Employee Empowerment and Organizational Effectiveness in the Executive Organizations

Morad Rezaei Dizgah1*, Mehrdad Goudarzvand Chegini2, Farzin Farahbod3, Sajjad Salehi Kordabadi4

1, 2, 3Islamic Azad University, Rasht Branch, Iran.
4Master degree of Human Resource, Islamic Azad University, Rasht Branch, Iran.
*Corresponding author.

ABSTRACT

Empowerment is a new concept that attracted many scholars of management. This concept includes various psychological conditions such as impact, competency, choice, meaning the jobs and trust. Despite rapid changes, technological developments and overt and covert competition in the world is revealed the importance and necessity of empowering more and more. Empowerment can influence on improve development and organizational effectiveness. According to the definition, effectiveness is simply the degree or extent that the organization achieves its objectives. Therefore, this research tries to study the relationship between empowerment and effectiveness in the executive organizations Guilan. Data have been collected among 88 manufacturing companies in Guilan province under 100 personnel. This study shows there is a relationship among employee empowerment and organizational effectiveness in the Guilan executive organizations and due to positive correlation coefficients it is the direct relationship, i.e., increasing empowerment, organizational efficiency is increased. Also it was shown that between competence, trust, impact, choice, meaningful jobs and competency with the organizational effectiveness there is a direct and significant relationship. i.e., with increment of each of the variables, organizational effectiveness will increase.

KEY WORDS: Empowerment, Effectiveness, Employee, Manager, Organization.

INTRODUCTION

Effectiveness of an organization depends on individual and group contributions said to be effective when its contribution is larger than the sum total of individual contribution (worth) (Kondalkar, 2009). In this regard, organizational effectiveness also can be considered as one of the issues that attracted organizations attentions (Mola-Hosseini and Arsalan, 2009). According to the definition, effectiveness is simply the degree or extent that the organization achieves its objectives (Daft, 1995). There is a growing concern about achieving excellence by the organizations. Most organizations are able to introduce latest technology and modern processes to achieve growth. Those organizations are likely to survive that have excellent, skilled, experienced and dedicated manpower. To achieve this end, organizations should empower their employees in the turbulent times (Kondalkar, 2009). Empowerment is one of the useful tools for raising the quality of human resources and increased organizational effectiveness (Ziyakashany, 2009).

Research has shown that human capital attributes in the form of education qualifications, skills, and experience of education qualifications, skills, and experience improve organizational outcomes (e.g. Hitt et al., 2001). Therefore, organizations with employees endowed with the knowledge, skills, expertise and experiences for organizing their strategic activities will find them valuable because they are more likely to help the organization to achieve its goals and become more effective (Acquaah and Tukamushaba, 2009).

Severe competitive world market shows that all components of the effectiveness are effective in the organization (Farris, 1998). Must know the success of organizations depends on their performance in achieving goals and tasks in the optimal way of accurate using human resources, technology and equipment (Eqbal-Farzaqi, 2005).

In the other hand, experts believed that if employee empowerment leads to improve the employee job satisfaction it can enhanced the employee relationship with customer, goods supplier, other employees, supervisors and management (Littrel, 2007). Empower employees is the key factor in service quality and customer satisfaction. They to meet customer needs have tried to solve problems so that service quality and satisfaction to be derived (Chow et al., 2006). Therefore in this study we examine the relationship between empowerment and effectiveness in the Guilan executive organizations.

*Corresponding Author: Morad Rezaei Dizgah, Islamic Azad University, Rasht Branch, Iran. E-mail: morad923@yahoo.com
LITERATURE REVIEW

Empowerment

Environmental changes and increased global competition leads the employee empowerment has a main importance role in management. Because organizations with strong employees, committed, skilled and motivated will be better able to compete and adapt to changes (Torani, et al, 2008). Furthermore, technology development has caused organizations in twenty century has taken a different form from traditional organizations. In traditional organizations the staff energy managed but in 21 century organizations need to be that the addition of energy, managing the intellectual power and creativity of employees. Under these conditions, hierarchy and controlling methods is not suitable and personnel must show their own initiative and quickly act to solve problems in completely autonomous teams that are playing their role (Maccoby, 1999).

