for employee empowerment. This finding is consistent with result of Cheema & Sandhu, (1998), Who mentioned the technical and professional, knowledge is one of most important factors for employee empowerment.
- ) The research reveals that dynamic, professional and capable employees are basic features for job autonomy contributes to employee empowerment in both Semi/fully government and private commercial banks of Nepal. This finding is consistent with the result of Wilkinson (1998), who mentioned the task of autonomy as is one of the most important factors for employee empowerment.

This finding is also consistent with result of Dwivedi (2008), who mentioned the scientific groups under the dynamic leadership of professional scientists, and according to him is capable enough to form excellent work teams with the provision of proper facilities and autonomy of work.

- ) The research found that through the performance based reward system banks can empower employees by providing training, higher education, economic incentive and promotion that contribute to employee empowerment in Semi/fully government and private commercial bank of Nepal.
- ) The research identifies that long professional experience, skill, ability and higher learning environment are required to obtain strong managerial competency in Semi/fully both government and private commercial banks of Nepal. It contributes to employee empowerment. This finding is consistent with result of Schroder (1989) who views that offered insight into the personal competencies, which contribute to effective professional performance. Individual competence means a set of skills that an individual must possess in order to be capable of performing a specified job satisfactory.
- ) The research inferred that good co-ordination among employees provide better job satisfaction that contributes to employee empowerment in both Semi/fully government and private commercial banks of Nepal.
- ) The research studies that continuous interaction between management and employees helps establish effective information sharing in banks contributes to employee empowerment in Semi/fully government and private commercial bank of Nepal. This finding is consistent with result of Brower (1995), who mentions the work an effective internal information system is one of most important factor for employee empowerment.
- ) The research concludes that empowerment system can be strengthened if the top-level management has positive attitude that contributes to employee empowerment in both Semi/fully government and private commercial banks of Nepal.
- ) The research reveals that human resource planning is primary pre-requisite to empower the employees of the bank. That is most important pre-requisites to employee empowerment in commercial banks of Nepal.
- ) The research inferred that some managers may not be willing to delegate the

necessary authorities to their subordinates that is most critical barrier to employee empowerment in commercial banks of Nepal. This finding is consistent with result of (Mwaura et al. (1998), Who mentions the Chinese managers and subordinate staff were not ready to accept responsibility, even if they have authority.

- ) The research shows that practice of delegation of authority and accountability is positively influenced to performance in both Semi/fully government and private commercial banks of Nepal. This finding is consistent with result of Armstrong, (2010) who mentioned the management of the organization has the overriding responsibility for creating the conditions in which high performance is achievable.
- ) The research shows that practice of Human Resourced Management Training, which has positive influence to performance in both Semi/fully government, and private commercial banks of Nepal. This finding is consistent with result of Burke & Day, (1986) that indicates that training positively influences the level of performance of managers.
- ) The research shows that practice of job autonomy positively influences to performance in both Semi/fully government and private commercial banks of Nepal. This finding is consistent with result of Kassahun, (2007), Who mentioned the results yielded a positive correlation between autonomy and performance.
- ) The research shows that practice of performance based reward system positively influences the performance in both Semi/fully government and private commercial banks of Nepal. This finding is consistent with result of Lawler (1986), who mentions that through rewards for group or organization performance may be beneficial, often individual does not have a clear understanding of how their own actions can influence performance at higher levels.
- ) The research shows that practice of managerial competency positively influences the performance in both Semi/fully government and private commercial banks of Nepal. This finding is consistent with result of Rnkin (2002) who mentioned that competency as 'an underlying characteristic of a person that results in effective or superior performance.



- ) The research shows that practice of job satisfaction of employee has positive influence on performance in both Semi/fully government and private commercial banks of Nepal. This finding is consistent with result of Saari & Judge, 2004 ), who mentioned that correlation between job satisfaction and job performance is a higher.
- ) The research shows that practice of information sharing positively influences the performance in both Semi/fully government and private commercial banks of Nepal. This finding is consistent with result of Kaithhapalli (2006), who mentioned that organization will need to respond to these changes by innovating or more sharing information, continually improving service, quality, and productivity.
- ) The research shows that positive attitude from top-level management positively influences the performance in Semi/fully government and private commercial banks of Nepal. This finding is consistent with result of Partridge (1989), Who mentioned that while managers 'may well be responsible for the performance of their units.
- ) Practice of delegation of authority and present barriers to empowerment differed between and among Semi/fully government, joint venture and Nepalese share holding commercial banks.
- ) Practice of accountability, Human Resource Management Training, job autonomy, performance based reward system, managerial competency, job satisfaction, sharing information; attitude of top-level management and pre-requisites of empowerment no differs between and among Semi/fully government, joint venture and Nepalese share holding commercial banks.

### 6.3 Recommendations

Based on the findings and conclusions of this study divulge that employee empowerment relates the overall performance of banks. There are some contributing factors, which contribute to employee empowerment and performance in Nepalese commercial banks. As a competitive banking business of Nepal, every bank must seek to improve employee empowerment to its success. The following recommendations are made for the proper improvement of employee empowerment and performance in commercial banks of Nepal.

- ) System of appropriate delegation of authority should be practiced for employee empowerment;
- ) Managers need to win the trust of employees for employee empowerment;
- ) Practical and theoretical both types of training should be provided for employee empowerment;
- ) Dynamic, professional and capable employees should be prioritized for employee empowerment;
- ) Besides training, opportunity for higher studies along with economic incentive and opportunity for promotion should be provided as important ingredient for employee empowerment;
- ) Professional experience, skill, ability and aptitude for better performance should be taken as the basis for employee empowerment;
- ) Good co-ordination among staffs should be made part of employee empowerment;
- ) Continuous interaction between management and employees should be basis for employee empowerment;
- ) Human resource planning should be taken as stepping stone for primary pre-requisites of empowerment activity;
- ) Delegation of authority to the respective subordinates should be made integral part of employee empowerment;
- ) Effective contributing factors (job characters) of employee empowerment should be practiced for achieving target performance of banks;

- ) Better relationship should be kept between employee empowerment and performance for overall back up of banks;
- ) Every bank should know and apply of good of contributing factors between banks for employee empowerment;

From this research work it is revealed that employee empowerment is a burning issue thought-out the globe. But Semi/fully government sector commercial banks should follow aforementioned recommendation so as to compete with private sectors commercial banks of Nepal. Therefore, it is recommended to have a best employee empowerment practices so as to enhance the bank performance.

#### **6.4 Future Direction and Limitation for Research**

This study has identified some effective techniques to reform employee empowerment in commercial banking sectors. More research is required to remove unseen lapses of this study with large sample, advanced statistic tools and additional variables. Future research should give importance to the new scheme of things, e.g., relationship between employee empowerment and Human Resource Management Training; employee empowerment for betterment banking service; employee empowerment in civil service for betterment people service; identify in detail the process changed and required to be changed and finding solution to emerging challenges. There is a need to apply new research methodology, objectives and sample of population for new model of employee empowerment and performance. Tools for new employee empowerment and performance applications proposed in the present research should be further developed in future. The future study will examine how employee empowerment and performance of banking sectors would result in the improvement of the bank employees.

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Please read the following statements carefully and give your opinion by encircling the most appropriate figure against each statement in the following order:

5- Strongly agree, 4- agree, 3- neutral 2- disagree, 1- strongly disagree

S.N.	Statement	Agreement				
<b>A</b>	<b>Delegation of Authority</b>					
1	System of well delegated authority maintains self discipline of employee and provides good environment for empowerment.	5	4	3	2	1
2	Decentralization of authority develops skill and ability of employees to make appropriate decision.	5	4	3	2	1
3	Sharing of authority helps build the capability of employees to utilize available resources properly.	5	4	3	2	1
4	Bank will succeed in making employees capable and independent through delegation of authority.	5	4	3	2	1
5	The scientific motivation process of bank encourages employees in taking authority.	5	4	3	2	1
6	Confidence of employee at work increases through delegation of power.	5	4	3	2	1
7	Delegation of power provides employees an opportunity to be empowered in bank.	5	4	3	2	1
<b>B</b>	<b>Accountability</b>					
8	Practice of participatory management in bank will encourage employees to be accountable as well empowered.	5	4	3	2	1
9	If the authority is provided to the employees as per requirements, it increases accountability and strengthens empowerment.	5	4	3	2	1
10	If the manager wins the trust of employees then both will get closer and more accountable.	5	4	3	2	1
11	A good mechanism of self management team in bank helps employees be accountable.	5	4	3	2	1
12	Self control and working system of employees in banks makes them accountable to their duties and their seniors.	5	4	3	2	1
13	Delegation of power will compel employees to accept accountability.	5	4	3	2	1
14	The freedom of working environment given to the employees increases accountability.	5	4	3	2	1
<b>C</b>	<b>Human Resource Management Training</b>					
15	The pre-attitude can be changed through professional training for staff empowerment.	5	4	3	2	1

16	The regular training provides practical, technical and theoretical knowledge to the employees in order to be empowered.	5	4	3	2	1
17	There should be the mechanism of sharing knowledge among the employees through human resource management training.	5	4	3	2	1
18	The morality and working style of employees can be improved by scientific training system in bank.	5	4	3	2	1
19	Training provides occupational, practical and theoretical knowledge to work independently.	5	4	3	2	1
20	The purpose of the training is to develop the abilities of employees to satisfy current and future empowerment needs.	5	4	3	2	1
21	Human resource management training provides such skill to employees to cope with the new technological change.	5	4	3	2	1
22	Human resource management training teaches new banking practice and theory.	5	4	3	2	1
<b>D</b>	<b>Job Autonomy</b>					
23	The characters of disciplined, pro-active and independently working employees increase job autonomy in bank.	5	4	3	2	1
24	Willingness of bank management on authority decentralization makes the job autonomy stronger.	5	4	3	2	1
25	Broad job autonomy creates a mechanism through which employees can be empowered So, there is a positive performance.	5	4	3	2	1
26	The improvement of empowering activities in banks automatically improves job autonomy.	5	4	3	2	1
27	The development of self decision making habit in employee increases job autonomy in bank.	5	4	3	2	1
28	Dynamic, professional and capable employees are basic features for job autonomy in bank.	5	4	3	2	1
29	Management of bank should be oriented towards delegating power to create favorite environment for job autonomy.	5	4	3	2	1
30	System of task allocation for every employee in bank definitely motivates towards job autonomy.	5	4	3	2	1
<b>E</b>	<b>Performance Based Reward System</b>					
31	Dynamic and result oriented employees can be developed through performance based reward and Punishment system.	5	4	3	2	1



