

Evaluation of Impact of Employees Empowerment Dimensions on Organizational Commitment (Case Study: Mellat Bank Branches, Ardebil Province, Iran)

Hashem Aghazadeh¹, Masoud Keimasi², Abbas Alaei³

^{1,2}Faculty of Management, University of Tehran, Tehran, Iran

³Department of Executive Management, Faculty of Management, Science and Research, Islamic Azad University, Kermanshah Branch, Kermanshah, Iran

ABSTRACT

This research tries to study impact of employees' empowerment dimensions on organizational commitment, in Mellat Bank branches, Ardebil province, Iran. Questionnaire was used as data gathering tool. Questionnaire forms were distributed accidentally among branches employees. Structural equations modeling technique was used to analyze data & test hypotheses. Results showed that all empowerment dimensions had impact on employees' organizational commitment & the dimension "having choice right" had the greatest impact on employees empowerment.

KEYWORDS: organizational commitment (OC), empowerment, Mellat Bank, employees.

1. INTRODUCTION

Undoubtedly competent & efficient work force is one of the main means of achieving organizational goals, because work force has an important role in increasing & decreasing organizational productivity. In other words, if an organization has the largest capital and the best technology but it lacks a productive & motivated work force, it will not reach its goals (Ostovar & Amirzadeh, 2008: 26). As organizations become larger, human resource issues will naturally increase as one of the most important pivots of the organization-employees OC has been regarded as a key factor affecting their behavior positively. Jarouski & Kouheli (1993) stated that more committed employees tend to do more sacrifices than less committed employees, in addition, more committed employees consider their personal values & goals related to organizational goals (Kue et al, 2010). Bhatnager (2007) believes that there is a relationship between OC & human resource strategic roles, empowerment, technical psychology, & organizational learning capability. Hang et al (2006) concluded that collaborative leadership behaviors can result in psychological empowerment & this can finally lead to employees OC. Existing theoretical framework proves the impact of psychological empowerment on OC. Weily (1999) found that there exists a significant statistical relationship between control centre, psychological empowerment, empowerment & OC (Tsung et al, 2009). Empowerment aims to use individuals' brains like their arms; therefore, empowerment refers to an internal feeling of individuals that makes them decide independently in their work process (Keltner Baker, 2000). In view of the fact that organizations incur huge costs due to lack of OC of their employees (such as employees' job leaving costs, their absence, staffing costs, new staff absorption & teaching, etc), psychological empowerment seems to provide appropriate opportunities for both organizations & employees & it can affect employees OC (Zahedi et al, 2009). The present research therefore tries to investigate the impact of employees' empowerment dimensions on organizational commitment, in Mellat Bank branches, Ardebil province, Iran.

LITERATURE REVIEW

Empowerment

Empowerment is considered a novel subject in human resource development. However, it has a widespread literature due to the diversity of conducted studies. Although diversity in empowerment literature can strengthen its contents but this makes it difficult to reach a comprehensive model (Littrell, 2007), & it has not been defined thoroughly (Cunningham & Baldry, 1996). Mandros & Wilson (1994) & Russ & Millam (1995) believe that this word (=empowerment) has been rarely defined clearly & it has been used verbally most of the time. Most experts define empowerment as providing a situation for individuals in which they feel they control their destiny & they can achieve organizational & personal goals. Empowerment is actually a continuous & permanent process & is analyzed in a dynamic environment in different levels. Empowerment concerns motivational or psychological issues, structural changes, cultural historical elements & the existing values & attitudes in organizational context (Wilson,

*Corresponding Author: Abbas Alaei, Department of Executive Management, Faculty of Management, Science and Research, Islamic Azad University, Kermanshah Branch, Kermanshah, Iran. E-mail: Abb.Alaei@yahoo.com Tel: (+98)831-8227731.

1995). Empowerment is an important way of providing such qualities for individuals & is a new motivational factor in dynamic working environment. Today, the main origin of competitive advantage is not embedded in technology application, but factors like creativity, innovation, optimism, quality, commitment & employees' ability can provide competitive advantage (Gresov&Drazin, 2007). Employees empowerment can lead to positive impacts on attitude & behavior of employees (Raflg& Ahmad, 1999: 326), & is regarded as a way of encouraging decision-making in lower levels of an organization & this can result in richer work experiences (Liden, et al, 2000).

Thomas and Velthouse (1990) suggested that empowerment is a multidimensional construct, in which empowerment is defined as an increased intrinsic motivation manifested in four cognitions that reflect an individual's orientation to his or her work role, including meaning, competence, choice, and impact. However, Spreitzer(1995) pointed out the absence of a theoretically driven measure of psychological empowerment in a work environment. Spreitzer has further identified psychological empowerment as a motivational construct which is manifested in four cognitions, namely meaning, competence, self-determination, and impact (Kuo and et al, 2010).