Thus, the necessity of having developed staff that have managerial abilities led to the empowerment of human resources as a new paradigm (Seyedjavadin et al., 2009). Employee's empowerment is one of the effective techniques for improving employee productivity and optimal use of capacities and capabilities in the organization (Naderi et al., 2008). Empowerment is one of the promising concepts of business world that has been less attention to it, but now has been turned to the topic. But despite numerous discussions about the benefits of empowerment it utilization is small and insignificant, and although empowerment to allow managers to use the knowledge, skills and experience of all organization people but unfortunately there is little to know the number of managers and groups that way of creating a culture of empowerment (Blanchard et al, 2005).

Randolph (2003) believes that empowerment is not only "giving power to the people to decide" but he believes empowerment is intelligent decision-making powers to help the company to perform the effective activity. So, in practice, he knows empowerment as indulge organizational power and believes that people should be helpful with knowledge and internal motivation (Kondalkar, 2009). The empowerment process is shown in Figure 1.

![Empowerment Process](Figure 1. Empowerment process (Kondalkar, 2009))

Thomas and Velthhouse (1990) believe that the concept of empowerment cannot be defined with one later. They express "psychological empowerment" as a process that increases the job internal motivation that includes four areas such as Impact, competency, choice and meaning and they enter this issue for the first time in management literature. Then Whetten and Cameroon (1998) also confirmed Thomas and Velthhouse (1990) empowerment four dimensions and then Spreitzer (1995, 1996) have also added the trust dimension to it. Thus, psychological empowerment dimensions, including impact, competence, choice, meaning and trust.

Impact

Affecting or accepting personal consequences is the degree that a person can be affect on strategic, administrative and operational results of jobs (Spreitzer, 2007). Sense of impact and efficacy is the process that peoples can be influence on management strategies, outcomes and results (Moyle et al., 2005). In this dimension the managers gives opportunity to employees to be able to do (Dickson and Lorenz, 2009).

Choice

Choice is a psychological need (Ryan and Deci, 2000) and refers the meaning of individual freedom and autonomy in determining the required activities to perform job duties (Thomas and Velthouse, 1990). Empowerment when will facilitate that employees determined their behavior in the pre-take (Breeding, 2008). Choice has been associated with individuals and groups tries to increase control over how their work and with personal satisfaction (Dickson and Lorenz, 2009). The choice due to forming partnerships and assistance to people in those applications in various fields, will lead the organizational goals, human resources and priorities are related with together (Gibbs, 2009).

Competency

Competency refers to the degree that a person could be performed the job responsibilities with successfully (Abdullahi, 2005). When people are empowered, they feel self-efficacy and they are feeling that have ability and necessary skill for a successful work (Moqali et al, 2009). Some believe that this feature is the
most important element because the ability to feel self-efficacy determines whether a person tries and persistence hard to do anything or not (Javaheri-Kamel, 2009).

Meaning

Meaning is the value of career goals and the person internal interest on job (Abdullahi, 2005). Meaning is an opportunity that employees feel have important and valuable career goals to pursue and they feel they are moving on the road that their time and resources are valuable (Appelbaum and Hongger, 1998). While people feels something is significantly more committed to it and are involved in pursuing objectives and show greater persistence (Javaheri-Kamel, 2009).

Trust

Trust refers to relationships between managers and subordinates (trust manager to employee and vice versa). Trust is related to interest, competence, openness and confidence to others (Abdullahi, 2005). Empowering people have the sensory are called confidence and they are sure that they will be treated fairly and equally. This feeling usually means that they are confident that operators or owners of the power did not harm or loss to them and that they will be treated with impartial (Moqali et al, 2009; Abdullahi and Heydari, 2009). Another words trust is a sense of having a private security (Abdullahi, 2005). Therefore, due to literature from cognitive perspective psychological empowerments includes five dimensions such as impact, competency, choice, and meaning and trust that summary in table 1.

