

EMPOWERMENT EFFECT THE TEAM PERFORMANCE

Muhammad Jawad, Tahira Malik Tabassum,
Aneela Abraiz, Sobia Raja

COMSATS Institute of Information Technology, Wah Cantt.
PAKISTAN.

ABSTRACT

Empowerment is as different psychological cognitions that contribute to improved intrinsic motivation and influence the overall team performance. This research study investigates the relationship between autonomy, responsibility, information, creativity and team performance. These all have more or less an impact upon team performance. For this research the data has been collected from a sample of about one hundred people. By using the regression analysis it is found that there is a positive relationship between autonomy, responsibility, information, creativity and team performance. But the impact of relationship of team performance and autonomy is relatively high then other variables, information is negative and significance level is also more than others which show that it is inversely related to team performance.

Key words: Psychological approach (PA), Situational approach (SA), Empowerment.

INTRODUCTION

Empowerment is explained by researcher in two ways: situational approach (SA) and the psychological approach (PA) (Conger & Kanungo, 1988). Situational approach concerns passing authority from higher- level management to employees by engaging them in decision making. This approach is also known as relational or management practice approach. The psychological approach put less emphasis on delegation of decision making. This approach analysis empowerment as different psychological cognitions that contribute to improved intrinsic motivation. Spreitzer's (1995) psychological empowerment consists of four cognitions that are individual's orientation towards his or her work role, aptitude, impact, significance and autonomy. Liden et al. (2000) presented two main view points on empowerment can be derived from literature a micro view point that is empowerment as a specific form of intrinsic motivation of employees. And macro point of view is considering the various organizational empowering structures and polices. Joyce et al. (2007) completing the work of Conger and Kanungo (1988) and Spreitzer (1995) and illustrious four dimensions of empowerment, are significance considered as the importance of work, objective or task relative to an employee's own ideals and values; aptitudes considered as the individuals capability to perform task activities skillfully; autonomy that is perception of self determination of work, behaviors and processes and impact considered the employee perceives being able to influence strategic administrative or operating outcomes at work.

The psychological approach of empowerment have criticized that the situational approach underestimates the psychological values of employees empowerment. Explained by Kay et al. (2008) SA is a predicament for managers as its success depends on their ability to resolve the loss of control with the need for goal congruence, it is also failed to define the cognitive state of employees. Conger and Kanungo (1988) argue that resource sharing is only one set of circumstances that can be empower subordinates and disapprove of that the SA does not satisfactory address the nature of empowerment as experienced by subordinates. PA is related to enhancing employee's feelings. This study focus on the psychological perspective of employee's empowerment. This study is important in that it tests an empirical model about the

relationship between employee empowerment and performance. This study will contribute understanding the effect of empowerment of employees on team performance content. The first formal study of empowerment conduct by Mary Parker Follett's, she differentiated the "with power and over power". And suggested the practice of integration to increase power with while power over. She argued that by integrating desires the stipulation of gaining power could be reduced, these integration could be found in circular not linear behavior. Circular behavior is an interactive influence among individuals in an organization. Follett wrote if your business is so well thought and planned then you can influence your co manager although he is influencing you, so planned that a workman has a chance of influencing you as you have of influencing him; if there is an interactive influence going away on all the time between you, power with maybe construct. Chester Barnard (1968) followed Follett's major themes. Barnard neglected the earlier management assumptions focused on "Individualism". He argued collaboration is the fundamental nature of formal organization. The growth and survival of an organization generally depends on collaboration. Barnard argues that the main function is to maintain stability between wants of the organization and the wants of its employees.

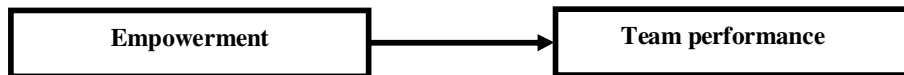
Human relations movement had a immense impact on employee empowerment. The main focus of the human relations movement is on the human and social dimensions of work. Elton Mayo and their associates maneuver lighting levels in an electric rely production plant, and found that efficiency enhanced independent of the level of lighting (Mayo, 1933). The Hawthorne studies accomplished that the employees were more reactive to social situations then to management controls. Before the study of Hawthorne empowerment researchers have focused their research on human motivation. In (1954) Abraham Maslow was major theorists of the human relations movement, his arguments have helped managers to understand the employees' empowerment, by identifying the different levels of needs, five sets of needs physiological needs, safety needs, love needs, self esteem needs, and self actualization needs, he suggested that human needs are organized in a order and that employees are motivated by unsatisfied needs. Through higher needs could motivate only after lower needs are satisfied.