In the present research, four dimensions of empowerment were "meaningful sense", "sense of competence", "having choice right" & "meaningfulness sense".

Organizational commitment (OC)

An important subject concerning employees of an organization is the concept of organizational commitment.

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(Kuoand et al, 2010).

Swales (2002) believes that OC reflects positive feeling towards an organization & its values. In fact, measurement of OC is matching individuals& organization's values & beliefs (Swales, 2002). Measurement of OC & its impact on job behaviors of employees like absence, transfer, leaving work, job satisfaction, etc. can provide useful information for managers' decision-making, & it can help them with carrying out their duties concerning human resource management like planning, storing, improvement&appraisal of human resources. Meyer & Allen (1991) presented a 3-dimensional model for OC which has been appreciated by many researchers as the main framework in OC studies (Tsai and Huang, 2008). These three dimensions are:

- 1) Emotional commitment: which means employees dependence on identification of organizational goals & involvement & participation in organizational activities
- 2) Ongoing commitment: this is a commitment based on placing value on the organization & an employee can take part in organization's life
- 3) Normal commitment: it refers to individuals feeling about staying in organization

Research conceptual model

Studies show that employees empowerment affect OC both directly & indirectly & through other variables like job satisfaction (Kuoand et al, 2010; Anita and Chiu, 2007; Bhatnagar, 2005). In this research, we chose four dimensions for empowerment (meaningful sense, sense of competence, having choice right & sense of being effective) & 3 dimensions (emotional, ongoing& normal) for commitment. Therefore, relationship between variables is presented in the form of a conceptual model illustrating relationship between empowerment & organizational commitment in figure 1.

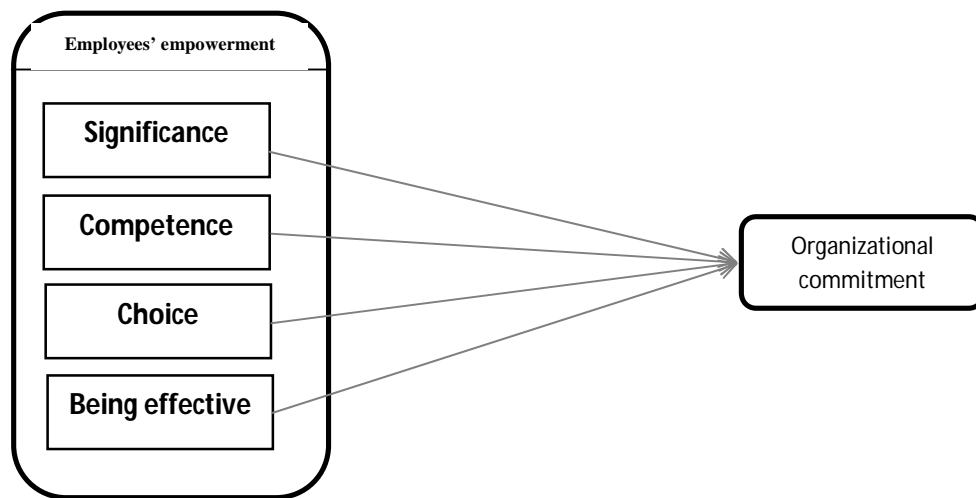


Figure1. Research conceptual model

Research hypotheses are therefore as follows based on the conceptual model:
 H1: Employees' sense of meaningfulness has direct impact on employees OC.
 H2: Employees' sense of competence has direct impact on employees OC.
 H3: Employees' sense of having choice has direct impact on employees OC.
 H4: Employees' sense of being effective has direct impact on employees OC.

MATERIALS AND METHODS

The questionnaire

Questionnaire was used to gather data. 5-point Likert scale was used (from completely disagree to completely agree) as measurement scale of the questions. The questions of this questionnaire were extracted from former studies. After preparing the questionnaire, 30 questionnaires were distributed among respondents as pre-test, in order to investigate reliability. Chronbach's alpha was used to investigate reliability & results showed that chronbach's alpha was 0.7 for all variables & the whole questionnaire; validity was also verified by experts. Therefore, the questionnaire had enough validity & reliability to be distributed among statistical population members.

The sample

Statistical population of the present research includes all employees of Mellat bank branches in Ardebil province (Iran) that are 224 people.

Sample size was 145 people according to limited population formula. Considering scattering of Mellat bank employees in Ardebil province (153 people in Ardebil city & 71 people in other cities of Ardebil province), the statistical population was divided into 2 clusters & based on each cluster's share & estimated sample size, questionnaires were distributed among members. Demographic information of respondents has been presented in table 1.