<table>
<thead>
<tr>
<th>Table 1. Dimensions of psychological empowerments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact</td>
</tr>
<tr>
<td>Competency</td>
</tr>
<tr>
<td>Choice</td>
</tr>
<tr>
<td>Meaning</td>
</tr>
<tr>
<td>Trust</td>
</tr>
</tbody>
</table>

Effectiveness

Effectiveness is one of the fundamental concepts in any organization (Sharif et al, 2006). In this context that the first vision was presented to the effectiveness was simple (which probably was made during 1950). Effectiveness as the amount or extent that makes an organization realizes its goals (Robbins, 2009). Range of organization and management, organizational effectiveness can be considered as a quantitative and qualitative output and reflects the quality and output associated with a broad range of organizational goals (Kohan, 1998). Organizational effectiveness at all levels of organization is crucial that consequences results affect on objectivity and organizational performance gains (Powell and Yalcin, 2010). Ducker believed that effectiveness is the key to organizational success (Alaghbeband, 2009) and also Robbins said the organizational effectiveness is the main subject in organization theory and believes that without the concept of organizational effectiveness is difficult in organization theory. He believes that there is not general agreement about the meaning of effectiveness. Goodman and Pennings are expressed that organizational effectiveness dose not main issue only in the science space but also organizational effectiveness is the main theory of organizations (Sydesfahani and Kazemi, 1997). Effectiveness is a destination that all efforts towards achieving it. Ideas and writings in this field, which indicates the effectiveness is a multidimensional phenomenon that including achieving the objectives, maintain system, integrity and unity of the components, the ability to adapt and make changes that with one or two factors cannot be assessed and in this regard, managers are faced with many problems (Shirazi, 2006). In today's competitive environment the effectiveness of organizations is the important issue in management that it can ensure continuity of organizational life and survival. Peter Drucker said effectiveness is doing the right things (Soltani, 2006).

Therefore, according to the definition of effectiveness is the degree or extent that the organization achieves its goals (Daft, 1995). The effectiveness or efficiency is defined the degree in which an organization gets to its mission (Khadivi and Alijani-Farid, 2008). Effectiveness means doing the right things so that the focus and emphasis on achievements and this is achieved when the organization reach its goals (Sheriff et al, 2006). But despite the pivotal nature of effectiveness building in organizational theory, the concept developed or has not been defined properly and not developed and there is a little agreement about the criteria for the definition of organizational effectiveness (Ashrafi, 2008).

Research framework and hypotheses

In this research, conceptual model use the staff empowerment dimensions and study its relationship with organizational effectiveness in executive organization based on five dimensions such as impact, competency, choice, meaning and trust. Model consist the concepts and dimensions in research. The relationships between dimensions and concepts have been identified in hypothesis. Figure1 shows the conceptual model.
Thus, due attention the figure 1, hypotheses are follows:

Main hypothesis: there is a relationship between empowerment and organizational effectiveness in Guilan executive organizations.

Therefore, our sub-hypotheses are:
1. There is a relationship between impact and organizational effectiveness in Guilan executive organizations.
2. There is a relationship between Choice and organizational effectiveness in Guilan executive organizations.
3. There is a relationship between competency and organizational effectiveness in Guilan executive organizations.
4. There is a relationship between meaning and organizational effectiveness in Guilan executive organizations.
5. There is a relationship between trust and organizational effectiveness in Guilan executive organizations.

RESEARCH METHODOLOGY

In this study with due attention to objectives and nature of research according to classified research is descriptive. This research is a practical research and we used a parametric method. To test hypotheses was used of correlation and regression test. Empowerment of employees based on the standardized questionnaire will be assessed. In this questionnaire for each of the dimensions of the model and its component are raised questions. Then we measure the organizational effectiveness by its questionnaire. Respondents selecting the appropriate range from Likert five-fold determined his/her idea about any questions. Finally, the questionnaire will be able to analyze relationship between employee empowerment and organizational effectiveness. The study population consisted of executive organizations based in Guilan province, which includes most manufacturing companies and among them the companies considered that have been under 100 employees. Then we have 117 company and productive unit. Samples of this study using the finite population formula and then 88 companies were considered as sample.

Measures and Validity and reliability

Method of data collection in this research is field and data collection tool is questionnaire. In this study, employee empowerment is the independent variable. This variable measured by Spreitzer questionnaire (1995, 1996) and Whetten and Cameron (1998). This variable has 20 questions. This measure among more than 50 studies is common with different working areas and these criteria were translated into various languages and have been a valid criterion (Spreitzer, 1996). Overall, this tool was composed of five dimensions and every dimension has four questions. In this study for evaluate the organizational effectiveness we used the criteria presented by Lee and Choi (2003). Dimensions of organizational effectiveness include: market share, profits, economic growth and organizational innovation (Lee and Choi, 2003; Wei et al., 2009).

