# An Analysis of the Empowerment level of Employees and It's Relation to Organizational Factors

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## Abstract

***Problem statement:*** *This research attempts to identify the relation between the empowerment level of Employee and organizational factors. To gauge the power of employees, it employs psychological empowerment model which is multi-dimensional, covering facets such as competence, self-determination, meaningfulness, impact, and trust. Moreover, other organizational factors can be referred to as having clear goals, reward system, availability of resources, organizational structure, performance evaluation and professional development.*

***Approach:*** *The methodology in this study is descriptive- measuring. And the statistical population involves the entire official Employee of University of Isfahan with B.A or M.S. degrees which overall consists of 304 individuals. But as a sample, 57 people are sifted by Cochran formula and sampling method of clustering.*
*Results: The results of this research demonstrate the empowerment level of employees is in a favorable state in all respects except for the dimension of trust. Also, the findings indicate that there is a meaningful and straight relationship between the empowerment level of Employee and organizational factors such as having clear goals, reward system, availability of resources, performance evaluation system and professional development; however, there is no meaningful relationship between organizational structure and the empowerment level of Employee.*

**Key Words:** empowerment, competence, impact, meaningfulness, self-determination, trust.

## *1. Introduction*

In today's world, the split among nations and societies is between knowledge and ignorance. Therefore, the main challenge in this area is the challenge of knowledgeable and capable Human Resource. The importance of Human Resource as the most significant factor in the activity chain of every organization has been proved since a long time ago and the organizations, which have paid attention to this issue, have made it a first priority in the list of their works (Abdollahi, Naveh Ibrahim, 2011).

Due to the daily increase of competition in the present world, managers do not have enough time to control their Employee. They have to devote most of their time and energy to identify the inner and outer environment of the organization and to relegate the other routine tasks to the employees. And the Employee can perform the relegated duties only if they have the proper skill, knowledge and capability as well as understanding the organization's goals. The useful implement for the managers in this ground is the process of empowerment of employees.

Empowerment is one of the latest topics in human resources Development. However, due to the diversity of researches and studies, there is an extended literature in this domain. On the one hand, this diversity has contributed to the improvement of the content of empowerment and on the other hand, it has prevented achieving unification, hence presenting a precise model of empowerment (Litterall, 2007).

Overall, the empowerment of Employee as a management activity is divided into two main categories: direct and indirect. The direct model includes relegating more responsibilities to individuals or teams in order to perform and manage their duties and also to participate in decision-making sessions. Examples of this direct model of empowerment are job enrichment, self-managing work teams and many aspects of controlling the general quality or constant improvement. Indirect model entails the widespread presence of the group from the quality circles to the management committees. However, it should be maintained that the most of innovations in the area of empowerment is achieved through the direct model (Leach and Wall, 2005).

Chow, Chu, Sha and Hon (2006) investigated three aspects of the development of human resources which consist of achieving developmental experience, organizational support and empowerment based on customer-orientation. The purpose of this study was to provide opportunities for the employees so that they could increase their skills through experimental growth; also it was to empower the Employees in order to perform high quality service. The result of this research demonstrated that empowerment and organizational support have a meaningful effect on the customer-orientation and the fact that empowerment significantly improves performance; organizational support also augments the employees' sense of pride and experimental growth has a meaningful effect on performance. In Liu's and Chiu's study (2007) "The Promotion of Commitment through Empowerment," organizational commitment consists of two emotional and constant dimensions. The result of this study clarified that there is a relationship between empowerment and organizational commitment. If the understanding about empowerment increases, organizational commitment is subsequently accelerated. Besides, they concluded that empowerment is more related to emotional commitment.

Hall (2008) evaluated the effect of comprehensive performance evaluation system on the clarity of the role of psychological empowerment and management performance. He inferred that comprehensive performance evaluation system indirectly influences management performance and proved the assumption that there is a positive relationship among the four dimensions of psychological empowerment and management performance.

Chen and Ro (2011) in their study "Empowerment of Hospitals' employees, Customer- orientation, and Organizational Support" mentioned that although employees' empowerment is often considered an effective strategy for the hospitals, this strategy alone is not able to guarantee the success of organizations. In this research, the effect of employees' customer-orientation and the organizational support on the employees empowerment approach were investigated and the findings demonstrated that the organizations should employ customer-oriented individuals and train them during their services; as well, they should create an appropriate reward system and to enhance the understanding of the employees from empowerment, they should facilitate the standards of communicative services.