After Maslow's effort another author Frederick Herzberg (Herzberg *et al.*, 1959) alienated employee motivation into two main factors, motivation factors and hygiene factors. Motivation factor, which are related to job satisfaction and different from hygiene factor which are related to dissatisfaction. He highlights that employee participation in goal setting having positive effect on performance. The hypothesis of empowerment diverges from traditional scientific management perspective. Empowerment considered that employees are question to control by managers. Empowerment supposes that employees are very important assets of an organization. Theory X and Y (McGregor, 1960) justification of Y go with empowerment assumptions. Employees feeling more satisfaction and happy working in a natural part of life, they are autonomous and internally motivated towards their work. They will more creative and excited to learn and accept responsibility. Chris Argyris (1957) focuses on how to behave with employees. He proposes that treat employees like mature adults. In his model Maturity Immaturity Model he explained that classic bureaucracies designed to treat employees as immature workers, are dysfunctional in the long run. Formal organizations are mechanistic. This results in a basic incongruence between the need of a mature personality and the requirements of formal organization. Also explain that participative leadership can decrease the degree of incongruence between the formal organization and the healthy individual. Ouchi (1981) present the Theory Z, this theory explain the empowerment from the point of trust, he compare the western style of participative decision making and Japanese style of participative decision making. He emphasizes that management must have a high degree of trust in its workers in order for empowerment to work. Rensis Likert (1967)

conducts the organized formal survey research on empowerment. He classifies four types of management styles. One is where decisions are from top to bottom Exploitive or centralize style of management. Second is where decisions within a prescribed framework are made at lower levels. Third is the collaborative decision making is done by well organized teamwork. These management styles have high productivity, low costs, favorable attitudes, and excellent labor relations. Drucker (2002) anticipates that managers will face increased needs for employee empowerment. It is mainly because of dynamic change in work environment.

METHODOLOGY

Theoretical Framework



Different Dimensions of Empowerment and Team Performance

Psychological perceptions of empowerment having different elements of employee empowerment. Petter et al. (2002) explained the different dimensions of employee empowerment and integrated power, decision making, information, autonomy, initiative and creativity, knowledge and skills, and responsibility, this seven elements model of employee empowerment having a considerable overlap between the elements. Decision making having common characteristics other elements like autonomy. This is mainly true in case of team based management. Self managed team members having autonomous decision making and authority. It's difficult to draw a line of separation between decision making and autonomy. Power also has common characteristics of autonomy. Knowledge and skill has common characteristics such as information and creativity.

Autonomy

Researchers have used a multiple terms to define autonomous decision making. Deci and Ryan (1985) considered independent decision making as self determination; they explained that the core subject of self determination is the practice of choice. Maslow's (1954) self actualization explained the significance of choice. Spreitzer (1995) accepted the term self determination and pointed out that it imitates autonomy in the commencement and persistence of work behaviors and process. Scott et al. (1980) conclude that autonomy has been associated with variety, empirically and theoretically. Variety refers to the number of different actions of the job, autonomy refers to the having authority to work. Farh et al. (1983) compare the study of Hackman and Oldham's clarification regarding autonomy is insufficient for viewing it as an orthogonal property of a job independent of skill variety and possibly other dimensions'. Desi et al. (1985) according to them extrinsic motivation is related to behavior where the reason for performing the task other then the interest in the activity itself, while the intrinsically motivated behaviors are determined largely by own choices of the employees and they likely to work, intrinsically motivated employees likely to achieve higher performance levels. Utman (1997) conducted Meta analysis on intrinsic motivation and concluded that it led to flexible, inspired reacting that permits a focus on task at hand and consequently to greater performance. Ryan and Deci (2006) identified the benefits of autonomous against controlled directive and accomplished that when intrinsic motivation is destabilized, there are well documented costs in terms of performance. Grolnick et al. (1987) deliberate autonomy in children's learning and argued that intrinsic motivation condition were associated to greater performance for relatively multifaceted, conceptual essay questions. Koestner et al. (2002) found that intrinsic motivation leads to greater performance on tasks that are interesting.

