

Effect of Empowerment on Employees Performance

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Abstract: The main purpose of this paper is to determining the effect of Empowerment implementation by considering the three factors of delegation, implementation of participating management, encouragement and giving reward and also determination of classification of priority and importance of effect of each factor with employee's performance improvement in Telecommunication Company. The research method has been descriptive and causal comparative and statistical sample under study was 226 people in order to collected data, two questionnaires and existing documents about rate of employee performance were used in two periods of time before and after Empowerment implementation. The tools validity with Content method and their Reliability by Cornbach method coefficients 0.98, 0.95 has been confirmed. In order to analyze the data, Spearman correlation method, Wilcoxon tests method, and multiple regressions, were used. Findings showed that there is significant difference between rate of employee's performance before and after Empowerment implementing, by the way Empowerment implementing emphasizing the factors, delegation, participating management and encouragement and giving reward cause employee's performance to improve.

Key Words: Empowerment, assessment, Performance improvement, implementation

1. Introduction

Employee empowerment has widely been recognized as an essential contributor to organizational success with many authors observing a direct relationship between the level of employee empowerment and employee performance, employee job satisfaction and employee commitment. Empowering employees enables organizations to be more flexible and responsive and can lead to improvements in both individual and organizational performance. Similarly, it is maintained that employee empowerment is critical to organizational innovativeness and effectiveness. Employee empowerment is more relevant in today's competitive environment where knowledge workers are more prevalent and organizations are moving towards decentralized, organic type organizational structures. [1]

In this era of globalization there is need for employees' empowerment in organization so that employees will be in position to make quick decision and respond quickly to any changes in the environment. Organization that are committed to employee empowerment they are in a position to motivate and retain their employees, although it's a complex management tool which needs to be nurtured and handled with a lot of care. Employee empowerment is a motivational technique that is designed to improve performance if managed properly through increased levels of employee's participation and self determination. Employee empowerment is concerned with trust, motivation, decision-making, and breaking the inner boundaries between management and employees as "them" verses us.[2] In order to achieve it's organizational aims and increase customer's satisfaction

Telecommunication Company has taken an action for implementation of empowerment dimensions of employee's. So this paper's aim is determining the effect of implementation of empowerment dimensions on employee's performance improvement.

2- Literature Review

2-1- Employee empowerment concept

In the USA, the first formal study of empowerment dates back to Mary Parker Follett's management ideas. She distinguished between "power-with" and "power-over" and suggested the process of integration to increase power-with while decreasing power-over. The human relations movement had a great impact on employee empowerment. The Hawthorne studies concluded that the workers were more responsive to social situations than to management controls. [3] Nowadays, empowerment is the center of attention in 21 century's organization. It says. If employee's empowerment is managed correctly, can cause organizational commitment and reduction of employee's replacement. Empowerment with confidence making, participation in decision making, and elimination of the border line between management and employee, cause increase of productivity, performance and job satisfaction. [4]

Klage J. (1998) sees the literature in a way indicating the meaning of empowerment as to release improved 'power and authority' along with the relevant duties and expertise to employees.[5] Empowerment seems to be a powerful management tool, which is used to exchange the shared vision that the organization expects to materialize into common goals. The reality is that empowerment could be utilized as an expression to explain diverse plans providing an expedient oratory, advocating that empowerment is hypothetically a fine object that fabricates a 'win-win' condition for workers and administrators. [6]

Empowerment has been defined in numerous ways, but most authors agree that the core element of empowerment involves giving employees a discretion (or latitude) over certain task related activities. Randolph (1995) defines employee empowerment as "a transfer of power" from the employer to the employees. Blanchard et al. (1996) for instance argued that empowerment is not only having the freedom to act, but also having higher degree of responsibility and accountability. This indicates that management must empower their employees so that they can be motivated, committed, satisfied and assist the organization in achieving its objectives. [7]