32	Awareness of performance based reward system makes employees proactive in their work.	5	4	3	2	1
33	Performance based reward and punishment system will trigger healthy working competition among employees.	5	4	3	2	1
34	Performance based reward system always motivates the employees for their working efficiency.	5	4	3	2	1
35	Bank should empower employees by providing them training, higher education, economic incentive and promotion.	5	4	3	2	1
36	Empowerment and performance of bank can be improved through performance based reward system.	5	4	3	2	1
37	Rewards give effective direction to employees to change their behaviors.	5	4	3	2	1
38	Hard working employees with integrity can be produced by performance based reward system in bank.	5	4	3	2	1
39	Confidence of the employees can be upgraded with the help of performance based incentives.	5	4	3	2	1
<b>F</b>	<b>Managerial Competency</b>					
40	Working competition among bank managers develops managerial competency.	5	4	3	2	1
41	National and international training given to manager develops managerial competency.	5	4	3	2	1
42	Long professional experience, skill, ability and higher learning environment are required to obtain strong managerial competency in bank.	5	4	3	2	1
43	Independent working environment in bank helps increase managerial competency.	5	4	3	2	1
44	Managerial competency can be obtained through demonstration of good behavior of bank management.	5	4	3	2	1
45	Practice of doing challenging and risky job can enhance managerial competencies of bank managers.	5	4	3	2	1
46	Through self-encouragement top-level managers can create managerial competency in bank.	5	4	3	2	1
47	Continuous learning habit and internal commitment of bank managers can improve managerial competency in bank.	5	4	3	2	1
48	Managers who have frequently shown a better efficiency are considered as a positive sign of managerial competency in bank.	5	4	3	2	1
49	The outcome of bank can be improved through managerial competency.	5	4	3	2	1

<b>G</b>	<b>Job Satisfaction</b>					
50	Practice of scientific reward and punishment system increases job satisfaction in bank.	5	4	3	2	1
51	Good co-ordination among employees provide better job satisfaction in the bank.	5	4	3	2	1
52	If the bank management strictly follow rules and norms, that increases the level of job satisfaction of employee.	5	4	3	2	1
53	If bank has succeeded in earning goodwill in financial market, it increases job satisfaction of bank employees.	5	4	3	2	1
54	Healthy working environment of bank increases job satisfaction within bank employees.	5	4	3	2	1
55	Creation of an empowering environment in the bank gradually improves job satisfaction.	5	4	3	2	1
56	Close rapport between supervisors and employees enhances job satisfaction in bank.	5	4	3	2	1
57	The greater opportunity to earn skill and abilities help employees gain job satisfaction.	5	4	3	2	1
58	Better internal policy and attractive economic incentive of bank increases job satisfaction.	5	4	3	2	1
<b>H</b>	<b>Sharing Information</b>					
59	An easy access to information certainly makes the employees competent and empowered in the bank.	5	4	3	2	1
60	Continuous interaction between management and employees helps to establish effective information sharing in bank.	5	4	3	2	1
61	Use of electronics devices will help employees to be more empowered.	5	4	3	2	1
62	Proper information sharing practice reduces the gaps and dissatisfaction among managers and employees in bank.	5	4	3	2	1
63	Every step of decision can be effective and useful if all of the employees have easy access to required information in bank.	5	4	3	2	1
64	Easy access to information with simpler application format will bring efficiency in planning, controlling monitoring, and overall policies improvement in the bank.	5	4	3	2	1
65	Effective information sharing system provides required inputs to bank employees and management.	5	4	3	2	1
66	Information transmission helps employees better understand policies and objectives of the bank.	5	4	3	2	1

<b>I</b>	<b>Attitude of Top Level Management</b>					
67	The empowerment system can be strengthened if the top level management has positive attitude.	5	4	3	2	1
68	Plan and policies relating to empowerment of bank employee depicts attitude of top-level management.	5	4	3	2	1
69	Attitude regarding empowerment can be manifested through generosity and openness of the top-level management.	5	4	3	2	1
70	The attitude of the top-level management about empowerment can also be reflected through the efficiency of staff.	5	4	3	2	1
71	Regular audit of human resource and reporting on empowerment reflects the attitude of top-level management.	5	4	3	2	1
72	Attitude of top-level management on empowerment can be exhibited through frequent interaction among employees and supervisors.	5	4	3	2	1
73	Prevalence of innovative behaviors and managerial competency of bank managers can be taken as reflection of positive attitude of top-level management on empowerment.	5	4	3	2	1
<b>J</b>	<b>Practice of Empowerment and performance</b>					
74	Practice of empowerment in bank helps meet the objectives set by the bank.	5	4	3	2	1
75	Positive financial indicator in the bank can be taken as a reflection of practicing empowerment in the bank.	5	4	3	2	1
76	It can be said that where there is empowerment practice in place in a bank, the positive result in the form of increase in profit, increase in the value of share and decrease in Non Performing Assets can be achieved.	5	4	3	2	1
77	There can be a better result on investment and proper planning and implementation in the bank where empowerment is being practiced.	5	4	3	2	1
78	The bank with empowerment practice tends to deliver standardized service to its clients.	5	4	3	2	1
79	The primary motive of empowerment practice is to improve the financial performance of bank.	5	4	3	2	1
80	There are different practices regarding empowerment and subsequence variation performance between government and private bank.	5	4	3	2	1

<b>L</b>	<b>Pre-requisite of Employee Empowerment</b>					
81	Management needs a well equipped training center that can be utilized for implementing empowerment related activities and programs.	5	4	3	2	1
82	Staffs are likely to be empowered more if the practice of the participatory management is in place in the bank.	5	4	3	2	1
83	Practice of Information sharing and authority decentralization mechanism play a vital role for empowerment in bank.	5	4	3	2	1
84	Empowerment can be effective if there is a practice of professionalism in the staff recruitment practice.	5	4	3	2	1
85	It is very important to have a strong commitment between a high level manager and the employees who are to be empowered in a bank.	5	4	3	2	1
86	It is very important to have human resource planning to empower the employees of the bank.	5	4	3	2	1
87	It is necessary to put in place a required level of co-operation and co-ordination among functional departments and branches in the bank.	5	4	3	2	1
88	Bank should provide national and international training to their managers for staff empowerment and enhancement of managerial competency	5	4	3	2	1
89	Bank should ensure good environment for job autonomy and employees satisfaction for empowerment process.	5	4	3	2	1
<b>M</b>	<b>Barriers to Employee Empowerment</b>					
90	Trade unions' activities can disturb employee empowerment in bank.	5	4	3	2	1
91	Empowerment system is under shadow as the employees of the bank are not keen on taking their responsibilities and authorities.	5	4	3	2	1
92	Lack of co-ordination among functional departments and branches in a bank can pose obstruction in the process of staff empowerment.	5	4	3	2	1
93	Lack of appropriate banking competency in employees is one of the hindrances that hinders empowerment practice.	5	4	3	2	1
94	It has been difficult to empower the employees where need of proper training is not recognized .	5	4	3	2	1
95	Employees working for long period of time tend to resist empowerment actions.	5	4	3	2	1

96	Empowerment may not be always received positively as this may bring in risky and challenging elements.	5	4	3	2	1
97	Some employees are not keen to accept authority and accountability.	5	4	3	2	1
98	Some managers may not be willing to delegate the necessary authorities to their subordinates.	5	4	3	2	1

## APPENDIX-1

### Number of Bank and Financial Institutions licensed by NRB

(mid-July 2010) S.N.	Type of financial Institutions	Class	2008	2009	2010
1	Commercial Banks	A	25	26	27
2	Development Banks	B	58	63	79
3	Finance Companies	C	78	77	79
4	Micro Finance Development Banks	D	12	15	18
5	Saving and Credit Co-operatives	Non-classified	16	16	15
6	Non-Government Organizations	Non-classified	46	45	45
Total			235	242	263

(Source: Bank and Financial Institutions Regulation Department, Nepal Rastra Bank)

## APPENDIX- 2

### Share of banks and financial institutions on Total Assets (Rs. in billion) Bank and Financial Institutions

Total Assets	2008		2009		2010	
	% Share	Total assets	% share	Total assets	% share	Total assets
Commercial Banks	566	80.2	812	82.1	787	76.2
Development Banks	40	5.6	68	6.9	109	10.5
Finance Companies	80	11.4	<b>87</b>	8.8	115	11.2
Micro Finance Development Banks	13	1.8	16	1.6	14	1.4

(Bank, Research Department (mid-July 2010))

### APPENDIX- 3

#### List of Commercial Banks in Nepal (mid July, 2010)

S.N.	Name	Operation Date (A.D.)	Head Office
1	Nepal Bank Limited (NBL)	1937/11/15	Kathmandu
2	Rastriya Banijya Bank (RBB)	1966/01/23	Kathmandu
3	NABIL Bank Limited (NABIL)	1984/07/16	Kathmandu
4	Nepal Investment Bank Limited (NIBL)	1986/02/27	Kathmandu
5	Standard Chartered Bank Nepal Ltd. (SCBN)	1987/01/30	Kathmandu
6	Himalayan Bank Limited (HBL)	1993/01/18	Kathmandu
7	Nepal SBI Bank Limited (NSBI)	1993/07/07	Kathmandu
8	Nepal Bangladesh Bank Limited (NBBL)	1993/06/05	Kathmandu
9	Everest Bank Limited (EBL)	1994/10/18	Kathmandu
10	Bank of Kathmandu Limited (BOK)	1995/03/12	Kathmandu
11	Nepal Credit and Commerce Bank Ltd. (NCCBL)	1996/10/14	Siddharthanagar
12	Lumbini Bank Limited (LBL)	1998/07/17	Narayangadh
13	Nepal Industrial & Commercial Bank Ltd. (NIC)	1998/07/21	Biratnagar
14	Machhapuchchhre Bank Limited (MBL)	2000/10/03	Pokhara
15	Kumari Bank Limited (KBL)	2001/04/03	Kathmandu
16	Laxmi Bank Limited (LXBL)	2002/04/03	Birgunj
17	Siddhartha Bank Limited (SBL)	2002/12/24	Kathmandu
18	Agriculture Development Bank Limited Nepal (ADBL)	2006/03/16	Kathmandu
19	Global Bank Limited (GBL)	2007/01/02	Birgunj
20	Citizens Bank International Limited (CBIL)	2007/06/-21	Kathmandu
21	Prime Commercial Bank Limited (PCBL)	2007/09/24	Kathmandu
22	Sunrise Bank Limited (SRBL)	2007/10/12	Kathmandu
23	Bank of Asia Nepal Limited (BOA)	2007/10/12	Kathmandu
24	DCBL Bank Limited (DCBL)	2008/05/25	Kathmandu
25	NMB Bank Limited (NMB)	2008/06/02	Kathmandu
26	Kist Bank Limited (Kist)	2009/05/07	Kathmandu
27	Janata Bank Nepal Limited (JBNL)	2010/04/05	Kathmandu

