Study of the relation between employees' participation in organizational decisions making and empowerment in mazanderan

Suad Emamgholizadeh 1, Seyed Reza Borgheti 2, Hassan Zarei Matien 3

1. Faculty member of shomal nonprofit university
2. Assistant professor of management faculty of the University of Tehran-Qom College
3. Associate professor of management faculty, University of Tehran

Abstract

Purpose – The aim of this study is to examine relation between employees' participation in the organizations decisions making and their psychological empowerment in Iran Telecommunication Company subsidiary of Mazanderan Province.

Design / methodology /approach- 250 employees from the Iran Telecommunication Company subsidiary of Mazanderan Province participated in this study. A Spearman's correlation analysis was used to investigate correlation between participation employees in decision making and psychological empowerment among employees Telecommunication Company of Mazanderan Province.

Finding – the findings of this study have shown that higher levels of PDM are associated with significant higher Competence, Meaningfulness, Impact and Self-determination (p, value>0.05). A significant positive correlation was found between employees' participation decisions making and total dimension empowerment. Coefficient correlation PDM and empowerment is 0.71 that indictor relation strengthens between two variables.

Key words:

Participative decision making, Empowerment

Corresponding Author: Tel: 09119041674 Email: gholizadehsaeid@gmail.com
Introduction

Contemporary organizations operate in the external environment characterized by intense global completion and technological innovation, and change (De Janasz et al., 2002). This setting has “stimulated a need for employees who can take initiative, embrace risk, stimulate innovation and cope with high uncertainty” (Spretizer, 1995, p.6). As a result, western managers have shown an enormous interest in employee empowerment. With the belief that relinquishing centralized control will promote flexibility and decisiveness as well as employee commitment and a subsequent improvement in individual and organizational performance (Daft, 2001; Conger And Kanungo, 1998; Lashhinger et al., 2001; Ozaralli, 2003).

The concept of employee participation has been a focus for research and practice for many years. It has taken many different forms, evolving through the employee involvement and participation decision making concepts into the contemporary empowerment perspective. The notion of empowerment involves the workforce being provided with a greater degree of flexibility and more freedom to make decisions relating to work. This contrasts markedly with traditional management techniques that have emphasized control, hierarchy and rigidity. The meaning of empowerment has tended to be associated with the concept of power, thereby implying that power is redistributed by those in a senior position to those in more subordinate positions (Tulloch, 1993). Whilst there are accounts of supported advantages of empowerment, it still remains a poorly defined concept, which is frequently used in a rhetorical sense (Mondrod and Wilson, 1994).

The important role of empowerment in the construction industry has been recognized by reports such as the rethinking construction report on respect for people (RFP, 2000). This report expounded the central role of empowerment in improving people management practices within the sector. The report suggested that the implementation of empowerment in the construction sector remains limited which many be considered surprising considering the reliance on virtual teams, fragmented work groups, subcontracted labour and multi-organizational project delivery structures.

Project- based industries such as construction arguably offer an idea climate for empowering people. Despite this, managers have frequently been accused of being resistant to empowerment, as it could be perceived as relinquishing power (Denham et al., 1997). This fear of loss of power many be particularly prominent when job losses are prevalent as organizational
structure become flatter. Similarly, previously disempowered employees may fear the increased levels of responsibility and accountability (Johnson, 1994).

The aim of this research is to examine relation between participation employees in the organizations decisions and their empowerment in telecommunication company of Mazanderan Province. A spearman correlation analysis was used to investigate correlation between participation employees in decision making and psychological empowerment among employees telecommunication company of Mazanderan Province.

Prior research on psychological empowerment and participation decision making

There is growing interest in empowering to take initiative, embrace risk, stimulate innovation and cope with uncertainty in the face of increasing international competition (McDuffie, 1995; Walton, 1985; Huseild et al., 1977). The concept of empowerment is embraced under the guise of movement away from “control” towards a proactive and strategic “commitment” style of management (Walton, 1985).

