Investigation of the Influence of Dimensions of Psychological Empowerment on Employees' Organizational Commitment

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ABSTRACT
The present research aims to investigate the influence of employees’ psychological dimensions on their organizational commitment in branches of Refah Bank in Tehran Province. Questionnaire was used as data collection instrument. The questionnaires were distributed randomly among 264 employees. Structural equations modeling technique was used for data analysis and hypotheses tests. The results showed that all dimensions of employees' empowerment is effective on their organizational commitment and sense of significance has the strongest influence and having selection right has the weakest influence on employees' organizational commitment.

KEYWORDS: organizational commitment, empowerment, Refah Bank, Tehran

INTRODUCTION
Today's world especially the world of organizations has changed a lot and all dimensions of organizations from internal environment to external environment, human factors to non-human factors, and... have changed a lot (Jiang and Li, 2008). In any organization, whether a production or a service one, customer is the main factor in organizational survival (Tavanazaeh and Aligholi, 2014). In such conditions, managers do not have enough opportunity for controlling employees and spend a lot of time on identifying internal and external environment and submit other duties and tasks to their employees. Therefore, committed, motivated, creative and empowered employees are main sources of competitive advantage (Kuo et al, 2010; Matthews et al, 2003; Quinn and Spreitzer, 1997). So the importance of qualitative development and increased empowerment of human resources has become progressively more pronounced (Erisen et al., 2009; Gholifar and Gholami, 2014).

Employees' empowerment is a method for increasing productivity via increasing employees' commitment to organization and vice versa. It is a valuable method which balances complete management control and freedom of employees. Empowerment is a different method for employees' cooperation and its main target is to change management structure from its hierarchical and traditional form into participatory form (SeyyedAmeri et al, 2009; Juha, 2014, 22). Scholars have identified empowerment’s impact on management practices, as 70 percent of organizations now implement a portion of empowerment on their workforce (Lawler et al., 2001). Advocates of empowerment programs believe that people are naturally endowed with distinct skills and power that could blossom with training and constant practice (Thomas and Velthouse, 1990). Employees' empowerment brings many benefits for organizations and results in organizational learning (Allahyari et al, 2011), job satisfaction (Wang and Lee, 2009; Hill et al, 2014; Bitmis and Ergeneli, 2011; Islam et al, 2014), intention for quitting organization (sla et al, 2014), organizational citizenship behavior (Juha, 2014) job involvement (Quinones et al, 2013), improvement of job performance (Hill et al, 2014; Chiang and Hsieh, 2012). Improvement of organizational commitment is one of the results of employees’ empowerment (Hill et al, 2014; Islam et al, 2014; Kuo et al, 2010). Today, organizations incur huge costs due to absence of their employees’ commitment (costs like leaving job, absenteeism, costs of staffing, attraction an training new employees and...) (Zahedi et al, 2009). Therefore, it is necessary to pay attention to employees' organizational commitment.

Jaworski and Kohli (1993) pointed out that committed employees tend to be more willing to make personal sacrifices for their organizations. In addition, highly committed employees are more likely to relate themselves with the goals and values of the organization. These employees oftentimes devote extra time to work and are proud of being members of the organization (Kuo et al, 2010; ).

Considering the positive impacts of psychological empowerment and organizational commitment on performance of human resource and organization, the present research aims to investigate the influence of dimensions of psychological empowerment on employees' organizational commitment.
Empowerment

In today's volatile world, human capital has a fundamental role. The present era is the age of competition on resources and capitals. Successful industrial countries use productivity as an important instrument in business and have been developed by educated and specialized individuals and have found innovations and inventions. Access to these innovations which have revived economies of developed countries relies on entrepreneurship (Shafae et al., 2012). Empowerment has been regarded as an important concept because it potentially affects outcomes that benefit individuals and organizations (Han & et al., 2009). The concept of empowerment was introduced by Kanter (1977) in the field of management (Islam et al., 2014). In the 1990s substantial interest was generated in this concept (Thomas and Velthouse, 1990; Spreitzer, 1995).

Empowerment is a word which has been used a lot in organizational sciences but there is no unanimously-accepted definition for it (Cunningham & Baldry, 1996). Many scientists consider empowerment as creation of a situation for individuals in which they feel they can control their destinies and can achieve organizational and individual targets. Empowerment is in fact a continuous and persistent process and is analyzed in a dynamic environment in different levels. Empowerment refers to motivational or psychological issues, structural changes, cultural and historical elements and values and attitudes present in organizational texture (Wilson, 1995).