Responsibility

Dew et al. (1996) team performance can be exaggerated by responsibility for the results of team members' efforts. Team empowerment involves a common responsibility that team members facilitate to trail their own performance and furthermore have equal responsibility for organizational results or success. Cunningham et al. (1996) argue that a reallocation of responsibility to a lower organizational level is a serious element to develop successful team empowerment. Team affiliates are more probably to feel essentially motivated when they believe their team has a higher responsibility to deal with important tasks and actions for its organization. Kirkman et al. (1999) when team members have a shared sense of higher accountability, their individual and shared events will likely be more proactive and important than those of the members of a less empowered team. On other hand, in the absence of a strong sense of empowerment, team members may have on the other hand, in the absence of a strong sense of team empowerment, team members may have suspicious and accumulate information and be reluctant to take risks. If team members are highly responsible, disposed to take risks and study from their mistakes, they will be less reliant on proper team leaders. Furthermore, if they handle difficult problems or issues without waiting for approval of formal authorities, and if they share a shared sense of responsibility, a shared sense of team empowerment will be visible.

Information

Lawler, (1986) supported that the information compulsory to formulate decisions is viewed as one of the key fundamentals of empowerment. Moon et al., (1998) argue that empowerment is reliant on sufficient information and skills. Foster Fishman et al., (1998) conclude that information relevant to job is the critical factor. Malton et al., (1999) described the information as competence to do the job. Other studies have not shown information broadly as part of empowerment.

Creativity

Lawler et al. (1986) Creativity refers to the autonomy to be innovative on the job. One essential hypothesis concerning creativity is the belief that employees will not be punished for unproductive attempts but will be rewarded for trying. Petter et al. (2002) interviewed street level official working in the welfare office to study dissimilar feature of employee empowerment, and reported that an aptitude to express creativity in the job was one of the important dimensions of empowerment.

Velthouse et al. (1990) views creativity and empowerment as a corresponding relationship. According to his point of view, while creativity and empowerment are related in different ways point of view is different from each other. This approach is more individualistic, while empowerment constructs more conceptual outcomes. Herzberg et al. (1959) proposed the theory of Two Factor Theory of Motivation. As job enrichment view point explains the association between the creative aspects of empowerment and efficiency. The job enrichment viewpoint argues that by enriching jobs employees are improved motivated to work. The work is meaningful for motivated employees and performs very well. Enrichment is related to the Hertzberg theory.

Hackman et al. (1980) present the job enrichment model, he explains that creativity is relevant to job characteristics, like skill, variety, task identity and task significance have an affect on critical psychological condition of meaningfulness, which in turn constructs personal and positive job outcomes. Baer et al. (2004) argued that creativity enhanced the overall team performance.

HYPOTHESIS

Ho: There is positive relationship between autonomy, responsibility, information, creativity and team performance.

Ha: There is negative relationship between autonomy, responsibility, information, creativity and team performance.

Sample

For this study data was collected from a sample of seventy people as $n= 100$ Sekran. Table 11.3 Sample size for a given population.

Data Collection

For this research the data was collected from about hundred people through questionnaires using age group (18-25, 26-33, 34-40, 40 and above) and experience (5 to 10, 10 to 15, 15 to 20, 20 and above) as interval scale. The numbers of respondents against each age group and experience levels are given in table form as follows:

Table 1. Data collection on the basis of Age group

| Age | Number of respondents |
|--------------|-----------------------|
| 18-25 | 43 |
| 26-33 | 47 |
| 34-40 | 10 |
| 40 and above | 0 |

In the data collection of this research four age groups were focused from whom the data was collected. The maximum number of respondents was of age group 26-33 years.

Table 2. Data collection on the basis of Experience

| Experience | Number of respondents |
|--------------|-----------------------|
| 5 to 10 | 47 |
| 10- 15 | 43 |
| 15-20 | 10 |
| 20 and above | 0 |

In the data collection of this research four experience levels were focused from whom the data was collected. The maximum experience was five to ten years.

DATA ANALYSIS AND RESULTS

For this research study the collected data was analyzed on SPSS (Version-17). To analyze the data different tests were applied. Such as reliability test, descriptive statistics, regression and correlation coefficients methods were used to analyze and interpret the data to check its effectiveness. Reliability of each question is calculated.

For the data collection the measurement scale used was the Interval scale having five intervals. Like strongly disagree, disagree, neutral, agree and strongly agree. Weight as 1, 2, 3, 4 and 5 respectively. This scale was choose because it permits respondents to stay neutral too if they don't know the answer or they either do not want to respond to any of the questions. It tells us the degree to which the respondents will respond to the question asked.

Table 3. Reliability for Variables

| Variables | Cronbach 's Alpha |
|------------------|-------------------|
| Autonomy | 0.712 |
| Responsibility | 0.788 |
| Information | 0.858 |
| Creativity | 0.822 |
| Team performance | 0.773 |

Autonomy, responsibility, information, creativity, and team performance were checked for reliability and all were accepted. But, some variables reliability was more than others. Like reliability of information and creativity was more then all others variables and was good. The reliability of autonomy, responsibility and team performance was acceptable but not as reliable, as the information and creativity.