Contemporary research on psychological empowerment has focused on articulating the empowerment process and the psychological underpinnings of the construct in terms of self-efficacy and autonomy (Conger and Kanugo, 1988; Spreitzer, 1995, 1996; Spreitzer et al, 1997; Thomas and Velthouse, 1990; Spectator, 1986). The meaning of empowerment has been the subject of great debate and remains, at present, a poorly defined concept (Cunningham et al., 1996; Dainty et al., 2002; Psinios and Smithson, 2002).

Mondros and Wilson (1994), and Russ and Millam (1995) similarly argued that the term is rarely defined clearly and is a frequently used rhetorically. One possible reason for this lack of clarity is tendency for empowerment to be attached to management concepts, for example, business process re-engineering (BPR) and total quality management (TQM) (Dainty et al., 2002). Furthermore, the term empowerments represent a wide variety of activities, form “sham” empowerment (Rosenthal et al., 1997) to high level of involvement and devolution of power. Similarly, Wilkinson (1998) identified five types of empowerment; information sharing; upward problem solving; task autonomy; attitudinal shaping; and self management.

The original meaning of empowerment has been referred to as “authorize, give power to” (Tulloch, 1993). The use of term “power” appears to common throughout the definition of empowerment; for example, Legge (1995) argued that empowerment should be seen in terms of a redistributive
model whereby power equalization is promoted for trust and collaboration. Similarly, Conger and Kanungo (1998) focused on power as central point of empowerment, “either to strengthen this belief or weaken belief in personal powerlessness”. Power is often redistributed by transferring control so that employees have the authority to make and implement their own decisions. Conger and Kanungo (1998) make a distinction between the relational and motivational meanings of empowerment. The relational aspects examine the relationship between managers and worker both before and after empowerment. The motivational dimensions suggest a process through which initiative will need to pass for employees to feel motivated. Other authors in the field define empowerment in terms of its dynamic interaction, for example Pastor (1995, p.5) stated that: “it is part of a process or an evolution that goes on whenever you have two or more people in a relationship, personally or professionally”. Lee and Koh (2001) refined this description further by looking at the intersubjective nature of subordinate and supervisor. They stated that empowerment is the psychological state of a subordinate, which is influenced by the empowering behaviours of supervisors.

While there are conflicting descriptions of empowerment, it appears that the focus of the concept is dynamic process of redistribution of power between management and employee (most commonly in the form of increasing employee authority and responsibility). It is possible to identify two key aspects of empowerment from the literature: first, the psychological dimension which focuses upon how the individual perceives empowerment; and secondly the multi-dimensional perspectives which closely examine the role of managers and leaders. The following discussion explores the meanings of each of these aspects of management.

The psychological dimension – the individual perspective

The psychological dimension of empowerment moves away from the traditional study of management practices and instead emphasizes employees’ perceptions and experiences of empowerment. Through such an approach, the emphasis is upon perceptions and beliefs of power, competence, control and self-efficacy (Psinoz and Smithson, 2002). The work of Conger and Kanungo (1988) is often used as a starting point in literature on psychological empowerment, for they claimed that empowerment involves a motivational concept of self-efficacy. This notion was further refined by Thomas and Velthouse (1990) who developed a
cognitive model of empowerment. They defined empowerment as increased intrinsic task motivation and outlined four cognitions which they claim are the basis of worker empowerment: sense of impact; competence; meaningfulness; and choice. A very similar definition of empowerment was outlined by Lee and Koh (2001) who described these four dimensions (listed below) as describing the psychological state of the subordinate:

1. Competence: competence is an individual’s belief in his/her capability to perform task activities skillfully.

2. Meaningfulness: the meaning of a value of a task goal or purpose judged in relation to an individual’s own ideals or standards.

3. Impact: the perception of the degree to which an individual can influence certain outcomes at work.

4. Self-determination (or choice): autonomy in the initiation and continuation of work behaviours and processes.

The higher an individual’s scores in each of these elements, the greater the sense of empowerment. However, the authors are careful to point out that the behaviour of the supervisors must also be examined, for “it would not be appropriate to say that they were empowered, if their supervisor did nothing intentional to empower them”. Thomas and Velthouse (1990) considered that six key variables influence these cognitions. They included environmental events, task assessments, global assessments, interpretative styles, behaviours and interventions. Those who favour the psychological nature of empowerment argued that it is simply not enough to implement a change in management practices (as deemed appropriate in some empowerment literature) but it is also necessary to ensure that those practices are fully realised.