(Source: Bank and Financial Institutions Regulation Department, Nepal Rastra Bank)



## APPENDIX-4

### Branches of Commercial Banks (Mid July 2010) Name of Banks

Banks	2008	2009	2010
Nepal Bank Limited (NBL)	99	100	110
Rastriya Banijya Bank Limited (RBBL)	114	123	126
NABIL Bank Limited (NABIL)	26	32	36
Nepal Investment Bank Limited (NIBL)	19	31	41
Standard Chartered Bank Nepal Ltd. (SCBN)	13	13	15
Himalayan Bank Limited (HBL)	17	23	31
Nepal SBI Bank Limited (NSBI)	17	33	42
Nepal Bangladesh Bank Limited (NBBL)	17	17	17
Everest Bank Limited (EBL)	26	30	37
Bank of Kathmandu Limited (BOK)	22	30	37
Nepal Credit and Commerce Bank Ltd. (NCCBL)	17	17	17
Lumbini Bank Limited (LBL)	5	5	13
Nepal Industrial & Commercial Bank Ltd. (NIC)	16	21	26
Machhapuchchhre Bank Limited (MBL)	18	31	41
Kumari Bank Limited (KBL)	12	15	28
Laxmi Bank Limited (LXBL)	13	19	22
Siddhartha Bank Limited (SBL)	7	10	30
Agriculture Development Bank (ADBL)	65	86	232*
Global Bank Limited (GBL)	7	16	28
Citizens Bank International Limited (CtzBL)	9	10	33
Prime Commercial Bank Limited (PCBL)	1	8	17
Sunrise Bank Limited (SRBL)	6	21	48
Bank of Asia Nepal Limited (BOA)	5	21	29
DCBL Bank Limited (DCBL)	3	5	12
NMB Bank Limited (NMB)	1	9	15
Kist Bank Limited (Kist)	-	26	51
Janata Bank Nepal Limited (JBNL)	-	-	3
Total	555	752	1137

\* Also includes branches with development banking functions.

(Source: Bank and Financial Institutions Department, Nepal Rastra Bank (Mid-July 2010))

## APPENDIX-5

### Region wise distribution of Branches (mid July)

S. N.	Development Region	2008	2009	2010
1	Eastern Development Region	111	135	200
2	Central Development Region	265	379	559
3	Western Development Region	107	147	203
4	Mid-western Development Region	46	57	102
5	Far-western Development Region	26	34	73
Total		555	752	1137

(Source: Bank and Financial Institutions Regulation Department, Nepal Rastra Bank (Mid-July 2010).

## APPENDIX-6

### Financial performance of ADB/N Bank limited

Capital and Liabilities	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
Capital	6,478,000	7,528,000	10,777,500	10,777,500	9,437,500
Reserves and Surplus	(7,313,358)	(6,254,909)	(5,442,189)	(452,327)	1,430,001
Debenture & Bond	-	-	0	2,300,000	
Borrowing	513,532	373,947	257,373	198,250	259,562
Deposit	29,631,817	32,416,358	32,553,827	35,159,610	32,472,569
Bills Payable	-	-	-	-	-
Proposed & Payable dividend	-	-	-	276,000	276,000
Tax Liabilities	748,270	284,744	365,242	597,719	941,920
Other Liabilities	5,239,362	3,812,071	5,174,996	5,261,987	6,902,674
Total Liabilities	35,297,623	38,160,211	43,686,749	51,818,739	54,020,226
Cash Balance	746,812	749,552	905,235	1,413,971	1,366,731
Balance With NRB	3,018,299	2,001,144	1,806,731	2,717,813	1,759,468
Bank Balance With Banks	1,006,589	938,625	912,032	1,075,869	1,035,206
Money At call	-	161,599	49,995	2,244,198	1,611,342
Investment	1,511,330	3,177,461	4,757,097	4,896,062	4,540,084
Loan and Advances	24,900,914	27,252,333	30,589,428	32,603,096	33,876,957
Fixed Assets	882,083	788,868	781,149	803,333	968,745
Non- Banking Assets	-	-	-	-	-
Other Assets	3,231,596	3,090,629	3,885,082	6,064,398	8,861,693
Total Assets	35,297,623	38,160,211	43,686,749	51,818,739	54,020,226
Interest Income	4,095,069	4,623,096	3,961,131	4,231,143	5,464,857
Interest Expenses	1,501,368	1,605,867	1,641,207	1,157,071	1,507,997
Net Interest Income	2,593,701	3,017,229	2,319,924	3,074,072	3,956,860
Commission and discount	42,262	49,818	71,139	90,045	101,727
Other Operating Income	164,861	232,033	350,676	382,246	318,804
Exchange Income	2,834	-	11,955	22,096	0
Total Operating Income	2,803,658	3,299,080	2,753,694	3,568,459	4,377,391
Employees Expenses	1,775,337	1,306,805	1,849,133	2,486,716	2,679,861

Other Operating Expenses	254,889	277,546	288,020	300,691	330,022
Exchange Loss	-	14,061	-	-	5,576
Operating Profit Before Provision	773,432	1,700,668	616,541	781,052	1,361,932
Provisions for possible losses	149,285	337,783	2,677,476	2,184,688	2,582,234
Operating Profit	624,147	1,362,885	(2,060,935)	(1,403,636)	(1,220,302)
Non-Operating Income/Expenses	117,765	7,419	18,336	634,989	19,474
Return From Loan Loss Provision	549,333	1,803,214	4,064,478	1,381,932	2,469,671
Profit From Ordinary activities	1,291,245	3,173,518	2,021,879	613,284	1,268,843
Extra ordinary Income/Expenses	(355,266)	(1,883,003)	(1,212,162)	1,106,749	667,292
Net Profit including all activities	935,979	1,290,515	809,717	1,720,033	1,936,135
Provision For Staff Bonus	69,332	95,594	59,979	127,410	143,417
Provision For Income Tax	148,270	136,473	80,499	535,023	(99,667)
-This Year	-	-	-	-	-
-Up to Last Year	-	-	-	-	-
Net Profit / Loss	718,377	1,058,448	669,239	1,057,600	1,892,385
<b>Financial Indicators</b>					
Core Capital to Risk Weighted Assets	-2.08%	2.68%	6.09%	11.04%	14.66%
Capital Fund to Risk Weighted Assets	-2.07%	4.84%	11.41%	15.69%	19.19%
Non-Performing Loan to Total Loan	20.59%	17.96%	11.69%	9.71%	8.36%
Weighted Average Interest Spread	5.85%	5.88%	4.52%	5.87%	6.09%
Net Interest Income (Rs. in thousand)	2,593,701	3,017,229	2,319,924	3,074,072	3,956,860
Return on Assets	-	-	0.00%	2.04%	3.50%
Credit to Deposit	112.42%	106.24%	112.44%	108.93%	121.90%
Liquid Assets to Total Assets	14.72%	14.70%	8.41%	21.08%	17.03%
Liquid Assets to Total Deposit	17.53%	17.31%	11.29%	31.07%	28.33%

## APPENDIX-7

### Financial performance of Ratriya Banijya Bank limited

(Capital and Liabilities	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
Capital	1,172,300	1,172,300	1,172,300	1,172,300	1,172,300
Net Interest Income	1,432,689	1,414,189	1,683,178	2,376,409	2,820,630
Commission and discount	289,578	343,561	430,618	577,560	608,261
Other Operating Income	109,675	123,249	157,070	195,561	177,270
Exchange Income	73,950	-	-	32,098	53,215
Total Operating Income	1,905,892	1,880,999	2,270,866	3,181,628	3,659,376
Employees Expenses	745,187	789,042	875,656	1,389,012	1,629,244
Other Operating Expenses	288,625	357,753	329,090	393,316	417,546
Exchange Loss	-	12,933	30,484	-	13,067
Operating Profit Before Provision	872,080	721,271	1,035,636	1,399,300	1,599,519
Provisions for possible losses	662,879	386,922	425,542	481,042	286,546
Operating Profit	209,201	334,349	610,094	918,258	1,312,973
Non-Operating Income/ Expenses	27,233	31,334	13,872	60,887	97,738
Return From Loan Loss Provision	1,515,763	1,224,604	1,134,290	1,331,959	1,201,493
Profit From Ordinary activities	1,752,197	1,590,287	1,758,256	2,311,104	2,612,204
Extra ordinary Income /Expenses	(33,390)	155,976	152,018	138,356	(2,219)
Net Profit including all activities	1,718,807	1,746,263	1,910,274	2,449,460	2,609,985
Provision For Staff Bonus	127,319	129,353	141,502	181,441	193,332
Provision For Income Tax	-	-	-	344,337	405,966
-This Year	-	-	-	-	-
-Up to Last Year	-	-	-	-	-
Net Profit / Loss	1,591,488	1,616,910	1,768,772	1,923,682	2,010,687

Financial Indicators					
Core Capital to Risk Weighted Assets	-56.25%	-44.40%	-38.17%	-38.37%	-24.08%
Capital Fund to Risk Weighted Assets	-55.54%	-43.53%	-37.19%	-38.37%	-24.08%
Non-Performing Loan to Total Loan	37.09%	28.63%	21.43%	15.64%	9.78%
Weighted Average Interest Spread	5.81%	4.55%	4.91%	5.57%	6.19%
Net Interest Income (Rs. in thousand)	1,432,689	1,414,189	1,683,178	2,376,409	2,820,630
Return on Assets	3.37%	3.14%	2.99%	2.84%	2.39%
Credit to Deposit	50.32%	49%	47.26%	46.37%	51.90%
Liquid Assets to Total Assets	35.33%	34.35%	36.71%	31.73%	34.74%
Liquid Assets to Total Deposit	30.53%	31.00%	30.41%	31.13%	42.57

## APPENDIX-8

### Financial performance of Nepal bank limited

(Rs in 000)