## 2. Literature reviews

### 2.1. Empowerment

The word " empowerment", popularized since 1980s, is employed to refer to a new form of Employee involvement (Wilkinson, 1998); it is derived from various approaches and fields of study such as psychology, economy, education, and social and organizational studies (Page and Czuba, 1999). The history of its first definition goes back to 1788, regarding empowerment as the conferment of power to organizational role of the individual. This power should be endowed to the individual or should be observed in his or her organizational role.

There are many definitions about empowerment; other theoreticians as Wetten and Cameron postulate that empowerment signifies we help individuals to improve their confidence to overcome their feelings of inability and insufficiency (Vetten and Kameron, 1999). In empowerment, individuals require not only power, but also enough training, credit and information in order that they can be responsible for the decisions they have made (Yoon, 2001).

In a general categorization of empowerment, it can be hold that the researchers such (Lower et al, 1996) and Foy (1997) acknowledge that empowerment is Delegation; what can be comprehended from their definitions is that managers is able to empower the Employee only if they give the organizational information to them, reconstruct the organizational structure, replace hierarchies with team work, and produce educational opportunities. On the other hand, theorists like Conger and Kanungo (1998), Lower (1973), and Bandura (1977) presume that empowerment deals with creating motivation; Conger and Kanungo also consider empowerment as the process of increasing Self-efficacy in individuals through identification and elimination of the conditions which have caused inability in the Employee (Abdollahi and Naveh ebrahim, 2011).

By completion of empowerment theory of Conger and Kanungo, Thomas and Velthouse (1990) introduced psychological empowerment as the process of increasing the inner motivation towards the duties which involve three other cognitive areas besides Self-efficacy: self-determination, meaningfulness and impact. Later, Wetten and Cameron, by supporting and underscoring the multidimensional nature of empowerment and confirming the four above aspects, added the dimension of trust. Table 1 displays the division of empowerment approaches (Abdollahi, Naveh Ebrahim, 2011).

Regarding the precedence and antiquity, up to 1980, the first approach (mechanical) attracted the attention of the scientists of this field. However, after the studies of Thomas and Velthouse and the researches of Speritzer, the tendency changed towards psychological empowerment; and in less than 20 years there have been a considerable amount of scientific and academic studies in this area. On the one hand, this attention originates from the fact that mechanical empowerment studies have not achieved positive and pervasive results in various work environments and on the other hand until the individual is not ready and capable psychologically, promotion and physical capability of the employees will not be effective. Yet, it should be noted that none of the researches so far has proved which approach has priority over the other and essentially these two approaches are not separate from each other and their interdependence while performance is essential (Peterson and Zimmerman, 2000).

## 2.2. Dimensions of psychological empowerment

### 2.2.1. Meaningfulness

Meaningfulness indicates capable individuals appreciate career goals according to their personal ideals and standards; in their value system working is considered significant and they feel they are important when they participate in the activities of the organization (Tubbs and Moss, 2000).

### 2.2.2. Impact

Or accepting the personal result is a stage where the individual influences on the results and the strategic, official and operational consequences (Abdollahi and Naveh ebrahim, 2011). Capable employees believes that they can have a significant role for the realization of the organizational goals by performing their career responsibilities; they can control the occupational results and consequences and they can have a positive impact on what occurs and can handle the limitations and barriers (Lussier, 2002).

### 2.2.3. Competence

When individuals become capable, they feel self-efficacy or they feel they are qualified and they have enough skill and proficiency to perform a successful work. Not only capable people feel they are qualified, but they feel they are confident and they are able to do their work competently (Amichai et al, a, 2008). They feel personal excellence and assume that if they are going to encounter new challenges, they should learn and prosper (Speritzer. G. m and Doneson. D. 2005). Some writers postulate this characteristic is the most important aspect of psychological empowerment for it is the feeling of self-efficacy which produces perseverance and endeavor to perform the difficult works (Conger and Kanungo, 1988; Zimmerman, 1990).

### 2.2.4. Self-determination

Capable employees feel responsibility and ownership towards their activities (Littrell, 2007). They feel they have independence to perform their responsibilities; they can make decisions about their work and have enough authority regarding the manner, time and the speed of their performing the task (Vecchio, 2000).

The examples in this area include making decision about the methods of performing the job or determining the amount of efforts necessary to perform the activities (Speritzer, 1995)

### 2.2.5. Trust

Refers to the relationship between the superior and the inferior (the manager's trust to the employee and the reverse). Trust is associated with interest, competence, openness and belief in the others (Abdollahi and Naveh ebrahim, 2011). Capable people feel confident and are assured that they will be treated fairly and honestly; this indicates they are certain that the operators of center powers or the authority figures will not harm them and will treat them impartially (Wetten and Cameron, 1998).