There has been limited emphasis in empirical research on employees’ perceptions of empowerment and recent studies have instead focused upon management practices (Nesan and Holt, 2002; Cunningham et al., 1996). This may be considered somewhat surprising as essentially empowerment is a perceptual matter, or as one writer puts it:

“(empowerment) is a cognitive state of perceived control, perceived competence and goal internalisation” (Menon, 1995, p. 30). It is, however, necessary to examine the Individual’s perception of empowerment within an organizational context, as this plays a vital role in the way that empowerment is perceived by employees.

The multi-dimensional perspective – the role of management and leaders
It has been suggested that to empower successfully it is necessary to examine the role of managers/leaders, as they have considerable impact upon the psychological sense of empowerment held by the employee. The way in which managers/leaders can implement and maintain empowerment strategies is multi-dimensional, as outlined below. Johnson (1994) considered that it is necessary for managers to give people the power to do their job. However, Vogt and Murrell (1990) viewed the power relationship as a complex interactive process whereby empowerment is an act of developing and increasing power by working with others. Therefore, until power is shared (and employees perceive that power is shared) empowerment is not possible.

The dynamic relationship of the leader with employees is frequently cited as crucial in the empowerment literature. Honold (1997) and Johnson (1994) both argued that the leader is responsible for creating a common goal, which they communicate and share.

Furthermore, the leader should continually monitor that their subordinates feel empowered. The leader may also play a part in recognizing the contributions made by employees by emphasizing efforts of an employee as important (Psinozos and Smithson, 2002). There may be limits to the rewards that leaders are able to offer, and so senior management may also need to consider the implementation of profit related incentive schemes (Cunningham et al., 1996).

The leader/manager may also be influential in team development by concentrating on strategies that encourage self-management and group decision autonomy. It is argued that managers/leaders must focus on team empowerment as well as individual empowerment if the organizational environment relies upon cohesive teams (Dainty et al., 2002). The final area in which managers/leaders play a pivotal role is training. As noted in the previous section, it is necessary that employees believe themselves to be “capable”, and training can be a key mechanism that provides employees with this reassurance. Pastor (1996) argues that the principal training focus should be on communication development so that they can engage in this new participative and facilitative management/leadership style.

In summary, it is evident that management and leaders may influence individual perceptions of empowerment in many ways. Thus, a multi-dimensional approach is necessary if a culture of empowerment is to be implemented and maintained. The way in which this is achieved is context
dependant and managers/leaders need to adapt empowerment to the needs of their own particular organization. The following section outlines the claimed benefits of empowerment for the organization and the employee.

**The potential benefits of empowerment**

The benefits of empowerment can be broadly divided into two areas: benefits for the organization; and benefits for the individual. Much of the research into empowerment has focused on organizational benefits assuming these are the driving force behind attempts to engender empowered working (Cunningham et al., 1996).

Global competition and a changing business environment have provoked an organizational change in response to the increased pressures to improve efficiency and performance (Lawler et al., 1992). Specifically organizations have sought improvements in cost control, flexibility, quality improvement (Psinos and Smithson, 2002). It has been argued that empowered organizations have demonstrated improvements in various economic performance areas (Applebaum et al., 1999). However, measurement of the economic benefits of empowerment specifically may be difficult as often it is introduced as part of a broader initiative such as BPR and TQM (Psinos and Smithson, 2002).

While the primary motive of empowerment is usually to improve the economic performance of the organization, benefits to the individual employee have also been identified. Nykodym et al. (1994) found that employees who consider themselves empowered have reduced conflict and ambiguity in their role, as they are able to control (to a certain extent) their own environment. They suggested that this reduces emotional strain on the employee. On a similar theme, it was reported that empowered employees have a greater sense of job satisfaction, motivation and organizational loyalty (Mullins and Peacock, 1991), as they feel more involved in the achievement of the organizational goals. Despite these benefits being frequently cited, the nature and meaning of this job satisfaction and motivation have not been fully explored within the academic field.