Capital and Liabilities	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
Capital	380,383	380,383	380,383	380,383	380,400
Reserves and Surplus	(6,681,838)	(6,627,898)	(6,388,684)	(5,234,694)	(5,232,200)
Debenture & Bond	-	-	-	-	-
Borrowing	1,717,442	1,604,868	1,820,089	1,970,675	2,125,100
Deposit	35,829,765	39,014,204	41,829,391	45,194,232	42,129,900
Bills Payable	100,984	60,726	52,342	12,016	47,100
Proposed & Payable dividend	1,115	2,083	2,067	2,065	2,000
Tax Liabilities	-	-	-	-	130,600
Other Liabilities	4,571,054	4,824,427	4,357,856	5,234,433	3,490,800
Total Liabilities	35,918,905	39,258,793	42,053,444	47,559,110	43,073,700
Cash Balance	1,110,953	1,086,067	1,181,792	1,515,655	1,573,700
Balance with NRB	5,353,964	5,224,859	4,430,641	6,619,700	7,350,200
Balance with Banks	709,140	806,367	1,004,559	1,036,435	1,044,700
Money At call	-	200,000	-	400,000	-
Investment	14,490,247	16,072,180	16,570,755	13,397,559	5,815,800
Loan and Advances	9,756,163	11,058,478	13,251,963	17,614,899	23,546,800
Fixed Assets	191,706	205,768	207,528	249,393	327,900
Non- Banking Assets	7,982	-	-	-	435,300
Other Assets	4,298,750	4,605,074	5,406,206	6,725,469	2,979,300
Total Assets	35,918,905	39,258,793	42,053,444	47,559,110	43,073,700
Interest Income	2,049,030	1,848,612	2,094,906	2,690,058	2,865,100
Interest Expenses	774,325	772,644	772,657	791,710	764,400
Net Interest Income	1,274,705	1,075,968	1,322,249	1,898,348	2,100,700
Commission and discount	177,784	181,019	229,724	273,106	220,700
Other Operating Income	140,843	287,648	157,432	156,757	-

Exchange Income	121,337	-	119,407	89,209	23,600
Total Operating Income	1,714,669	1,544,635	1,828,812	2,417,420	2,345,000
Employees Expenses	1,067,634	1,125,224	1,346,824	1,640,565	2,566,100
Other Operating Expenses	428,651	258,554	259,786	297,015	255,100
Exchange Loss	-	46,279	-	-	-
Operating Profit Before Provision	218,384	114,578	222,202	479,840	(476,200)
Provisions for possible losses	607,483	80,376	258,572	334,315	55,600
Operating Profit	(389,099)	34,202	(36,370)	145,525	(531,800)
Non-Operating Income/ Expenses	22,905	50,389	67,942	57,526	-
Return From Loan Loss Provision	1,813,642	-	134,362	676,372	748,700
Profit From Ordinary activities	1,447,448	84,591	165,934	879,423	216,900
Extra ordinary Income /Expenses	(119,457)	165,057	179,996	165,144	213,900
Net Profit including all activities	1,327,991	249,648	345,930	1,044,567	430,800
Provision For Staff Bonus	120,726	22,695	31,448	94,960	-
Provision For Income Tax	-	-	75,268	55,353	2,200
-This Year	-	-	-	-	-
-Up to Last Year	-	-	-	-	-
Net Profit / Loss	1,207,265	226,953	239,214	894,254	428,600
<b>Financial Indicators</b>					
Core Capital to Risk Weighted Assets	-40.44%	-37.97%	-33.05%	-13.94%	-11.74%
Capital Fund to Risk Weighted Assets	-43.09%	-38.83%	-35.46%	-13.94%	-11.74%
Non-Performing Loan to Total Loan	18.18%	13.49%	12.38%	4.94%	4.98%
Weighted Average Interest Spread	3.16%	4.51%	4.82%	6.45%	6.14%
Net Interest Income (Rs. in thousand)	1,274,705	1,075,968	1,322,249	1,898,348	2,100,700
Return on Assets	3.36%	0.58%	0.57%	1.88%	1.00%
Credit to Deposit	34.72%	35.26%	37.69%	43.28%	59.52%
Liquid Assets to Total Assets	65.69%	47.56%	42.94%	42.41%	32.92%
Liquid Assets to Total Deposit	65.86%	47.86%	43.17%	44.63%	33.66%



## APPENDIX-9

### Financial performance of Nepal investment bank limited

Capital and Liabilities	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
Capital	590,586	801,353	1,203,915	2,407,069	2,409,098
Reserves and Surplus	824,854	1,076,771	1,482,871	1,500,771	2,176,295
Debenture & Bond	550,000	800,000	1,050,000	1,050,000	1,050,000
Borrowing	-	-	-	38,800	37,315
Deposit	18,927,306	24,488,856	34,451,726	46,698,100	50,094,725
Bills Payable	18,820	32,401	78,839	82,338	38,144
Proposed & Payable dividend	121,627	43,650	93,468	485,454	602,274
Tax Liabilities	9,319	295	24,083	38,297	37,195
Other Liabilities	287,626	347,519	488,404	709,975	860,367
Total Liabilities	21,330,138	27,590,845	38,873,306	53,010,803	57,305,413
Cash Balance	562,560	763,984	1,464,483	1,833,462	1,525,442
Balance With NRB	1,526,067	1,381,352	1,820,006	4,411,133	3,237,217
Bank Balance with Banks	247,894	296,178	470,453	1,673,408	2,053,231
Money At call	70,000	362,970	-	-	-
Investment	5,602,869	6,505,680	6,874,024	7,399,812	8,635,530
Loan and Advances	12,776,208	17,286,428	26,996,652	36,241,207	40,318,308
Fixed Assets	343,450	759,456	970,092	1,060,752	1,136,247
Non- Banking Assets	-	1,125	750	375	-
Other Assets	201,090	233,672	276,846	390,653	399,438
Total Assets	21,330,138	27,590,845	38,873,306	53,010,803	57,305,413
Interest Income	1,172,742	1,584,987	2,194,275	3,267,941	4,653,521
Interest Expenses	490,947	685,530	992,158	1,686,973	2,553,847
Net Interest Income	681,795	899,457	1,202,117	1,580,968	2,099,674
Commission and discount	115,942	163,899	215,292	262,792	242,886
Other Operating Income	35,902	47,319	66,377	87,575	168,312

Exchange Income	125,748	135,355	165,839	185,327	224,056
Total Operating Income	959,387	1,246,030	1,649,625	2,116,662	2,734,928
Employees Expenses	111,054	145,371	187,150	225,721	279,851
Other Operating Expenses	200,215	243,430	313,154	413,884	433,596
Exchange Loss	-	-	-	-	-
Operating Profit Before Provision	648,118	857,229	1,149,321	1,477,056	2,021,481
Provisions for possible losses	103,808	129,719	135,989	166,201	93,056
Operating Profit	544,310	727,510	1,013,332	1,310,855	1,928,425
Non-Operating Income/ Expenses	391	1,426	7,048	2,953	10,606
Return From Loan Loss Provision	10,704	66,777	101,577	114,653	50,000
Profit From Ordinary activities	555,405	795,713	1,121,957	1,428,461	1,989,031
Extra ordinary Income /Expenses	-	-	-	-	-
Net Profit including all activities	555,405	795,713	1,121,957	1,428,461	1,989,031
Provision For Staff Bonus	50,491	72,337	101,996	129,860	180,821
Provision For Income Tax	154,378	221,977	323,229	397,982	542,261
-This Year	-	-	-	-	-
-Up to Last Year	-	-	-	-	-
Net Profit / Loss	350,536	501,399	696,732	900,619	1,265,949
<b>Financial Indicators</b>					
Core Capital to Risk Weighted Assets	7.97%	7.90%	7.71%	8.56%	8.50%
Capital Fund to Risk Weighted Assets	11.97%	12.17%	11.28%	11.24%	10.55%
Non-Performing Loan to Total Loan	2.07%	2.37%	1.12%	0.58%	0.62%
Weighted Average Interest Spread	3.90%	3.99%	4.00%	3.94%	4.36%
Net Interest Income (Rs. in thousand)	681,795	899,457	1,202,117	1,580,968	2,099,674
Return on Assets	1.61%	1.79%	1.77%	1.68%	2.19%
Credit to Deposit Ratio	69.63%	72.56%	79.91%	78.86%	81.74%
Liquid Assets to Total Assets	23.11%	21.97%	17.78%	19.71%	19.23%
Liquid Assets to Total Deposit	26.04%	24.70%	20.06%	22.38%	21.99%

## APPENDIX-10

### Financial performance of Neapl SBI bank limited

Capital and Liabilities	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
Capital	640,236	647,798	874,528	874,528	1,861,324
Reserves and Surplus	342,137	515,492	540,117	838,079	589,230
Debenture & Bond	200,000	200,000	200,000	200,000	200,000
Borrowing	612,428	815,365	1,627,480	727,466	-
Deposit	11,002,041	11,445,286	13,715,395	27,957,221	34,896,424
Bills Payable	46,239	48,856	75,115	62,947	72,368
Proposed & Payable dividend	35,470	91,024	12,229	24,905	83,080
Tax Liabilities	-	-	-	-	-
Other Liabilities	157,288	137,379	142,582	231,536	345,253
Total Liabilities	13,035,839	13,901,200	17,187,446	30,916,682	38,047,679
Cash Balance	244,188	287,530	308,102	652,027	815,680
Balance With NRB	626,123	556,678	403,810	444,139	1,842,802
Bank Balance with Banks	247,847	278,481	631,049	807,740	782,780
Money At call	363,200	350,000	304,013	-	-
Investment	3,610,775	2,659,453	3,088,887	13,286,182	16,305,633
Loan and Advances	7,626,736	9,460,451	12,113,698	15,131,748	17,480,548
Fixed Assets	66,712	97,219	120,222	253,581	418,244
Non- Banking Assets	24,556	3,847	-	-	-
Other Assets	225,702	207,541	217,665	341,265	401,992
Total Assets	13,035,839	13,901,200	17,187,446	30,916,682	38,047,679

Interest Income	708,719	831,117	970,513	1,460,446	2,269,704
Interest Expenses	334,770	412,262	454,918	824,700	1,443,693
Net Interest Income	373,949	418,855	515,595	635,745	826,011
Commission and discount	40,754	52,591	50,918	78,837	131,692
Other Operating Income	7,136	12,601	19,557	52,790	78,796
Exchange Income	43,060	49,464	51,989	61,294	70,328
Total Operating Income	464,899	533,511	638,059	828,666	1,106,827
Employees Expenses	50,539	53,232	74,890	121,989	130,336
Other Operating Expenses	99,214	120,112	152,380	223,966	343,850
Exchange Loss	-	-	-	-	-
Operating Profit Before Provision	315,146	360,167	410,789	482,712	632,641
Provisions for possible losses	146,657	59,377	57,464	40,345	62,350
Operating Profit	168,489	300,790	353,325	442,366	570,291
Non-Operating Income/ Expenses	(2,926)	(257)	(271)	2,516	2,552
Return From Loan Loss Provision	54,178	78,515	29,782	198,673	56,621
Profit From Ordinary activities	219,741	379,048	382,836	643,556	629,464
Extra ordinary Income /Expenses	-	-	-	(156,221)	(37,266)
Net Profit including all activities	219,741	379,048	382,836	487,335	592,198
Provision For Staff Bonus	19,976	34,459	34,803	44,303	53,836
Provision For Income Tax	82,762	89,681	100,263	126,658	146,620