Researchers had, until the 1990s, considered issues such as the delegation of authority, distribution of decision-making power to lower-level employees, and facilitating staff access to information as empowerment of human resources (Blanchard et al., 2001; Gholifar and Gholami, 2014). Spreitzer (1997), after an extensive review of the literature, defined two general perspectives of empowerment within a business context, the relational perspective and the psychological perspective (Matthews et al. 2003). Relational empowerment has been referred to in the literature as top-down processing as well as mechanistic (Quinn and Spreitzer, 1997; Wilkinson, 1998).

In this viewpoint, it is believed that Empowerment occurs when higher levels within a hierarchy share power and decentralization of decision-making authority and responsibility to lower level employees (Spreitzer, 1995; Wilkinson, 1998; Mills and Ungson, 2003). The relational perspective maintains that it is the implementation of new processes and the distribution of power that empower employees (Matthews et al. 2003). However, whilst management can create a context for empowerment, employees must choose to be empowered. Empowerment is not something that management does to employees, but a mindset that employees have about their role in the organization; a form of intrinsic motivation termed psychological empowerment (Thomas and Velthouse, 1990; Barton and Barton, 2011). So psychological perspective of empowerment focuses on the employee’s perception of empowerment (Spreitzer, 1995; Thomas and Velthouse, 1990). Researchers studying psychological empowerment, also known as organic or bottom-up processing, maintain that empowerment is achieved only when psychological states produce a perception of empowerment within the employee (Mishra and Spreitzer, 1998, Quinn and Spreitzer, 1997). Spreitzer (2007) proposes the concept of psychological empowerment, which received most attention in the literature (Selbert et al., 2011). In the present research, we used psychological empowerment viewpoint. The psychological approach to empowerment focused on the intrinsic motivation and not on the managerial practices that are used to increase the level of power owned by the employees (Dee et al., 2003). Spreitzer (2007) describes psychological empowerment as a group of psychological states essential for a person to feel that he or she can control the relationship to his or her own work. Instead of focusing on managerial practices which share power among employees at different levels, the psychological vantage point focus on employees’ experience of their own work and the nature of that unique experience (Vacharakiat, 2008). Thomas and Velthouse (1990) believe that concept of “Psychological Empowerment” could not be defined as “one dimensional issue” they consider that as the process of inner motivation increase among employees who recognize four cognitive areas of impact, competency, meaning and choice (self-determination). Based on this conceptualization, Spreitzer (1995) developed a scale to measure empowerment: Meaning reflects the value a task holds in relation to one’s own belief system; Competence measures the degree to which one is able to perform a task successfully with possessed skills and abilities; Self-determination measures the amount of autonomy or control one has over his/her tasks/behaviors; Impact estimates the extent to which one is confident that he/she can make a difference in organizational outcomes at work (Li et al., 2012).

Organizational commitment

Organizational commitment can be defined as an employee's tendency for staying in a particular organization when he or she has the opportunity to change his or her job. It is degree of the individual's belief in organizational targets, considerable attempts for the organization and tendency for staying as a member of the organization. Hant et al (1985) believe that all organizations should have committed employees because high level of commitment results in lower costs and increasing efficiency (Shafae et al., 2012). Today, organizations pay special attention to their employees because experience has it that when material and external needs of employees are satisfied, their psychological and physiological or internal needs are also satisfied. Dissatisfaction
of these needs reduces efficiency and effectiveness (productivity) of employees considerably and makes employees alienated and their tendencies for doing work are reduced (Khoshpanjeh et al, 2012).

Employees’ organizational commitment is considered a critical factor which influences the employees’ behavior of bringing positive benefits to an organization (Kuo et al, 2010).

Like other concepts of organizational behavior, management scientists have mentioned many definitions for organizational commitment. Porter et al (1974) defines organizational commitment as a belief in values and goals or organization and involvement in organization and having a strong tendency for staying in that organization. Its measurement criteria include motivation, tendency for continuing work and acceptance of organizational values (Porter et al, 1974) Somers (1995) considers effective commitment as a reliance on and inclusion in organization which is reflected in the form of accepting organizational values and tendency to stay with the organization. Swales (2002) states: organizational commitment reflects positive feelings towards an organization and its values. Measurement of organizational commitment is evaluation of compatibility between values and beliefs of the organization and individual. Kuo et al (2010) believed that organizational commitment is commonly defined as employees’ interest in, and connection to, an organization. Employees who are committed to their firms tend to identify with the objectives and goals of their organization.