Measurement of the employee benefits is very difficult to achieve. Unlike

Organizational benefits which can be measured using objective “facts”, individual benefits are much more subjective and complex. Certain factual measures, such as absence and turnover rates have been applied in this aim, as too have the Investors in People awards which can be used as an indirect
indicator of the company’s commitment to the development skills (Psinoos and Smithson, 2002). However, it is often considered that softer measures of employees’ attitudes may be more appropriate than these “objective” measures, or as the respondent in one study put it: “we don’t have the measures to actually measure the extent of empowerment. . . . So I could put some surrogates in there to say because of these things we have some sort of measure, but really what we are after is behaviour and action, aren’t we?” (HR Manager, Electronics Manufacturer) (Psinoos and Smithson, 2002, p. 143). It appears from this discussion that empowerment may benefit both the organization and the individual (if it is applied correctly). However, most related research has focused upon the objective benefits to the organization and not the subjective benefits to the individual. Through this research, it has been possible to examine the softer measures and explore the potential benefits for the employee.

**Barriers to empowerment**

Managers are faced with many difficulties when attempting to empower employees and these may prevent a business from becoming an empowering organization. First, there is often resistance to the change both from managers/leaders and from employees themselves. It is often assumed that employees will buy into empowerment, as the benefits are “obvious”. However, this has been disputed by Johnson (1994) who claims that previously disempowered employees may resist empowerment, as they fear the increased levels of responsibility and accountability. Further, employees may consider empowerment to be just empty rhetoric and yet another management attempts to exploit them. Adler (1993) demonstrated that empowerment is linked to downsizing as frequently these two activities occurred simultaneously. Therefore, it is hardly surprising that employees may be reluctant and suspicious of management schemes. Managers/leaders may also be resistant to empowerment for this may be perceived as relinquishing power. They may view the reduction of their power as a threat (Denham et al., 1997), particularly as they too fear job loss or loss of status as the organizational structures become flatter during the downsizing process. They may also very in their inclination to introduce empowerment in spite of its being a component of organizational policy. The gap between rhetoric and practice is a further area that is open to criticism. A number of studies have identified that, in some instances, the problems encountered are present in name only (Honold, 1997). While this is not a barrier to
empowerment per se, it can lead to inaccurate criticisms of the empowerment concept and more importantly, those who supposedly empower and those who are empowered may be disillusioned and reject empowerment as ineffective. Furthermore, it is important that those who incorporate an empowerment strategy do not believe that it will solve all Organizational problems; if they do they will ultimately be disappointed.

**Participation decision making**

Numerous organizations began espousing the benefit of employment involvement in the 1980s. However, the effect of participation on performance has become increasing disputed in recent years. Wagner (1994) argued that many participation studies have demonstrated a consistent, albeit small impact on performance. However, researchers have not established a universal positive correlation between participation and productivity (Kearney and Hays, 1994). The form of participation and the context in which participative techniques are employed determine the extent of any positive effect on performance (cotton et. al 1988, 1993).

Many researchers have taken a more holistic approach to studying participation, arguing that participative decision making requires a certain context over and beyond a set of program or techniques. For example, Hecksher is (1995) interviews of more than 250 managers in 14 large organizations suggested that participation has accomplished little and rarely breaks down the walls of bureaucracy. He argued that, without the redesign of work, employee involvement efforts can even have a negative effect.

Participative approach such as delegation gave met whit mixed results, especially in public organizations (Worsham et al., 1997). In contrast, participative decision making that gives employees the opportunity to make substantive changes in their work is a tool for large-scale organizational change (Greengard, 1993).

When exploring employee participation or involvement, previous scholars have consistently used the term participation in decision making or PDM (Black and Gregersen, 1997; Cotton et al., 1988; Latham et al., 1994). Defined as the act of sharing decision making with others to achieve organisational objectives (Knoop, 1991), PDM can be operationalised in a number of different ways. Participation can offer employees various levels of influence in the decision making process, ranging from formally established consultative committees through to development of good relations with managers or supervisors (Cotton et al., 1988; Locke and
Schweiger, 1979; Scully et al., 1995) at an informal level. In fact, the variation in the interpretation and implementation of PDM has likely contributed to different approaches to evaluating PDM, with subsequent mixed findings (Black and Gregersen, 1997; Cotton et al., 1988; Scully et al., 1995). There has been many different approaches to evaluating and implementing PDM.