-This Year	-	-	-	-	-
-Up to Last Year	-	-	-	-	-
Net Profit / Loss	117,003	254,908	247,770	316,373	391,742
Financial Indicators					
Core Capital to Risk Weighted Assets	10.53%	10.53%	9.97%	10.03%	10.89%
Capital Fund to Risk Weighted Assets	13.57%	13.29%	12.32%	11.92%	12.25%
Non-Performing Loan to Total Loan	6.13%	4.56%	3.83%	2.02%	1.48%
Weighted Average Interest Spread	3.33%	3.01%	3.11%	2.84%	2.76%
Net Interest Income (Rs. in thousand)	373,949	418,855	515,595	635,745	826,011
Return on Assets	0.90%	1.83%	1.44%	1.02%	1.03%
Credit to Deposit	69.32%	82.66%	88.32%	55.84%	51.48%
Liquid Assets to Total Assets	38.92%	27.47%	27.24%	16.85%	20.38%
Liquid Assets to Total Deposit	46.11%	33.36%	34.14%	18.64%	22.22%

## APPENDIX-11

### Financial performance of Bank of Kathmandu limited

Capital and Liabilities	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
Capital	463,581	603,141	603,141	844,398	1,359,480
Reserves and Surplus	376,153	390,133	738,933	897,192	714,049
Debenture & Bond	200,000	200,000	200,000	200,000	200,000
Borrowing	553,180	730,000	100,000	100,000	300,000
Deposit	10,485,359	12,388,928	15,833,738	18,083,980	20,315,834
Bills Payable	11,622	25,777	51,576	51,125	35,702
Proposed & Payable dividend	98,712	135,575	32,804	77,333	177,324
Tax Liabilities	-	-	-	-	-
Other Liabilities	89,722	107,841	161,733	241,977	293,802
Total Liabilities	12,278,329	14,581,395	17,721,925	20,496,005	23,396,191
Cash Balance	184,020	219,043	536,747	565,066	455,181
Balance With NRB	349,296	883,496	606,049	1,324,108	687,582
Bank Balance with Banks	195,382	213,365	297,671	292,938	655,604
Money At call	594,047	259,278	72,680	243,352	931,988
Investment	3,374,712	2,992,434	3,204,068	2,783,599	3,269,205
Loan and Advances	7,259,083	9,399,328	12,462,637	14,647,297	16,664,931
Fixed Assets	110,745	320,846	387,274	417,041	491,295
Non- Banking Assets	7,356	3,626	453	-	-
Other Assets	203,688	289,979	154,346	222,606	240,405
Total Assets	12,278,329	14,581,395	17,721,925	20,496,005	23,396,191
Interest Income	718,121	819,004	1,034,158	1,347,755	1,870,847
Interest Expenses	308,156	339,181	417,543	563,113	902,927
Net Interest Income	409,965	479,823	616,615	784,642	967,920
Commission and discount	70,776	97,431	129,415	150,919	160,065
Other Operating Income	16,968	19,003	23,168	43,222	73,925

Exchange Income	78,955	80,826	93,764	136,036	140,785
Total Operating Income	576,664	677,083	862,962	1,114,820	1,342,695
Employees Expenses	59,120	69,740	90,602	146,495	168,513
Other Operating Expenses	117,591	138,430	170,481	233,668	294,457
Exchange Loss	-	-	-	-	-
Operating Profit Before Provision	399,953	468,913	601,879	734,658	879,725
Provisions for possible losses	78,381	81,895	38,438	33,745	119,401
Operating Profit	321,572	387,018	563,441	700,912	760,324
Non-Operating Income/ Expenses	1,090	(2,780)	810	(2,027)	2,918
Return From Loan Loss Provision	103,871	37,104	61,833	21,577	41,818
Profit From Ordinary activities	426,533	421,342	626,084	720,462	805,060
Extra ordinary Income /Expenses	(95,205)	411	(45,396)	6,934	-
Net Profit including all activities	331,328	421,753	580,688	727,396	805,060
Provision For Staff Bonus	30,121	38,341	52,790	66,127	73,187
Provision For Income Tax	98,768	121,025	166,402	199,535	222,610
-This Year	-	-	-	-	-
-Up to Last Year	-	-	-	-	-
Net Profit / Loss	202,439	262,387	361,496	461,735	509,263
<b>Financial Indicators</b>					
Core Capital to Risk Weighted Assets	10.71%	9.43%	9.57%	9.81%	9.41%
Capital Fund to Risk Weighted Assets	14.52%	12.62%	11.94%	11.68%	10.85%
Non-Performing Loan to Total Loan	2.72%	2.51%	1.86%	1.27%	1.51%
Weighted Average Interest Spread	3.64%	4.04%	4.35%	4.72%	5.16%
Net Interest Income (Rs. in thousand)	409,965	479,823	616,615	784,642	967,920
Return on Assets	1.65%	1.80%	2.04%	2.25%	2.18%
Credit to Deposit	71.42%	78.25%	80.51%	82.65%	83.90%
Liquid Assets to Total Assets	32.42%	26.80%	20.46%	20.35%	24.30%
Liquid Assets to Total Deposit	37.97%	31.54%	22.90%	23.06%	27.98%

## APPENDIX-12

### Financial performance of NIC bank limited

Capital and Liabilities	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
Capital	600,000	660,000	943,877	1,140,480	1,311,552
Reserves and Surplus	166,462	258,496	359,550	519,774	453,400
Debenture & Bond	200,000	200,000	200,000	200,000	200,000
Borrowing	457,705	352,129	335,000	660,405	1,723,250
Deposit	8,765,950	10,068,231	13,084,689	15,579,931	15,968,918
Bills Payable	91,508	31,691	32,564	265,107	17,542
Proposed & Payable dividend	10,954	11,380	12,475	11,000	345,145
Tax Liabilities	4,631	405	13,927	10,893	32,571
Other Liabilities	86,390	97,008	256,654	363,044	256,952
<b>Total Liabilities</b>	<b>10,383,600</b>	<b>11,679,340</b>	<b>15,238,736</b>	<b>18,750,633</b>	<b>20,309,330</b>
Cash Balance	139,186	181,607	235,246	337,349	530,610
Balance With NRB	455,769	262,735	634,115	970,981	589,322
Bank Balance with Banks	154,184	155,416	322,988	152,820	966,197
Money At call	353,515	163,009	160,000	100,000	
Investment	2,479,912	1,599,481	2,311,469	3,026,022	4,946,778
Loan and Advances	6,655,964	8,941,398	11,264,678	13,679,394	12,732,014
Fixed Assets	39,864	153,679	194,500	259,325	297,192
Non- Banking Assets	2,645	1,164	674	703	-
Other Assets	102,561	220,851	115,066	324,038	147,217
<b>Total Assets</b>	<b>10,383,600</b>	<b>11,679,340</b>	<b>15,238,736</b>	<b>18,750,633</b>	<b>20,309,330</b>
Interest Income	579,979	725,819	931,400	1,283,521	1,777,165
Interest Expenses	340,222	421,375	505,996	767,197	1,031,474
Net Interest Income	239,757	304,444	425,404	516,324	745,691
Commission and discount	29,447	36,017	43,373	61,895	76,064
Other Operating Income	20,242	26,174	37,905	44,028	49,345
Exchange Income	25,388	44,277	39,658	97,673	90,909



Total Operating Income	314,834	410,912	546,340	719,921	962,009
Employees Expenses	45,494	54,920	72,073	84,545	118,858
Other Operating Expenses	57,356	64,631	81,203	109,784	137,749
Exchange Loss	-	-	-	-	-
Operating Profit Before Provision	211,984	291,361	393,064	525,592	705,402
Provisions for possible losses	60,913	37,771	25,414	39,509	17,741
Operating Profit	151,071	253,590	367,650	486,082	687,661
Non-Operating Income/ Expenses	59	409	10,649	2,489	11,458
Return From Loan Loss Provision	10,359	94,457	18,450	3,913	56,204
Profit From Ordinary activities	161,489	348,456	396,749	492,485	755,323
Extra ordinary Income /Expenses	(10,359)	(94,457)	(6,037)	7,617	(46,204)
Net Profit including all activities	151,130	253,999	390,712	500,102	709,119
Provision For Staff Bonus	13,739	23,091	35,519	45,464	64,465
Provision For Income Tax	40,804	72,433	112,135	137,204	194,811
-This Year	-	-	-	-	-
-Up to Last Year	-	-	-	-	-
Net Profit / Loss	96,587	158,475	243,058	317,434	449,843
Financial Indicators					
Core Capital to Risk Weighted Assets	9.94%	9.21%	10.50%	10.48%	11.25%
Capital Fund to Risk Weighted Assets	13.54%	12.20%	13.11%	12.42%	12.92%
Non-Performing Loan to Total Loan	2.60%	1.11%	0.86%	0.23%	0.72%
Weighted Average Interest Spread	2.74%	2.87%	3.44%	3.50%	3.75%
Net Interest Income (Rs. in thousand)	239,757	304,444	425,404	516,324	745,691
Return on Assets	1.08%	1.36%	1.81%	1.88%	2.30%
Credit to Deposit	78.74%	90.67%	87.62%	89.32%	80.97%
Liquid Assets to Total Assets	27.54%	15.98%	19.02%	19.50%	30.36%
Liquid Assets to Total Deposit	32.62%	18.54%	22.15%	23.47%	38.61%