In order to improve reliability and validity of the questionnaire, create questionnaire based on idea of scholars such as Spreitzer, Lee and Choi, and Wei et al. Since the main instrument for data collection is questionnaire so validity and reliability of questionnaire will be described separately. Validity of the questionnaire in this study naturally have been confirmed because of its standardized questionnaires and used the above mentioned theories scientists and because it repeatedly by researchers in different years were used can be concluded that questionnaire validity has enough variables to evaluate. However, in this study we used content validity method. The questionnaires were distributed after studying the books and articles about research and also after confirm the esteemed professors and other scholars of management and eliminate weaknesses. To test the reliability questionnaires we used Cronbach’s α scores for each dimension as shown in Table 2. The
reliability scores were high. Thus, the empowerment and effectiveness instrument is reasonably satisfactory to be used for perception of employee's empowerment and organizational effectiveness.

Table 2: Cronbach’s α Scores

<table>
<thead>
<tr>
<th>Variables</th>
<th>Dimensions</th>
<th>Number of Items</th>
<th>Statements</th>
<th>Cronbach α</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment</td>
<td>Impact</td>
<td>4</td>
<td>Items 1-4</td>
<td>0.96</td>
</tr>
<tr>
<td></td>
<td>Choice</td>
<td>4</td>
<td>Items 5-8</td>
<td>0.80</td>
</tr>
<tr>
<td></td>
<td>competency</td>
<td>4</td>
<td>Items 9-12</td>
<td>0.94</td>
</tr>
<tr>
<td></td>
<td>Meaning</td>
<td>4</td>
<td>Items 13-16</td>
<td>0.88</td>
</tr>
<tr>
<td></td>
<td>Trust</td>
<td>4</td>
<td>Items 17-20</td>
<td>0.73</td>
</tr>
<tr>
<td></td>
<td>Total Dimensions</td>
<td>22</td>
<td>Items 1-20</td>
<td>0.89</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>12</td>
<td>Items 21-32</td>
<td>0.80</td>
<td></td>
</tr>
</tbody>
</table>

Data analysis and findings

Table 3 shows the characteristics of employees and managers participated in this study.

Table 3: General data of samples in the study

<table>
<thead>
<tr>
<th>Sex</th>
<th>Frequency</th>
<th>Percent</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>499</td>
<td>61.1</td>
<td>72</td>
<td>82.8</td>
</tr>
<tr>
<td>Female</td>
<td>323</td>
<td>38.9</td>
<td>15</td>
<td>17.2</td>
</tr>
<tr>
<td>Total</td>
<td>822</td>
<td>100</td>
<td>87</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percent</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 20</td>
<td>26</td>
<td>3.2</td>
<td>1</td>
<td>1.1</td>
</tr>
<tr>
<td>21-30</td>
<td>276</td>
<td>33.9</td>
<td>18</td>
<td>20.5</td>
</tr>
<tr>
<td>31-40</td>
<td>345</td>
<td>42.3</td>
<td>32</td>
<td>36.4</td>
</tr>
<tr>
<td>41-50</td>
<td>142</td>
<td>17.3</td>
<td>26</td>
<td>29.5</td>
</tr>
<tr>
<td>51 and over</td>
<td>33</td>
<td>3.7</td>
<td>11</td>
<td>12.5</td>
</tr>
<tr>
<td>Total</td>
<td>822</td>
<td>100</td>
<td>87</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education</th>
<th>Frequency</th>
<th>Percent</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secondary and High school</td>
<td>32</td>
<td>3.5</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Diploma</td>
<td>212</td>
<td>26</td>
<td>15</td>
<td>17.4</td>
</tr>
<tr>
<td>College</td>
<td>187</td>
<td>22.8</td>
<td>8</td>
<td>9.3</td>
</tr>
<tr>
<td>University</td>
<td>356</td>
<td>43.9</td>
<td>52</td>
<td>59.3</td>
</tr>
<tr>
<td>Postgraduate</td>
<td>35</td>
<td>3.9</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>822</td>
<td>100</td>
<td>87</td>
<td>100</td>
</tr>
</tbody>
</table>

RESULTS AND TEST HYPOTHESES

Main hypothesis: there is a relationship between empowerment and organizational effectiveness in Guilan executive organizations.