### 2.3. Prerequisite organizational conditions for the employees' empowerment

The nature of the formal structure of the organization and hierarchies and some others are associated with management and leadership skills. The following are some of the factors which are considered organizational conditions.

### 2.3. 1. Having clear goals and vision

Having clear and challenging goals is one of the underlying features of employees empowerment. The first factor in discussions of organizational factors which facilitate the empowerment of the individuals is having a clear and challenging outlook. Capable people feel they have comprehended the senior management perspective and strategies of the organization. On this account, they feel they have the required competence to perform the assigned responsibilities independently, without waiting for the orders and instructions of the senior management (Tabora, 2000).

### 2.3.2. Organizational structure

Management experts and researchers believe that organizational structure is associated with the employees' empowerment. Bureaucratic structures and authoritarian methods of management usually lead to nurturing dependency in the employees, rejection of their opinions, unskillful performance of the work, meaninglessness of the organizational goals, and inability in the employees. Conversely, in the empowered organizations, organizational structure is designed to enable the employees so that they achieve desirable results from their works and carry out what is necessary; not merely to discharge their obligations and receive bonuses for that particular act (Abdollahi & Nave Ebrahim, 2011).

### 2.3.3. Performance evaluation

The principle of "if you do not evaluate anything, there will not be any improvement" is true in every profession. The crucial purpose of performance evaluation is to help the individuals to do their work better, not to confer reward or punishment. The experts posit that competence-based performance evaluation is connected to the empowerment). In an empowered organization where the responsibilities are shared, the individuals should participate in the evaluation of the performance; that is, there should be a reciprocal evaluation between the employees and the managers (saadat, 2011

### 2.3. 4. Reward system

The final control, which is the most useful support in the process of empowerment, is granting rewards. Similar to rewards, determining the basic values and establishing the goals are the known methods to achieve desirable results. Rewards, generally, are not our interests; they are taken into consideration as policies supporting development and promotion of empowerment like the authority based on competence. For empowering the employees in a proper reward system, every individual's share should be determined. Although rewards may enhance the performance of groups or organizations, most individuals do not have clear understanding of their actions which may have influence on the high levels of performance (saadat, 2011).

**2.3. 5. Professional development of the employees**

Training the employees, their development and professional growth are crucial parts of empowerment programs. In new organizations which are known as Organization Learning, managers have shown great interest in the empowerment and management plans; this interest stems from the fact that empowerment has a significant role in promoting a learning culture (Abdollahi and Naveh ebrahim, 2011).

**2.3. 6. Availability of the resources to the employees**

Empowerment is related to providing a variety of human resources which can help the individuals to perform their responsibilities. The managers, who empower their employees, are mainly providers of resources and eliminators of barriers; they are less risk-takers or commanders. Therefore, one of the chief missions of managers is to help the employees to achieve their goals. The managers, who provide the requisite resources for their employees so as to increase their capacity, make endeavor to be assured that the employees receives professional development experiences and adequate and constant training (Speritzer, 1996).

**2.4. Research Questions**

1. Is the level of psychological empowerment of the employees from the dimension of competence in a favorable state?
2. Is the level of psychological empowerment of the employees from the dimension of self-determination in a favorable state?
3. Is the level of psychological empowerment of the employees from the dimension of meaningfulness in a favorable state?
4. Is the level of psychological empowerment of the employees from the dimension of impact in a favorable state?
5. Is the level of psychological empowerment of the employees from the dimension of trust in a favorable state?
6. Is there any meaningful relationship between having clear goals and employees empowerment?
7. Is there any meaningful relationship between reward system and employees empowerment?
8. Is there any meaningful relationship between availability of resources and employees empowerment?
9. Is there any meaningful relationship between organizational structure and employees' empowerment?
10. Is there any meaningful relationship between performance evaluation and employees' empowerment?
11. Is there any meaningful relationship between professional development and employees' empowerment?

The questions 1-5 are related to the evaluation of the level of employees' empowerment and the questions 6-11 are related to the relationship between employees' empowerment and organizational factors.

## 3. Materials and Methods

**3.1. Sample and data collection**

The present study has a functional purpose and methodologically it is in the category of descriptive-survey. The statistic society studied in this research is all the official employees of University of Isfahan with B.A. degree. The total number of this society was 304 individuals, among which 57 individuals were chosen based on Cochran formula. The sampling method was random clustering in which the faculties of University of Isfahan were considered as a cluster.