Mohammed et al. (1998) states that empowerment is a state of mind. An employee with an empowered state of mind experiences feelings of 1) control over the job to be performed, 2) awareness of the context in which the work is performed, 3) accountability for personal work output, 4) shared responsibility for unit and organizational performance, and 5) equity in the rewards based on individual and collective performance. [2] Rodwell (1996), Hage and Lorensen (2005) label empowerment as an 'enabling process' or an object occurs from a joint allocation of possessions and prospects which boost 'decision making' to accomplish change. [6] Luke, Rappaport, and Seidman suggested that empowerment is more than a mere process, solution, or exemplar as is, for instance, prevention. Instead, they posit that empowerment is the process to which the primary energies of psychologists, counselors, social workers, and others should be directed and through which most of the goals for social and individual change will be most appropriately accomplished. [8]

Employee empowerment refers to the delegation of power and responsibility from higher levels in the organizational hierarchy to lower level employees, especially the power to make decisions. [1] Employee empowerment will lead to improving productivity, performance and job satisfaction (Nick et al., 1994). Employee empowerment has been associated with the concept of power, implying that power in organization should be re-shared from the top management to the lower management. [9]

2-2- Employee empowerment perspectives

There are multiple perspectives on empowerment and the particular meanings given to the construct, according to persons, settings, goals, and other variables. Research on empowerment has largely focused on groups that are typically considered disadvantaged, disempowered or ostensibly powerless. [8]

During the 1990s writers claimed that the shift in the way organizations treated their employees was the “empowerment era”. Research on the study of empowerment has been primarily through the relational approach or the motivational approach. The relational approach, based on management practices, focuses on the delegation of power and decision making authority. According to this approach, empowerment was based on the movement of power down an organization’s hierarchy (Menon, 2001) where sources of power could be legal (control of office); normative (control of symbolic rewards); remunerative (control of material rewards); coercive (control of punishment); and/or knowledge/expertise. The motivational approach stressed Psychological enabling as the main reason for an individual’s feelings of empowerment. Because the conceptual and operational definitions of empowerment often differ from study to study, more research is needed to better articulate the homological net of the construct of empowerment. [10]

Researchers have defined empowerment in at least two ways: the situational approach and the psychological approach (Conger and Kanungo, 1988). On one hand, the situational approach concerns passing power from higher-level management to employees by involving them in decision making. This approach is also known as relational or management practice approach. On the other hand, the psychological approach puts less emphasis on delegation of decision-making. Instead, this approach stresses motivational processes in workers. The psychological approach views empowerment as various psychological cognitions that contribute to enhanced intrinsic motivation. [3]

Different dimensions of empowerment and team performance Proponents of the psychological perspective of empowerment have agreed that there are multiple dimensions of employee empowerment explain that the psychological cognitions of employee empowerment include meaningfulness, competence, choice, and impact. More recently, Petter et al (2002) suggested that there were seven dimensions of employee empowerment and that included power, decision-making, information, autonomy, initiative and creativity, knowledge and skills, and responsibility. [11]

3. Materials & Methods

The current research method was applied and after the fact –Descriptive and The population in this study includes all the employees of Telecommunication Company. The sample of study was 226 people which were selected randomly. The data collected tools were two standard and modified questionnaires which their validity of tools was confirmed through Content method and their reliability was determined through alpha Cronbach 0.98 and 0.95 respectively. In order to analyze

the data, Spearman correlation method, Wilcoxon test's methods, and multiple regressions, were used.

4. Results

The resultant findings from Wilcoxon test's showed that the employee's performance before and after implementation of empowerment dimensions with measure $Z = -10.937$, $\text{sig} = 0.000$ are different. The results of testing hypothesis are as follows:

Subhypothesis 1: delegation authority causes improvement of employee's performance.

The findings resulted from Regression Analysis with correlation coefficient 0.611, R-square 0.374 and significance level 99 percent and also Spearman correlation test with coefficient 0.57 confirmed the first sub-hypothesis.

Sub hypothesis 2: reward based on performance causes improvement of employees' performance.

The findings resulted from Regression Analysis with correlation coefficient 0.579, R-square 0.335 and significance level 99 percent and also Spearman correlation test with coefficient 0.67 confirmed the second sub-hypothesis.

Sub hypothesis 3: suggestion system causes improvement of employees' performance.

The findings resulted from Regression Analysis with correlation coefficient 0.453, R-square 0.205 and significance level 99 percent and also Spearman correlation test with coefficient 0.62 confirmed the third sub-hypothesis.