Dachler and Wilpert (1978) identified three dimensions that include; the influence of formality versus informality, directness versus indirectness and the degree of access or influence. Locke and Schweiger (1979) evaluated PDM in terms of level, considering either more or less participation, whereas Tjosvold (1982) considered supervisory use of co-operative problem solving and integrated decision making. More recently, Black and Gregersen (1997) synthesized a multi-dimensional model of PDM from previous research, finding support for six dimensions that include; the rationale, form, structure, decision issues, and the level and range of participation in the processes. While we support Black and Gregersen’s (1997) call for further multi-dimensional studies to understand the role of PDM, the reality is that the context largely shapes the level and range of employees’ participation and this varies markedly across organizations.

Nonetheless, despite the differences, there are some common traits and theoretical concepts that are useful for analysing PDM strategies and outcomes (Black and Gregersen, 1997; Cotton et al., 1988; Miller and Monge, 1986).

One outcome clearly emerging from the literature is that employee satisfaction and motivation does increase with PDM. For example, when considering cognitive and motivational effects, Latham et al. (1994) found participation in formulating task strategies significantly affected performance effectiveness. Yammarino and Naughton (1992) found group level PDM created shared perceptions that positively influenced job satisfaction outcomes. Similarly, Pearson (1991) reported that feedback as part of a participatory decision making process improved productivity as well as job satisfaction.

**Hypothesis development**

**Employee participation and empowerment**

Spreitzer (1996) argued that a participative climate can promote feeling of psychological empowerment. She demonstrated that in a participative climate, the acknowledgement, creation, liberation of employees is valued,
and an emphasis is placed on individual contribution and initiative. Recent work by Wallach and Mueller (2006) found that job characteristics such as opportunities for employee participation in decision-making predicted employee empowerment amongst a sample of 160 paraprofessionals.

Dimension psychological empowerment in the survey includes:

- **Competence**: competence is an individual’s belief in his/her capability to perform task activities skillfully.
- **Meaningfulness**: the meaning of a value of a task goal or purpose judged in relation to an individual’s own ideals or standards.
- **Impact**: the perception of the degree to which an individual can influence certain outcomes at work.
- **Self-determination** (or choice): autonomy in the initiation and continuation of work behaviours and processes.

**Main proposition**

Employees participation in decision making is correlated with their psychological empowerment.

- **H₁**: Employees participation in decision making is correlated with their feeling of competence.
- **H₂**: Employees participation in decision making is correlated with their feeling of meaningfulness.
- **H₃**: Employees participation in the decision making is correlated with their feeling of impact.
- **H₄**: Employees participation in the decision making is correlated with their feeling of self-determination.

**Methodology**

**Sample**

Survey data was collected among the telecommunication company of Iran subsidiary of Mazanderan. Total employees were 867 in telecommunication company of Mazanderan Province. By using the sampling simple random the 250 questionnaires were distributed. Questionnaires are given to the middle managers, operational managers, and technician and expert employees’.
Eighty-seven per cent of the sample was male. The work experience of employees ranged from 5 years to 25 years.

Measure

The scale used to measure psychological empowerment was taken from Spreitzer (1995). This 12-item measure of empowerment contains three items for each of the four dimension of empowerment. The meaning item was taken from Tymon (1988). The competence scale was adopted from Joens (1986). Hakman and Olmans (1975) autonomy scale was used to create the measurement of self-determination and the impact scale was taken from Ashford (1989) helplessness scale.

The scale used to measure PDM was taken from Loweler (Lawler, 1972).

This 18-item measure of participation decision making contains three dimension of PDM that include: (1) access to organizational information, (2) influence and control, (3) organizational reinforcement.

Reliability of the measures

Measures of construct reliability using Cronbach’s alpha all exceeded the accepted benchmark of 0.94. The composite measures of construct reliability and variance extracted are deemed more reliable (Hair et al., 1998) and these measures exceeded most benchmarks.