**3.2. Questionnaire design:**

Questionnaire was used for gathering the data. The questionnaire contains 33 questions from which 15 questions are related to psychological empowerment and 18 questions are related to organizational factors which are designed by five degrees spectrum questionnaire.

**3.3. Reliability and validity**

For reliability of the questionnaires, after entering the data, two questionnaires were examined by SPSS software. In this examination, the reliability of empowerment questionnaire was 0.82 and the reliability of organizational factors questionnaire was 0.88.

## 4. Analysis of Data

To investigate questions 1 to 5, we used t- single sample test. In the table 2, the results of these assumptions are demonstrated.

As it can be observed, the resulted t in the four aspects of competence, self-determination, impact, and meaningfulness is larger than the t in table 2; thus, the level of employees' empowerment in the four above aspects is in a favorable state. But in terms of trust, the level of employees is not in a favorable state since the resulted t is smaller than the t in the table.

We employed Pierson Correlation Test in order to display the relationship between the employees' empowerment and the organizational factors. Table 3 shows the results of this test. Since the correlation coefficients among the five factors (having clear goals, reward system, availability of the resources, performance evaluation and the professional development) are positive and the amount of probability is smaller than 0.05, we can maintain that among these factors and the employees empowerment are a positive and meaningful relationship; yet in regard to organizational structure, we cannot declare there is a meaningful relationship between the employees empowerment and the organizational structure.

## 5. The Results of the research

The result of the study exhibited that the level of employees' empowerment is favorable from the respect of competence. Therefore, it can be stated the employees have enough competence to perform their assigned duties and have a confidence to perform those duties efficiently. To phrase it in another way, they believe they have mastered the skills necessary to perform their career responsibilities; they are assured of their capability to perform their work; overall, they feel the work is in the domain of their capabilities and workmanship.

Further, from the aspect of independence, the employees are in a favorable state. In other words, they feel they possess freedom of action and the requisite independence for initiation and consistency of behavior and processes, decisiveness in regard to the manner of performing their career duties and finally the personal ingenuity while performing their responsibilities.

In terms of impact, the employees thought that they have enough power to penetrate in the executive, official and strategic outcomes of their work and also have a great control over whatever takes place in the area of their work. They believed their opinions are observed in the relevant work area.

Moreover, in respect to meaningfulness, the employees are in a favorable state and this signifies that the employees consider their career goals valuable and have a noticeable inner motivation about their works. They suppose what they are doing is meaningful and significant.

The results of the dimension of trust demonstrated that in this facet the empowerment of employees is not in a favorable state. In other words, they assumed their colleagues are not honest with them; they don't share important information with them; they ignore their colleagues' prosperity and success. The reason for this issue maybe lies in the fact that the employees thought they are not treated fairly.

The results obtained from the aspect of trust manifest that there is a meaningful and positive relationship between empowerment and clarity of the goals; that is, if the clarity of goals increases in the organizations, the level of employees empowerment will boost and the reverse.

Additionally, in regard to the relationship between empowerment and reward system, the results indicate a positive and meaningful relationship. It means if the reward system in an organization is based on the empowerment of employees, the employees will feel more capable and the reverse.

Similarly, there is a positive and meaningful relationship between empowerment and the availability of resources which denotes if the availability of resources increases in an organization, the employees will feel more capable and the reverse.

There is also a positive and meaningful relationship between empowerment and performance evaluation which suggests that if the evaluation of the employees is based on their capabilities, they will feel more qualified.

The results designate a positive and meaningful relationship between the professional development of the employees and the level of employees' empowerment which conveys if the level of professionalism among the employees enhances, they will feel more capable and the reverse.

However, there was no meaningful relationship between empowerment and organizational structure which implies that the employees' empowerment does not have any relation with the organizational structure.

## 6. Suggestions

Now, among the significant factors for the survival and the existence of organizations are quality and high capability of the work force; that is, the main difference among organizations is in wisdom and ignorance, not property or lack of property. Work force is recognized as the most significant, the most expensive and the most valuable capital of any organization. In this contour, to improve the level of employees' empowerment and the organization, the followings are suggested:

1.  As we observed from the results, in all respects except for the trust dimension, the employees are in a favorable state; therefore, we should primarily strengthen the other dimensions as far as possible. As an instance, in the performance evaluation, the payment for every hour should be replaced with the philosophy of payment for performance. And in rewarding the employees, creativity, the personal and group originality, the personal requirements and interests as well as individual differences should be remarked.
2.  In the empowerment culture, the individuals should be more responsible and self-sufficient. For that reason, training should be an inseparable section of empowerment processes. Thus, the managers should provide an atmosphere which allows each individual to improve, to develop and to participate in the work. The organizational structure should be designed according to the organizational goals and the level of employees' empowerment.