Table 4. Descriptive Statistics

| Variables | Mean | Standard deviation |
|------------------|--------|--------------------|
| Team performance | 3.3180 | .54982 |
| Autonomy | 3.3150 | .62221 |
| Responsibility | 3.4733 | .71646 |
| Information | 3.3180 | .39193 |
| Creativity | 3.3800 | .66237 |

With the help of this descriptive analysis the research can obtain the feel for data by central tendency and dispersion. The mean and standard deviation in the data will give researcher a good idea of how the respondents have reacted to the items in the questionnaire and how good the items and measures are. Standard deviation of all independent variables is less than 1.

Table 5. Correlation

| Variables | Team performance |
|------------------|------------------|
| Team performance | 1.000 |
| Autonomy | .793 |
| Responsibility | .588 |
| Information | .107 |
| Creativity | .615 |

For the data analysis we have used Pearson correlation. As above table shows that there exists a positive relationship between, team performance and autonomy, team performance and responsibility, team performance and information, team performance and creativity. But there is strong relationship between team performance and creativity, and autonomy. But there is weak positive relationship among, team performance and information.

Table 6. Model summary

| R | R- square | Adjusted R |
|------|-----------|------------|
| .825 | .680 | .666 |

To test the hypothesis of this research we have used multiple regression analysis. The results of regression the four independent variables can be seen in the above table. R is the correlation of four independent variables with team performance. R-square is the variance. This model shows that there is 68% relationship among team performance, autonomy, responsibility, information and creativity.

Table 7. Variance analysis (ANOVA)

| Sum of squares | df | Mean square | F | Significance |
|----------------|----|-------------|--------|--------------|
| 20.348 | 4 | 5.087 | 50.446 | 0.000 |
| 9.580 | 95 | .101 | | |
| 29.928 | 99 | | | |

Dependent Variable is Team Performance

In our research the value of F came out to be 50.446% which means that this much the model was fitted. The value of F must be more than 12% for the model to be fitted.

This value was significant at 0.000 significance level and it was signified by value of F because its value was more than 12%.

Table 8. Coefficients

| Variables | Beta | T | Significance |
|------------------|-------|--------|--------------|
| Team performance | | 5.303 | .000 |
| Autonomy | .566 | 4.288 | .000 |
| Responsibility | .212 | 1.910 | .059 |
| Information | -.232 | -3.385 | .001 |
| Creativity | .214 | 2.396 | .019 |

The value of t tells us the relationship of dependent and independent variables. It shows that how much is the Impact of independent variables on team performance that is the dependent variable. In this research study the value of t is greater for team performance which is significant at 0.000 levels, so its impact will be more on other variables. Autonomy is having the more value for, t so it will have more impact on team performance. The value of t for information is negative and significance level is also more than others which show that it is inversely related to team performance.

Whose value of t is greater, their value of beta (rate of change) is also more which tells us that those variables bring a greater change in the dependent variable.

CONCLUSIONS

The purpose of this study was to examine the relationship between autonomy, responsibility, information and creativity. Team performance was the dependent variable, and we checked the impact of other four variables on dependent variables. For the purpose of collecting data using questionnaires from the respondents and then applied the regression and correlation tests on that data to find out the relationship of these variables with team performance.

The hypothesis for this study was to find out that whether there exist a relationship among autonomy, responsibility, information, creativity, and team performance. There exists a positive relationship between, team performance and autonomy, team performance and

responsibility, team performance and information, team performance and creativity. But there is strong relationship between team performance and creativity, and autonomy. But there is weak positive relationship among, team performance and information. Here null hypothesis is accepted, which was, there is a positive relationship between autonomy, responsibility, information, creativity, and team performance. And alternative hypothesis is rejected that was; there is a negative relationship between autonomy, responsibility, information, creativity, and team performance. From the values of t we find the impact of independent variables on team performance that is the dependent variable. In this research study the value of t is greater for team performance which is significant at 0.000 levels, so its impact will be more on other variables. Autonomy is having the more value for, t so it will have more impact on team performance. The value of t for information is negative and significance level is also more than others which show that it is inversely related to team performance. Whose value of t is greater, their value of beta (rate of change) is also more which tells us that those variables bring a greater change in the dependent variable. As this research study was conducted in Pakistan so, this research was more or less expected.

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