Table 1. Demographic variables

Frequency percentage	frequency	dimensions	variable
94.5	137	male	gender
5.5	8	female	
9.7	14	single	Marital status
90.3	131	married	
13.1	19	Below 30	age
25.5	37	30-35	
29.0	42	40-36	
32.4	47	41 and over	
12.4	18	Diploma and lower	education
15.2	22	Associate's degree	
57.9	84	Bachelor degree	
14.5	21	Master degree and higher	

Data analysis & hypotheses tests:

In view of the fact that the present research measures relationships among several latent variables simultaneously, therefore structural equations modeling was used to analyze data & test hypotheses. This method is a statistical modeling technique that includes other techniques like multi-variable regression, factor analysis, path analysis & its main concentration is on latent variables which are defined by measurable indices & clear variables. The advantage of this method is the simultaneous investigation of relationships among variables. Structural equations model has 2 parts:

- 1) Measurement model
- 2) Structural model

Measurement model links a set of observed variables to latent variables to each other through a set of direct & indirect relationships. In the present research, structural model has been used to test hypotheses. Before testing hypotheses using research conceptual model, fitness of the model for investigating relationships among variables must be considered. Fit indices which are presented in final outcome of Lisrel can help with investigating fitting of the model. Table 2 summarizes fit indices for the present research model.

Table2. Model's fit indices

	Calculated numbers	appropriate value	indices
Good fit (appropriate fitting)	1.52	χ^2 /df<3	Kai-squared over degree of freedom ratio
Good fit (appropriate fitting)	0.0000	<0.05p value	P value
Good fit (appropriate fitting)	0.06	0.08<RMSEA	Root mean square error of approximation
Relatively suitable fit	0.87	Larger than 0.9	Fit index
Good fit (appropriate fitting)	0.96	Larger than 0.9	Comparative fit index
Good fit (appropriate fitting)	0.91	Larger than 0.9	Normalized fit index (NFI)

As it can be seen on table2, all fit indices indicate appropriate fitting except for the index0.87(allowed value larger that 0.9) which indicates relatively appropriate fitting. Therefore it can be said that the research model has a relatively appropriate fittingfor investigating relationships among research variables & testing hypotheses. In order to investigate research hypotheses, results of Lisrel software calculations in two research model cases, i.e., standard case (figure2) & research model in significance case (figure3) were used.

Figure2. Research model in standard case

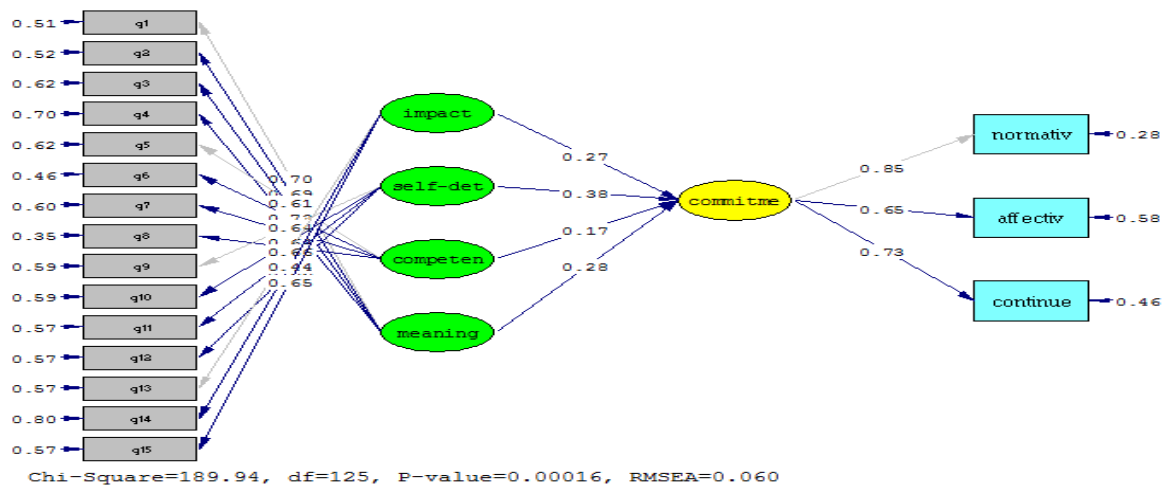
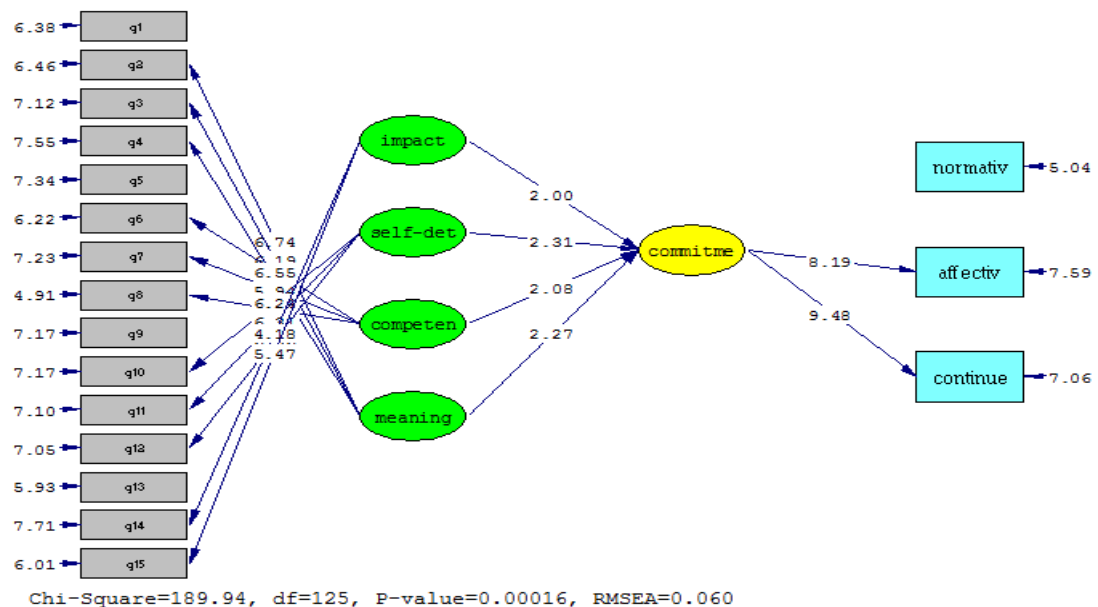