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## Appendix

**Table. 1: division of empowerment approaches (source: Abdollahi and Naveh Ebrahim, 2011)**

| Approach | | Purpose | Strategy | Theorist |
|---|---|---|---|---|
| Mechanical | | Empowering the employees | Conferment of power to the employees | Foy (1977) Blanchard and et al (1996) Showal (1993) |
| Organic | Motivational | Increasing employees's motivation | Efficacy | Conger and Kanungo (1998) |
| | Cognitive | Increasing the inner motivation of the employees | Competence Meaningfulness Impact Self-determination | Thomas and Velthouse (1990) Speritzer (1995) |
| | | | Trust | Wetten and Cameron(1998) |
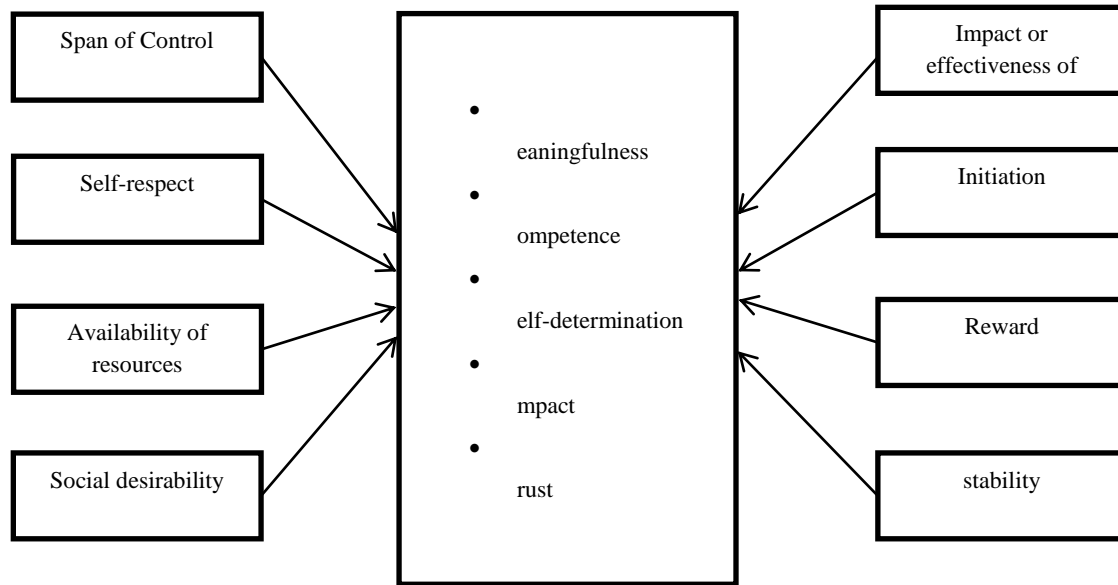
**Fig 1. Speritzer's empowerment model (Abdollahi, Naveh Ebrahim, 2011)**

**Table 2: t single-sample test**

| Dimensions | t statistics | The level of Meaningfulness | Average | Test result |
|---|---|---|---|---|
| Competence | 10.99 | 0.000 | 4.11 | Is confirmed |
| Self-determination | 4.32 | 0.000 | 3.43 | Is confirmed |
| Impact | 4.7 | 0.000 | 3.39 | Is confirmed |
| Meaningfulness | 11.43 | 0.000 | 3.98 | Is confirmed |
| Trust | -0/32 | 0.75 | 2.96 | Is rejected |

**Table 3: The Correlation Test (Source: the findings of the research)**

| Organizational factors | coefficient | probability | Test result |
|---|---|---|---|
| Having clear goals | 0.51 | 0.000 | Positive and meaningful |
| Reward system | 0.44 | 0.001 | Positive and meaningful |
| Availability of resources | 0.40 | 0.002 | Positive and meaningful |
| Organizational structure | 0.05 | 0.69 | Positive and meaningless |
| Performance evaluation | 0.27 | 0.045 | Positive and meaningful |
| Professional development | 0.37 | 0.04 | Positive and meaningful |