Based on Table 4 we can say that there is a correlation between the empowerment and organizational effectiveness in Guilan executive organizations. The intensity of relation between these two variables is 0.388 and this represents a direct link between them.

Table 4: Test of main hypothesis

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Independent variable</th>
<th>Dependent variable</th>
<th>R</th>
<th>Sig.</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main</td>
<td>Empowerment</td>
<td>Effectiveness</td>
<td>0.388</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

First sub-hypothesis

There is a relationship between impact and organizational effectiveness in Guilan executive organizations.

Based on Table 5 we can say that there is a correlation between impact and organizational effectiveness in Guilan executive organizations. The intensity of relation between these two variables is 0.218 and this represents a direct link between them.

Second sub-hypothesis

There is a relationship between choice and organizational effectiveness in Guilan executive organizations.

Based on Table 5 there is a direct correlation between choice and organizational effectiveness in Guilan executive organizations. The intensity of relation between these two variables is 0.323.

Third sub-hypothesis

There is a relationship between competency and organizational effectiveness in Guilan executive organizations.

Based on Table 5 we can say that there is a direct correlation between choice and organizational effectiveness in Guilan executive organizations because the intensity of this relation is 0.225.
Forth sub-hypothesis
There is a relationship between meaning and organizational effectiveness in Guilan executive organizations. Based on Table 5 there is a correlation between choice and organizational effectiveness in Guilan executive organizations. The intensity of relation between these two variables is 0.28.8 and this represents a direct link between them.

Table 5. Test of sub hypotheses

<table>
<thead>
<tr>
<th>Sub Hypothesis</th>
<th>Independent variable</th>
<th>Dependent Variable</th>
<th>R</th>
<th>Sig.</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Impact</td>
<td>Effectiveness</td>
<td>0.218</td>
<td>0.041</td>
<td>Accepted</td>
</tr>
<tr>
<td>2</td>
<td>Choice</td>
<td>Effectiveness</td>
<td>0.323</td>
<td>0.002</td>
<td>Accepted</td>
</tr>
<tr>
<td>3</td>
<td>Competency</td>
<td>Effectiveness</td>
<td>0.225</td>
<td>0.035</td>
<td>Accepted</td>
</tr>
<tr>
<td>4</td>
<td>Meaning</td>
<td>Effectiveness</td>
<td>0.288</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>5</td>
<td>Trust</td>
<td>Effectiveness</td>
<td>0.317</td>
<td>0.003</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Fifth sub-hypothesis
There is a relationship between trust and organizational effectiveness in Guilan executive organizations. Based on Table 5 we can say that there is a direct correlation between choice and organizational effectiveness in Guilan executive organizations because the intensity of this relation is 0.31.7.

Conclusion and discussion
The dimensions of variables in this study almost all cases have allocated amount higher than the expected average. But some questions to have allocated amount less than the expected average according to the tone of question; the answer was something admirable, which it is paid:
- In response to the question of how much is waste your company we see the mean value is 2.91 that it is less than the expected average therefore it indicates the trend of growing and shows the importance of production and serious economic savings for the company that the matter is appreciable, however, can decreasing this mean and near to 1 that in this situation bestow numerous benefits to organizations.
- The other significant point is market share of companies rather than their rivals that most respondents (managers of companies) be considered digits accounts in about 21 to 40 percent of market share therefore it is indicated that there is a no competitive companies. Companies must get with the differentiated program trying to better and more producing and have a greater share of the market because a stagnant market that it does not take much attention to differentiation and quality cannot be effective.
- Another important case in this study can be pointed out the companies to reach new ideas that have the average about 4.10 and this mean is much more than expected (3). It is very good situation because the companies say welcome to creativity and innovation and with applying the new ideas and individual and organizational creativity can increase the effectiveness of their respective companies.
- Also in this research and study the dimensions of empowerment were identified that the mean of staff internal interest to perform duties is around 4.20. This shows that if the organization can properly use of staff ability the results can be very beneficial to the company's income and the organization because the employees has a great internal interest.

REFERENCES