## APPENDIX-13

### Financial performance of Nabil bank limited

Capital and Liabilities	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
Capital	491,654	491,654	689,216	965,747	2,028,773
Reserves and Surplus	1,383,340	1,565,395	1,747,983	2,164,494	1,805,452
Debenture & Bond	-	-	240,000	300,000	300,000
Borrowing	173,202	882,573	1,360,000	1,681,305	74,900
Deposit	19,347,399	23,342,285	31,915,047	37,348,256	46,340,701
Bills Payable	112,607	83,515	238,422	463,139	425,444
Proposed & Payable dividend	435,084	509,418	437,373	361,325	434,737
Tax Liabilities	34,605	-	38,777	80,232	24,904
Other Liabilities	352,080	378,553	465,941	502,900	644,814
<b>Total Liabilities</b>	<b>22,329,971</b>	<b>27,253,393</b>	<b>37,132,759</b>	<b>43,867,398</b>	<b>52,079,725</b>
Cash Balance	237,819	270,407	511,426	674,395	635,987
Balance With NRB	318,359	1,113,415	1,829,471	2,648,596	549,454
Bank Balance with Banks	74,061	16,003	330,244	49,521	214,656
Money At call	1,734,902	563,533	1,952,361	552,888	3,118,144
Investment	6,178,533	8,945,311	9,939,771	10,826,379	13,600,917
Loan and Advances	12,922,543	15,545,779	21,365,053	27,589,933	32,268,873
Fixed Assets	319,086	286,895	598,039	660,989	781,480
Non- Banking Assets	-	-	-	-	-
Other Assets	544,668	512,050	606,394	864,696	910,214
<b>Total Assets</b>	<b>22,329,971</b>	<b>27,253,393</b>	<b>37,132,759</b>	<b>43,867,398</b>	<b>52,079,725</b>
Interest Income	1,309,999	1,587,759	1,978,696	2,798,486	4,047,725
Interest Expenses	357,161	555,710	758,436	1,153,280	1,960,108
Net Interest Income	952,838	1,032,049	1,220,260	1,645,206	2,087,617
Commission and discount	138,294	150,608	156,234	179,693	215,482
Other Operating Income	82,898	87,574	97,444	144,164	169,548
Exchange Income	185,484	209,926	196,487	251,920	291,441

Total Operating Income	1,359,514	1,480,157	1,670,425	2,220,983	2,764,088
Employees Expenses	219,781	240,161	262,907	339,898	367,162
Other Operating Expenses	182,696	188,183	220,750	265,158	334,669
Exchange Loss	-	-	-	-	-
Operating Profit Before Provision	957,037	1,051,813	1,186,768	1,615,927	2,062,257
Provisions for possible losses	3,770	14,206	64,055	45,722	355,829
Operating Profit	953,267	1,037,607	1,122,713	1,570,205	1,706,428
Non-Operating Income/ Expenses	735	5,281	24,084	2,190	6,455
Return From Loan Loss Provision	7,729	10,926	11,101	10,618	39,791
Profit From Ordinary activities	961,731	1,053,814	1,157,898	1,583,013	1,752,674
Extra ordinary Income /Expenses	26,074	40,736	39,991	43,522	34,322
Net Profit including all activities	987,805	1,094,550	1,197,889	1,626,534	1,786,996
Provision For Staff Bonus	89,800	99,504	108,899	147,867	162,518
Provision For Income Tax	262,741	321,087	342,522	447,615	485,907
-This Year	-	-	-	-	-
-Up to Last Year	-	-	-	-	-
Net Profit / Loss	635,264	673,959	746,468	1,031,053	1,138,571
Financial Indicators					
Core Capital to Risk Weighted Assets	10.78%	10.40%	8.75%	8.74%	8.77%
Capital Fund to Risk Weighted Assets	12.31%	12.04%	11.10%	10.70%	10.50%
Non-Performing Loan to Total Loan	1.38^	1.12%	0.74%	0.80%	1.47%
Weighted Average Interest Spread	4.90%	4.15%	3.94%	4.16%	4.40%
Net Interest Income (Rs. in thousand)	952,838	1,032,049	1,220,260	1,645,206	2,087,617
Return on Assets	6.23%	2.72%	2.32%	2.55%	2.37%
Credit to Deposit	68.63%	68.13%	68.18%	73.87%	69.37%
Liquid Assets to Total Assets	20.90%	24.85%	25.07%	17.40%	23.92%
Liquid Assets to Total Deposit	24.12%	29.01%	29.17%	20.43%	26.89%

## APPENDIX - 14

### Organizational Structure

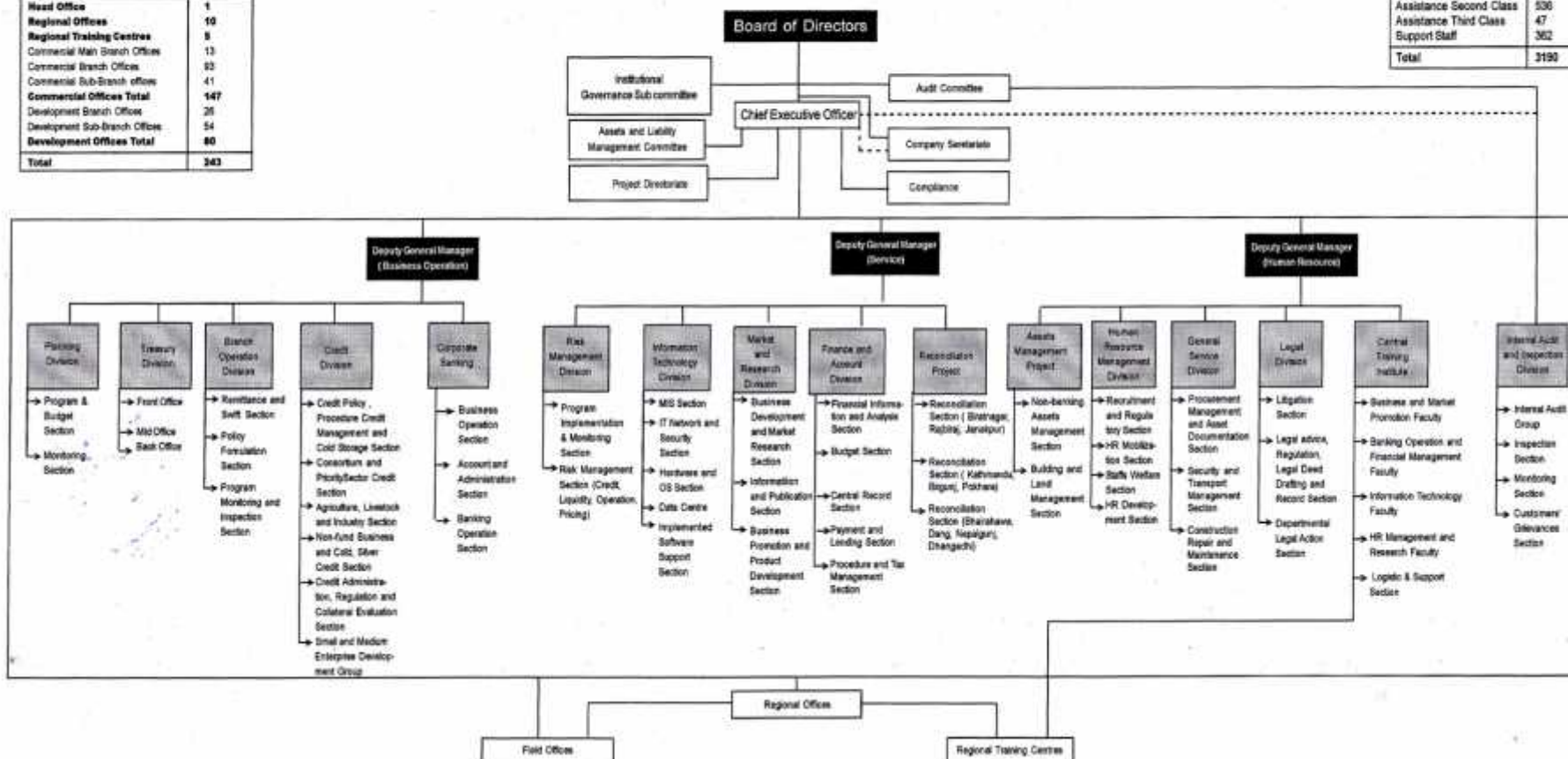


# AGRICULTURAL DEVELOPMENT BANK LTD.

## ORGANIZATIONAL STRUCTURE

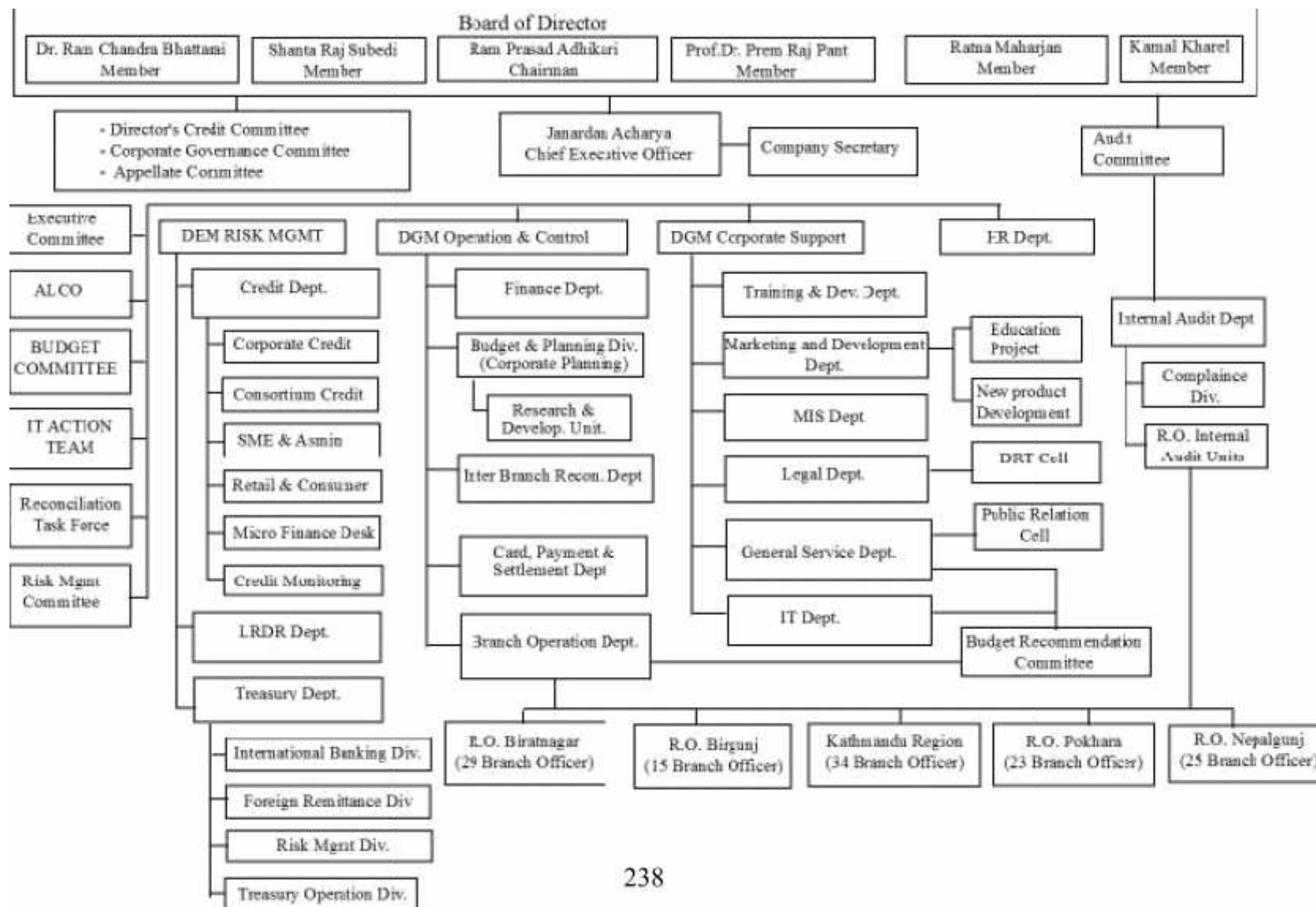
No of Offices	
Head Office	1
Regional Offices	10
Regional Training Centres	8
Commercial Main Branch Offices	13
Commercial Branch Office	82
Commercial Sub-Branch Office	41
<b>Commercial Offices Total</b>	<b>147</b>
Development Branch Office	26
Development Sub-Branch Office	54
<b>Development Offices Total</b>	<b>80</b>
<b>Total</b>	<b>343</b>