As it can be seen, organizational commitment indicates a kind of individual and emotional and normal dependence on one's role, organization and targets and brings many benefits for the organization both in micro and macro level. Meyer and Allen's framework (1991) for measurement of organizational commitment was used in the present research. It is the main framework for evaluation of organizational commitment and has been used a lot within the past decade. It is made up of three dimensions:
1. emotional commitment: it refers to employees' dependence on determination of one's identity using the organization and involvement in organizational activities.
2. continuous commitment: it refers to commitment which is based on giving value to the organization and employees share organizational life.
3. normal commitment: it includes individuals' feelings for staying with the organization (Tsai and Huang, 2008; Meyer and Allen, 1991). In order to have effective and successful organizations, managers should have special skills, abilities and potential competencies and long knowledge and experience and also socio-relational skills. In order to have effective management, we should start from targets and managers should rely on their resources and especially human resources (Rahnama et al, 2011).

Research conceptual model

Mathieu and Zajac (1990) believed that “organizational commitment can be enhanced through certain organizational characteristics.

The role of employees' empowerment in increasing organizational commitment has been investigated in previous studies. A review of previous studies shows that employees' empowerment has both direct and indirect influence on organizational commitment via other variables like job satisfaction (Kuo et al, 2010; Liu et al, 2007; Bhatnagar, 2005; Hill et al, 2014; Islam et al, 2014). Therefore, the conceptual model of the research is as follows, considering the fact that we used four dimensions for psychological empowerment: sense of significance, sense of competency, having selection right and sense of effectiveness, and three dimensions we used for organizational commitment: emotional commitment, continuous commitment and normal commitment.
Research hypotheses were proposed based on research conceptual model:
H1: employees' sense of significance has a direct influence on employees' organizational commitment.
H2: employees' sense of competency has a direct influence on organizational commitment.
H3: having sense of selection right has a direct influence on organizational commitment.
H4: employees' sense of effectiveness has a direct influence on employees' organizational commitment.

MATERIALS AND METHODS

Questionnaire
Questionnaire was used for gathering data. 5-point Likert scale from "completely disagree" to "completely agree" was used for measurement scale. In order to prepare questions for evaluation of psychological empowerment, we used the research conducted by:
Spreitzer’s (1995) psychological empowerment as a motivational construct which comprises four cognition, namely meaning, competence, self-determination, and impact. And in order to prepare questions for organizational commitment, we used the research conducted by:
Meyer and Allen’s (1991) three components model of organizational commitment model, three major constructs were considered, namely affective commitment, continuance commitment, and normative commitment.

After preparation of questionnaire, 30 questionnaires were distributed among employees of Refah Bank as a pretest and for investigation of reliability of the questionnaire. Cronbach's alpha was used for investigation of reliability. Alpha coefficients for all variables and total questionnaire were greater than 0.7. Furthermore, validity of the questionnaire was also verified by experts. Therefore, the questionnaire has necessary validity and reliability for being distributed in the population.

The sample
The statistical population of the present research included all employees of branches of Refah Bank in Tehran Province. 300 questionnaires were distributed among employees during 3 weeks randomly. Finally, 264 complete questionnaires were returned. Table 1 presents demographic information of respondents.

<table>
<thead>
<tr>
<th>Variable</th>
<th>dimensions</th>
<th>frequency</th>
<th>Frequency percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>male</td>
<td>196</td>
<td>74</td>
</tr>
<tr>
<td></td>
<td>female</td>
<td>68</td>
<td>26</td>
</tr>
<tr>
<td>Marital status</td>
<td>single</td>
<td>71</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>married</td>
<td>193</td>
<td>73</td>
</tr>
<tr>
<td>Age</td>
<td>Below 30 years</td>
<td>48</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>35-30</td>
<td>78</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>36-40</td>
<td>91</td>
<td>34</td>
</tr>
<tr>
<td></td>
<td>41 and above</td>
<td>51</td>
<td>19</td>
</tr>
<tr>
<td>Education</td>
<td>High school and below</td>
<td>18</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Associate’s degree</td>
<td>44</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>bachelor</td>
<td>128</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td>Master and above</td>
<td>78</td>
<td>29</td>
</tr>
</tbody>
</table>

Data analysis and hypotheses test
Considering the fact that the research model evaluates relationships among several latent variables simultaneously, we used structural equations modeling technique for data analysis and hypotheses test. This method is a statistical modeling technique which embraces other techniques like multivariate regression, factor analysis, and path analysis. Its main concentration is on latent variables which are defined by observable variables and measurable indices. The advantage of this technique is that it investigates relationships simultaneously. Structural equations modeling technique has two sections 1. Measurement model, and 2. Structural model. Measurement model links a collection of observable variables to latent variables; in contrast, structural model links latent variables to each other via a collection of direct and indirect relationships. In the present research, we used structural model for testing the hypotheses.