Result

Correlation analysis

These results indicate that higher levels of PDM are associated with significantly higher competence, meaningfulness, impact and self-determination. Table I contains the correlation positive between the variable independent with empowerment.

Table I

<table>
<thead>
<tr>
<th></th>
<th>PDM</th>
<th>Competence</th>
<th>Meaningfulness</th>
<th>Impact</th>
<th>Self-determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDM</td>
<td>1.000</td>
<td>0.556</td>
<td>0.556</td>
<td>0.636</td>
<td>0.611</td>
</tr>
<tr>
<td>Competence</td>
<td>0.556</td>
<td>1.000</td>
<td>0.531</td>
<td>0.463</td>
<td>0.415</td>
</tr>
<tr>
<td>Meaningfulness</td>
<td>0.556</td>
<td>0.531</td>
<td>1.000</td>
<td>0.564</td>
<td>0.510</td>
</tr>
<tr>
<td>Impact</td>
<td>0.636</td>
<td>0.463</td>
<td>0.564</td>
<td>1.000</td>
<td>0.714</td>
</tr>
<tr>
<td>Self-determination</td>
<td>0.611</td>
<td>0.415</td>
<td>0.510</td>
<td>0.714</td>
<td>1.000</td>
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</tbody>
</table>

** Correlation is significant at the .01 level (2-tailed).
A significant positive correlation was found between employees’ participation in decisions making and their feeling of competence. Figure I show that employees’ participation in decisions making has positive correlation with their feeling of competence. \( r = .556, p < 0.01 \); \( H_1 \) was thus supported.

**Figure I:**

![Diagram](image1)

A significant positive correlation was found between employees’ participation decisions making and their feeling of meaningfulness. Figure II show that employees’ participation in decisions making has positive correlation with their feeling of meaningfulness. \( r = .556, p < 0.01 \); \( H_2 \) was thus supported.

**Figure II**

![Diagram](image2)
A significant positive correlation was found between employees’ participation decisions making and their feeling of impact. Figure III show that employees’ participation in decisions making has positive correlation with their feeling of impact. \((r= .636, p< 0.01)\); H3 was thus supported.

**Figure III**

![Figure III](image1)

A significant positive correlation was found between employees’ participation decisions in making and their feeling of self-determination. Figure IV shows that employees’ participation in decisions making has positive correlation with their feeling of self-determination. \((r= .611, p< 0.01)\); H4 was thus supported.

**Figure IV**

![Figure IV](image2)
A significant positive correlation was found between employees’ participation in organizational decisions making and their empowerment. Figure V shows that employees’ participation in decisions making has positive correlation with their empowerment. (r=.71, n main proposition thus supported.

Figure v

![Chart showing correlation between empowerment and PDM](chart.png)

Conclusion

The aim of this study was to examine relation between employees’ participation in organizational decisions making and their empowerment among Telecommunication Company of Mazanderan Province employees. Using a Spearman’s correlation analysis all four of the hypotheses were supported. PDM was correlated positively to psychological empowerment.

First, these findings suggest that within the Iran context, the role of supervisory social supported not only leads to feelings of empowerment amongst employees but also moderates the relationship between PDM and empowerment employees. Given the increasing importance of high-tech and service industries in Iran, empowering employees will be critical to competing in market place. Supervisors have to be more communication-minded, sensitive to needs of subordinates, be willing and empathic listeners and be approachable and understanding. The employees in the sample that
possessed feeling of autonomy and meaning and higher level of participation decision making.

Seconds, the findings suggest that creating feeling of psychological empowerment amongst employees may intensify organizational commitment. Within the context of Iran white-collar professionals in the sample, designing jobs that allow for self-determination and that are meaningful to the incumbent are important steps in building commitment-based management (Hackman and Oldham, 1975; Mathieu and Zajac, 1990).

In relation to four type of empowerment, our findings support previous research. The mean of the four dimensions of employees’ empowerment appear to be consistent with previous studies.

The limitations of this study include the use of very specific sample of employees.

It might be case that the feelings of this study may not be generalisable to employees in different industries (e.g. manufacturing).

In concluding, findings of this study have shown that participation decision making increasing empowerment employees.
References