No of Staff	
Special Class	5
First Class Officers	46
Second Class Officers	242
Third Class officers	1022
Assistance First Class	530
Assistance Second Class	536
Assistance Third Class	47
Support Staff	362
<b>Total</b>	<b>3193</b>



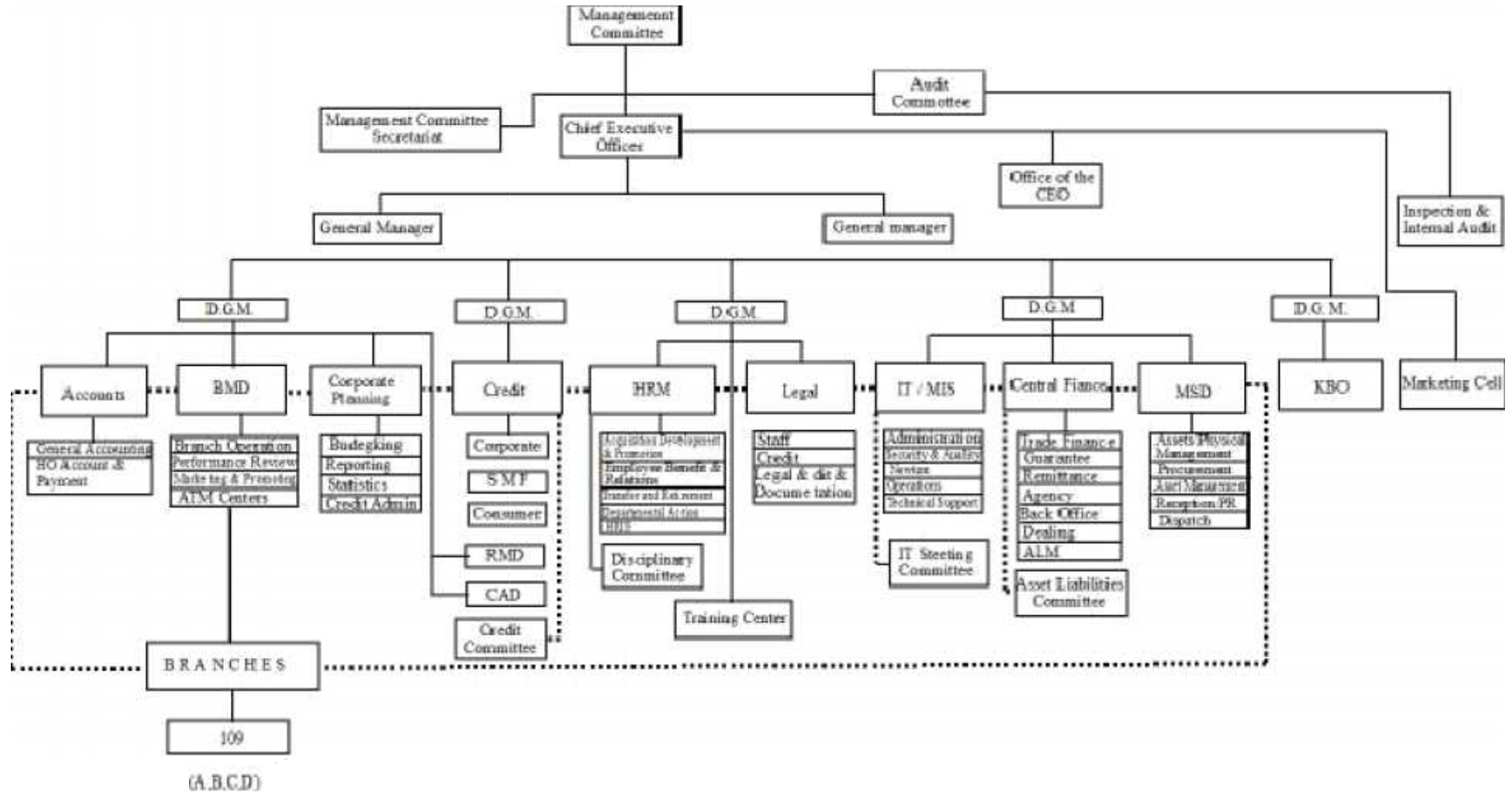
## APPENDIX - 15

### Organizational Structure of Rastriya Banijya bank limited



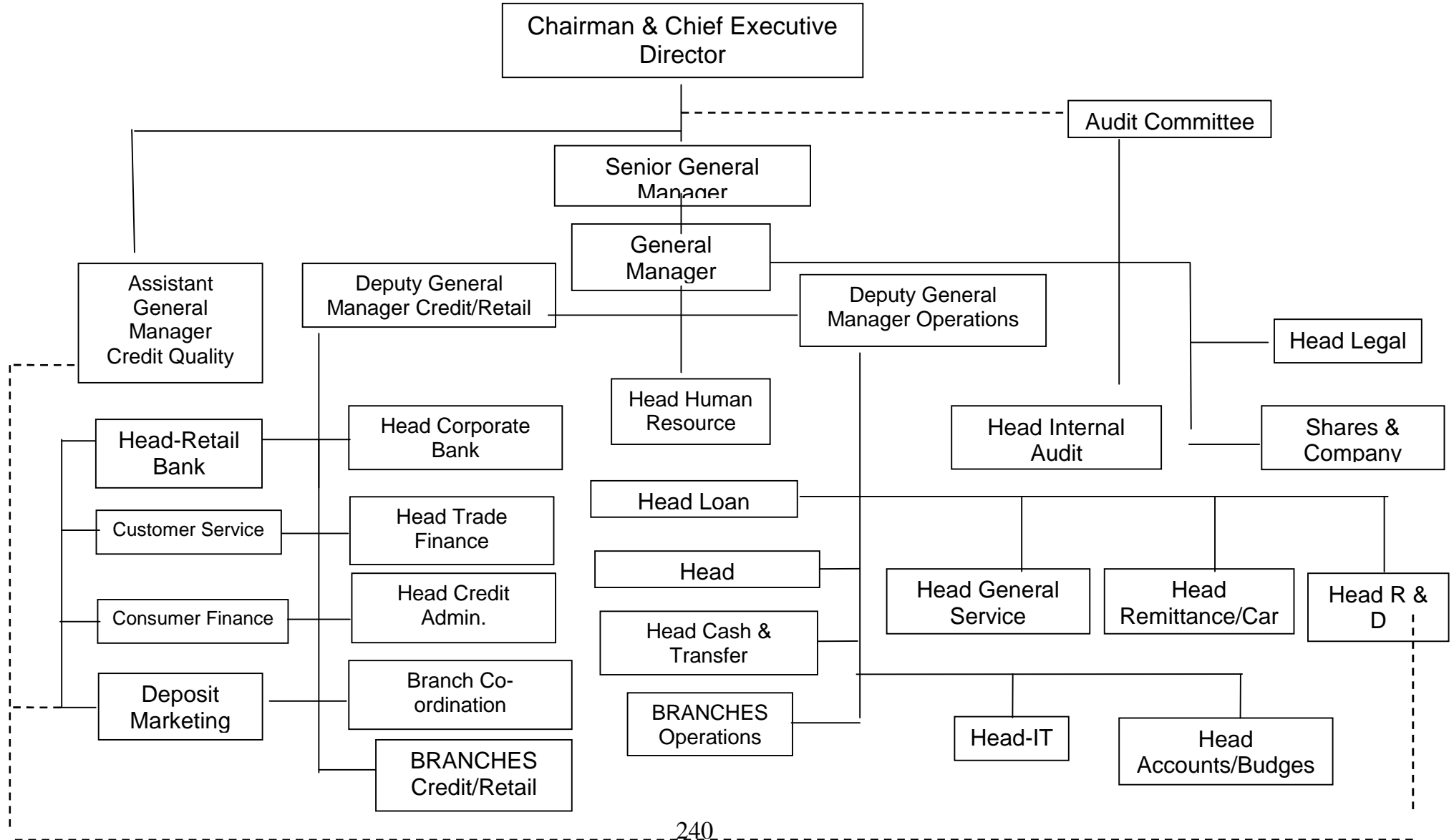
## APPENDIX - 16

### Organizational Structure of Nepal bank limited



APPENDIX - 17