Before testing the hypotheses via the conceptual model, it is important to investigate goodness of fit of the model. This is obtained via fit indices which are provided in the final output of LISREL. Table 2 indicates fit indices for the model.
An investigation of model fit indices indicates that all indices indicate appropriate and good fit except for the fit index which is equal to 0.89 (allowable value is above 0.9) and indicates relatively good fit. Therefore, it can be said that the model in this research has a relatively good fit for investigation of relationships among research variables and hypotheses test. We used the results of LISREL software calculations in standard state (figure 2) and significance state (figure 3) in order to investigate research hypotheses.
As it was mentioned, we used structural model of structural equations modeling technique for investigation of relationships among latent variables. We investigate the hypotheses in the subsequent sentences:

H1: sense of meaningfulness has a direct influence on employees' organizational commitment. Results show that sense of meaningfulness (factor loading=0.43, t=4.51) has an influence on organizational commitment.

Therefore, H1 is supported. That is to say, as sense of meaningfulness increases in employees, they will have more organizational commitment.

H2: employees' sense of competency has a direct influence on employees' organizational commitment. Results show that sense of competency (factor loading=0.23, t=2.53) has an influence on organizational commitment.

Therefore, H2 is supported. That is to say, as sense of competency increases in employees, they will have more organizational commitment.

H3: sense of self-determination has a direct influence on employees' organizational commitment. Results show that sense of self-determination (factor loading=0.13, t=2.24) has an influence on organizational commitment.

Therefore, H3 is supported. That is to say, as sense of self-determination increases in employees, they will have more organizational commitment.

H4: sense of impact has a direct influence on employees' organizational commitment. Results show that sense of impact (factor loading=0.36, t=4.24) has an influence on organizational commitment.

Therefore, H4 is supported. That is to say, as sense of impact increases in employees, they will have more organizational commitment.

Summary of the results of hypotheses has been shown in table 3.

<table>
<thead>
<tr>
<th>hypotheses</th>
<th>Path coefficient (standard)</th>
<th>Significance number</th>
<th>result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: sense of meaningfulness influences employees' organizational commitment directly.</td>
<td>0.43</td>
<td>4.51</td>
<td>supported</td>
</tr>
<tr>
<td>H2: sense of competence in employees has a direct influence on organizational commitment.</td>
<td>0.23</td>
<td>2.53</td>
<td>supported</td>
</tr>
<tr>
<td>H3: sense of self-determination influences employees' organizational commitment directly.</td>
<td>0.13</td>
<td>2.24</td>
<td>supported</td>
</tr>
<tr>
<td>H4: sense of impact influences employees' organizational commitment directly.</td>
<td>0.36</td>
<td>4.24</td>
<td>supported</td>
</tr>
</tbody>
</table>

Conclusion and recommendations

The present research aims to investigate the influence of dimensions of psychological empowerment on employees’ organizational commitment in Branches of Refah Bank in Tehran. To this end, meaningfulness, sense of competence, self-determination and sense of impact (Spreitzer, 1995) were considered as dimensions of empowerment. Furthermore, Meyer and Allen (1991) framework was used for measuring organizational commitment with three dimensions: emotional commitment, continuous commitment, and normal commitment. Results showed that all hypotheses were supported. Sense of meaningfulness (standard factor loading equals 0.43) was the most effective dimension of empowerment and sense of self-determination (standard factor loading equal to 0.13) was the least effective factor. According to the results, development of employees' empowerment brings positive results via organizational commitment improvement. In fact, employees who are psychologically empowered are more committed employees and can create competitive advantage for organizations. Considering the results of the research, managers of Refah Bank are proposed to delegate power to employees and make working conditions flexible and improve self-determination in employees in order to improve organizational commitment. Furthermore, sense of competency in employees can be improved via training courses and promotion of knowledge and skills of employees and providing positive feedbacks on positive performances of employees. Sense of impact can be improved by rewarding employees based on effective performance (not only based on membership) and improvement of communications and use of employees’ ideas in branch management. Organizational commitment of employees can be improved by creating a friendly working environment and strengthening meaningfulness.

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