Figure3. Research model in significance case



As it was mentioned, structural part of structural equations model was used to test hypotheses which in fact investigates relationships among latent variables.

In the next section, research hypotheses are studied:

H1: Employees' sense of meaningfulness has direct impact on employees OC.

Results indicate that sense of meaningfulness dimension with standard factor loading of 0.28 & $t=2.27$ have impact on employees' OC. Therefore h1 is verified. In other words, as sense of meaningfulness increases in employees, their OC will also increase.

H2: Employees' sense of competence has direct impact on employees OC.

Results indicate that sense of competence dimension with standard factor loading of 0.17 & $t=2.08$ has impact on employees' OC. Therefore h2 is verified. In other words, as sense of competence increases in employees, their OC will also increase.

H3: Employees' sense of having choice has direct impact on employees OC.

Results indicate that sense of having choice dimension with standard factor loading of 0.38 & $t=2.31$ have impact on employees' OC. Therefore h3 is verified. In other words, as sense of having choice increases in employees, their OC will also increase.

H4: Employees' sense of being effective has direct impact on employees OC.

Results indicate that sense of being effective dimension with standard factor loading of 0.27 & $t=2$ have impact on employees' OC. Therefore h4 is verified. In other words, as sense of being effective increases in employees, their OC will also increase.

Results of hypotheses tests have been summarized in table 3.

Table 3. summary of research hypotheses results using structural equations model.

result	Path coefficient (standard)	Significance number	hypotheses
verified	0.28	2.27	H1: Employees' sense of meaningfulness has direct impact on employees OC.
verified	0.17	2.08	H2: Employees' sense of competence has direct impact on employees OC.
verified	0.38	2.31	H3: Employees' sense of having choice has direct impact on employees OC.
verified	0.27	2	H4: Employees' sense of being effective has direct impact on employees OC.

Conclusion & recommendations

In this research, impact of psychological empowerment dimensions on employees' organizational commitment was studied in Mellat bank branches in Ardebil province. In this research, meaningful sense, sense of competence, having choice right & sense of being effective were considered as empowerment dimensions. Results showed that all hypotheses were verified. Results indicate that having right choice was the most effective factor on employees' OC with standard factor loading of 0.38 & sense of competence was the weakest factor with 0.17 standard factor loading. According to the results, it is suggested to Mellat bank management to decrease mechanical aspects of work & delegate power in order to strengthen the feeling of having choice right in employees & therefore improve their employees' OC. It is also recommended that using periodical and applied teaching courses and providing positive feedbacks in return for employees' positive performances, sense of competence be strengthened in employees and employees' sense of being effective dimension be improved by providing rewards for employees based on effective performance and improvement of communications and application of employees' ideas in branch management. It is advised to managers to improve employees OC through providing a suitable working environment and involving employees in decision-making process and strengthening significance dimension.

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