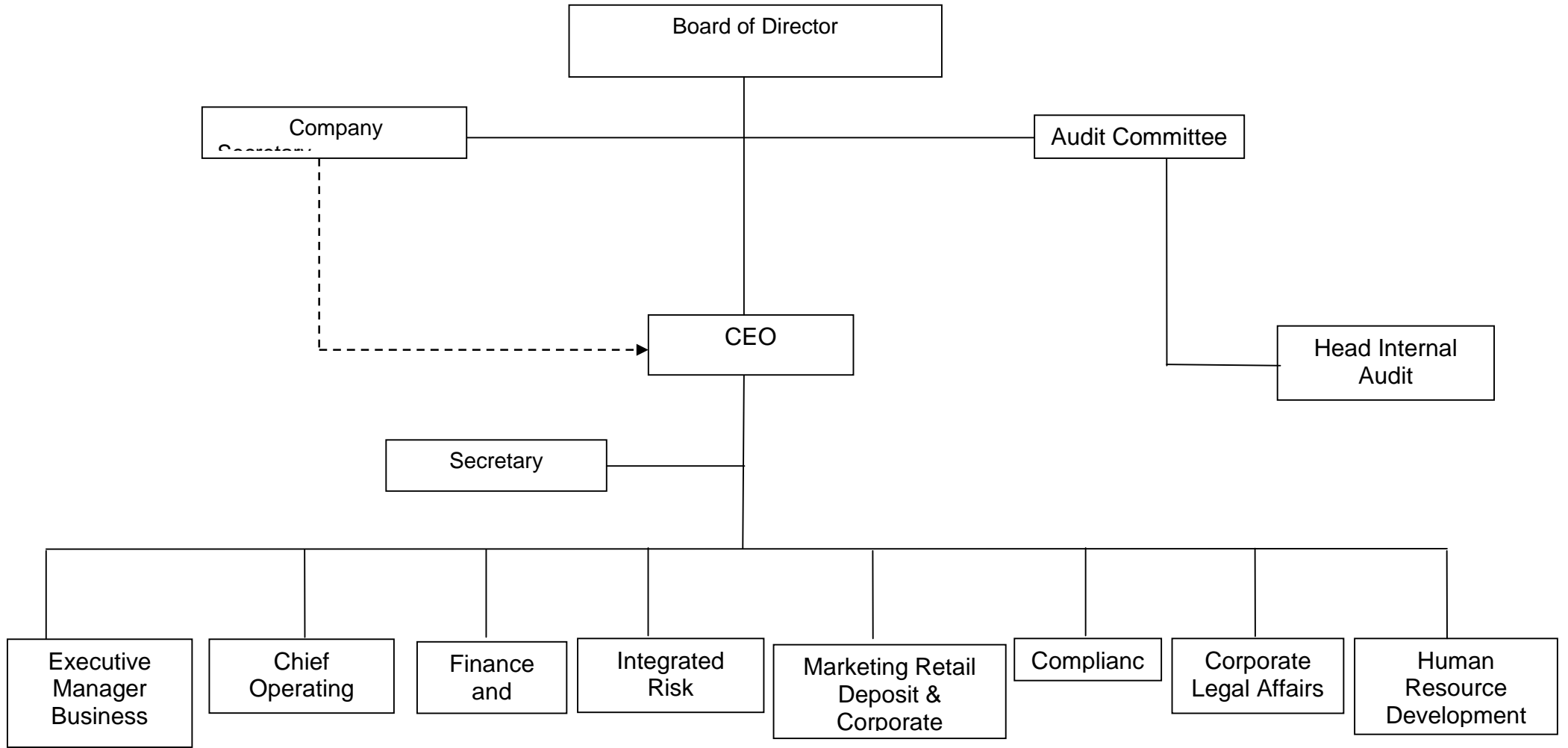
Organizational Structure of Nepal Investment Bank



**APPENDIX 18**

**Organizational Structure of Nepal State Bank of India**

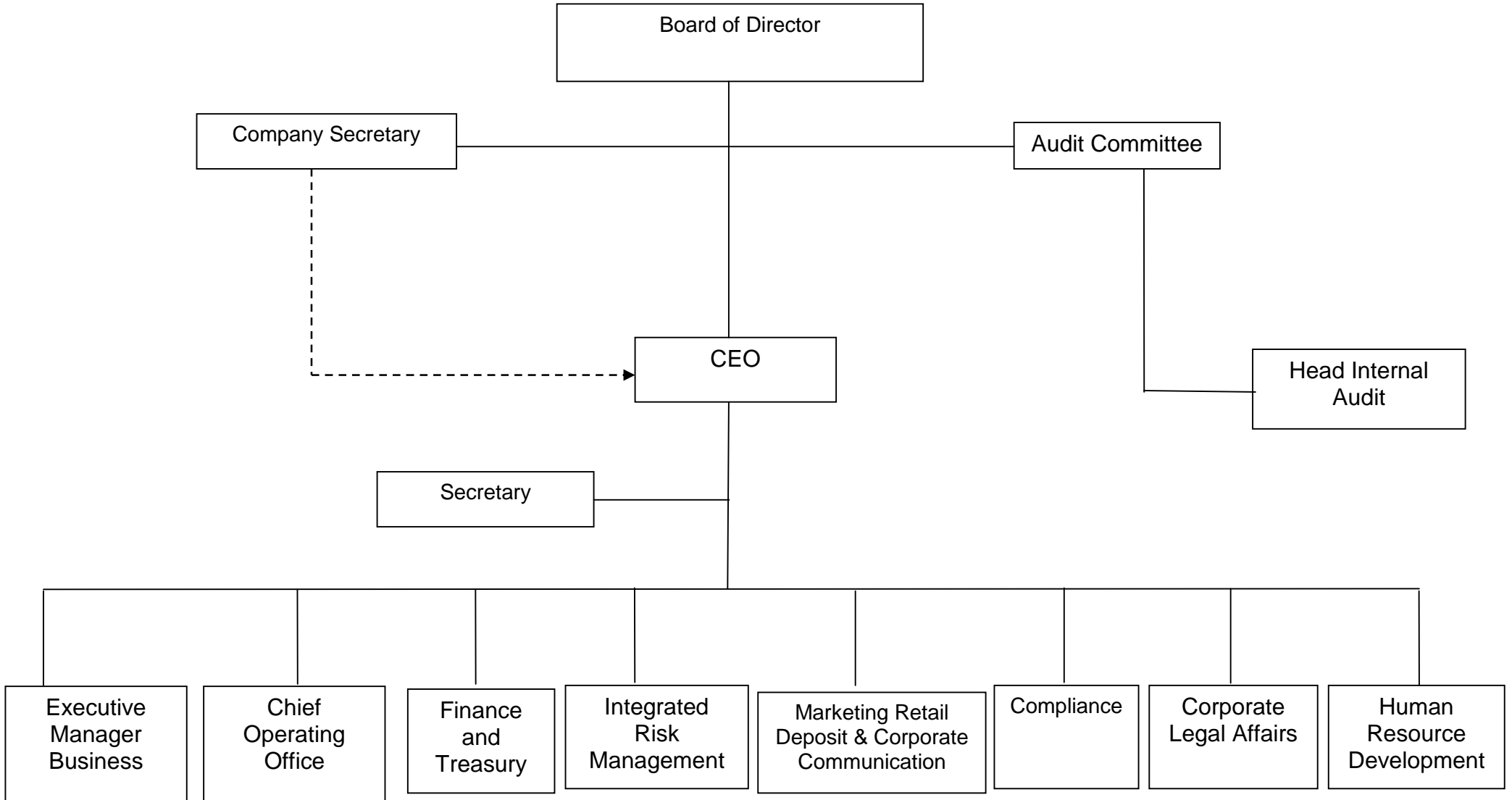
**BOK Organization Structure**





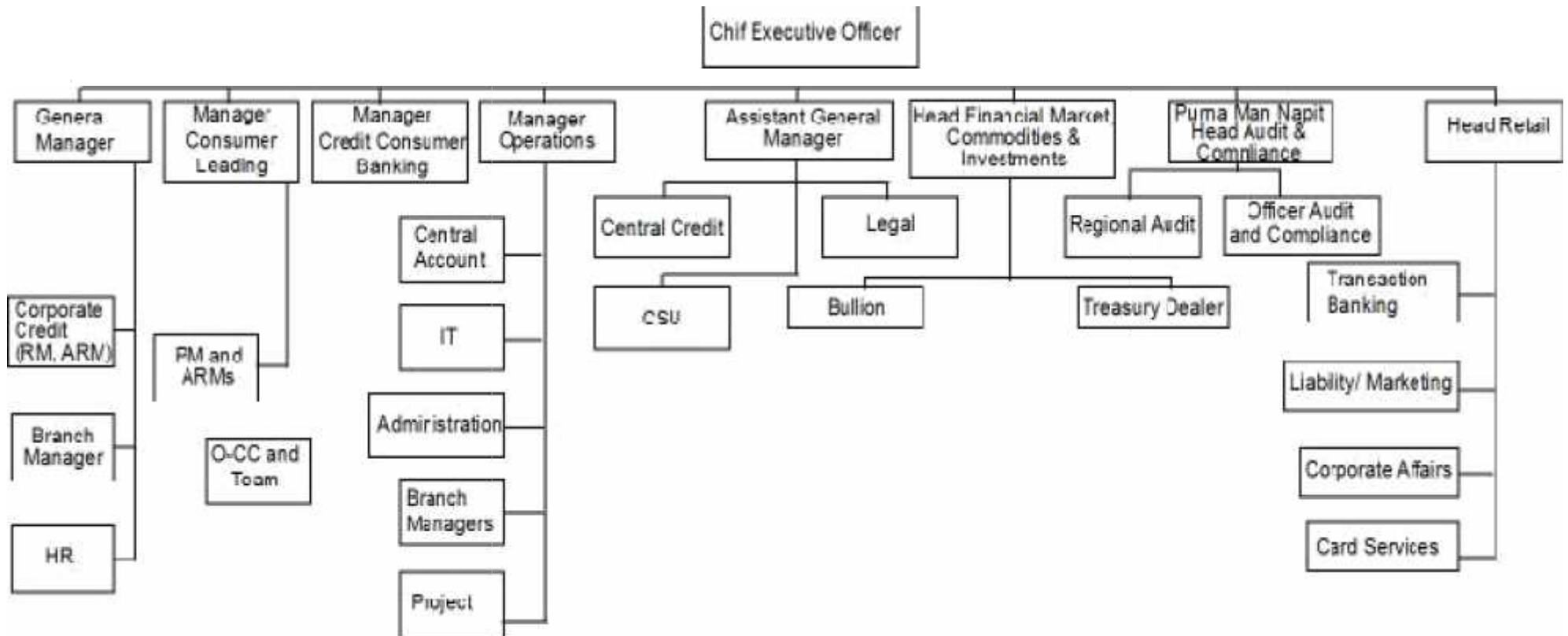
**APPENDIX - 19**

**Organization Structure of Bank of Kathmandu Ltd.**



## APPENDIX 20

### Organizational Structure of NIC Bank Limited



## APPENDIX - 21

### Organizational Structure of Nabil Bank Ltd.