Main hypothesis: empowerment causes improvement of employees' performance.

The findings resulted from Regression Analysis with correlation coefficient 0.607, R-square 0.369 and significance level 99 percent and also Spearman correlation test with coefficient 0.66 confirmed the main hypothesis.

Also, the results of Multiple Regression Analysis about priority of empowerment factors effect on employees' performance has been shown in table 1.

As it's clear in the table 1, delegation authority variable with ($\beta = 0.399$), reward based on performance with ($\beta = 0.307$) and suggestion system with ($\beta = 0.047$) have the most effect on improvement of employees' performance and have priorities 1 to 3.

Table 1: Output of the multiple regressions

Sig	t	Standardized	Standardized		Variable	Model
		Coefficients	Coefficients	Squares		
		Beta	S.d	B		
		Squares		Squares		
0.000	6.077	0.399	0.067	0.406	Delegation authority	
0.000	4.404	0.307	0.067	0.296	reward based on performance	
0.000	0.712	0.047	0.068	0.048	participating management	

5. Conclusion

The purpose of this study was assessment of empowerment's effects (delegation of authority, encouragement and giving reward and participating management) and determination of priority and classification of these dimensions' effects on employees' performance improvement.

The results showed that the main hypothesis; that is, implementation of empowerment's dimensions in organization, in comparison with before implementation of empowerment, has caused improvement of employees' performance with correlation coefficient 0.607, R square 0.369 and significant level 99 percent.

Also, it become specified that the first sub-hypothesis has confirmed with regression analysis and correlation coefficient 0.611 and R square 0.374 and significant level 99 percent. It means that, the implementation of delegation of authority causes improvement of employee's performance, and the second sub-hypothesis has confirmed with regression analysis and correlation coefficient 0.579 and R square 0.335 and significant level 99 percent. It means that, the implementation of reward based on performance has causes improvement of employee's performance, and the third sub-hypothesis has confirmed with regression analysis and correlation coefficient 0.453 and R square 0.205 and significant level 99 percent. It means that, the implementation of suggestion system has causes improvement of employee's performance. At the end, the results indicated that, delegation of authority, reward based on performance and implementations of suggestion system have the most effect on improvement of performance, respectively.

By considering the results, since delegation of authority as one of empowerment dimensions, has the most effect on improvement of employees' performance, it is suggested to organization's manager that:

- Employees are allowed to get involved in cession of activities, so that they play a role in choosing job and condition of its implementation. Because in this case, it is more possibility that they accept their delegated tasks eagerly, perform the jobs with competence and experience getting empowered.

- In delegation of every task, holding a justification meeting is useful and essential. Individuals mustn't be responsible for indefinite tasks; expected result of each task must be expressed clearly. Clearness of whatever must be done the reason for its importance is a prerequisite for delegation of authority and consequently performance improvement.
- Control and supervision should focus on results instead of methods of performance of the job. When tasks and authorities were obligated, excessive control on performance methods, destroys morale of confidence.

Also the results showed that after delegation of authority, encouragement and giving reward have the most effect on improvement of employees' performance. So for increasing employees' empowerment and consequently their better performance, it is suggested that:

- The reward is paid based on performance assessment and for more effectiveness, it must be donated in a special ceremony.
- Incorporeal rewards such as: verbal appreciation, delegation of authority, giving more responsibility and giving the right to decision-making are applied in reward programs.

At last, with respect to the results of the research i.e. having relation between suggestion system and improvement of employees' performance, it is suggested to the organizational managers that:

- Suggestion forms are given to the all employees and in sufficient quantity. Suggestion forms must be designed and printed as booklets and these booklets are given to the new employees by recruitment office at once.
- Accepted suggestions are implemented timely. Because one of the most important motives for continuous suggestion presenting which stronger than giving rewards is its on time implementation.
- Equitable and on time reward are given to creative and useful suggestions. Giving reward timely and its quantitative proportionate plays an effective role in success of suggestion system.
- In case presented suggestions are rejected, the reasons of rejection must be announced and individuals must have the right to inspection and pursuance. Insufficient explaining in the case of rejection of suggestions, in addition to omit the educational aspects, turns the persons who their plans rejected, into the opponents of suggestion system.

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