Is participation in decision making related to employee’s empowerment?

Saeid Emamgholizadeh¹* and Hassan Zarei Matin² and Hamid Reza Razavi³

¹Shomal University, Iran.
²Department of Public Administration, Faculty of Management, University of Tehran, Iran.
³Department of Management Azad Islamic University Ayatollah Amoli Branch, Iran

The aim of this study is to examine relation between employees’ participation in decisions making and their empowerment in Telecommunication Company Iran subsidiary of Mazanderan Province. 250 employees from the Telecommunication Company Iran subsidiary of Mazanderan Province participated in this study. A Spearman's correlation analysis was used to investigate correlation between employees' participation in decision makings and psychological empowerment among employee's Telecommunication Company of Mazanderan Province. The findings of this study have shown that higher levels of PDM are associated with significantly higher Competence, Meaning, 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 indicates strong relations between two variables.

Key words: Participation in decision making, empowerment, sense of competence, sense of meaning, sense of self-determination, sense of impact, access to information, organizational reinforcements, influence and control.

INTRODUCTION

Modern organizations implement participatory work practices in the belief they will gain more from an educated, technologically-oriented workforce (Connell, 1998). Evidence suggests participation increases employee motivation, job satisfaction and organizational commitment (Witt et al., 2000; Latham et al., 1994; Pearson and Duffy, 1999); however, support for improving job performance is less conclusive (Tjosvold, 1998; Jones, 1997).

In a competitive environment in which organizations must be faster, leaner, provide better service quality, be more efficient, and more profitable, an empowered and proactive service worker is thought to be essential (Bowen and Lawler, 1992, 1995).

Bowen and Lawler (1992, 1995) highlight the importance of empowerment and that empowerment of service employees requires very important prerequisites make including knowledge, information, rewards, and power. The literature suggests that the ability of an employee to make the proper response during the service delivery process is largely a function of the employee’s knowledge and control (Bitner et al., 1990; Randolph et al., 2002).

Contemporary organizations operate in the external environment characterized by intense global completion and technological innovation, and change. This setting has “stimulated a need for employees who can take initiative, embrace risk, stimulate innovation and cope with high uncertainty” (spreitzer, 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).

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

*Corresponding author. E-mail: sgholizadeh@ut.ac.ir.
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 (Matthews et al., 2003).

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 may be considered surprising considering the reliance on virtual teams, fragmented work groups, sub-contracted 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 (Psinoz et al., 2002). This fear of loss of power may be particularly prominent when job losses are prevalent as organizational structure becomes 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 in decisions making and empowerment in Telecommunication Company of Mazanderan Province.

LITERATURE REVIEW

Employee empowerment

Since the 1980s, both industry and academia have shown a growing interest in the concept of employee empowerment (Klidas et al., 2007). According to Rafiq and Ahmed (1998, p. 686) while management literature is replete with articles on the subject of empowerment of employees in manufacturing companies, its application in the services area is relatively underdeveloped. In the last decade however empowerment has become particularly important for services, aiming to control or enhance service quality and customer satisfaction at the point of service production (Klidas et al., 2007, p. 72). Yet, paradoxically, attempts to gain competitive advantage by enhancing service quality via empowerment can present several problems for service providers (Lashley, 1999, p. 171). First, “there are difficulties in defining the successful service encounter, particularly in the intangible sources of customer satisfaction”. Customers vary considerably in their expectations of service quality (Rust and Oliver, 1994). Indeed, individual customers may define and redefine their needs from service deliverers as their circumstances, experiences and expectations change (Lashley, 1999, p. 171). A second problem refers to the quality of the service encounter itself (Lashley, 1999, p. 172).

Whilst there are these differences in defining “successful encounters,” many writers agree that “empowerment of employees seems to offer the prize of generating feelings of commitment to the service encounter” (Barbee and Bott, 1991) “with the appropriate amount of power and the freedom to use that power” (Van Oudshoorn and Thomas, 1993) to meet customer needs as they arise.

Empowerment: typologies, definitions, measures, antecedents and outcomes

Empowerment has been discussed in the literature at the organizational, team and individual level of analysis. From an organizational perspective, empowerment has been visualized as:

...A change management tool which helps organizations create an environment where every individual can use his or her abilities and energies to satisfy the customer. It is a method of developing an environment where customers' needs and concerns are addressed and satisfied as quickly as possible at the point of customer contact. Staffs are free to take opportunities to exceed customer expectations without referring upwards or fearing repercussions from their manager (Cook, 1994).

According to Cook (1994), organizations which adopt an empowerment approach should have a number of common characteristics: shared vision and values; a customer-focused strategy; leadership relinquishing responsibility, authority and accountability to “the people who are closest to the customer”; a structure with as few as possible layers between the customer and the organization; and an environment which encourages team working and continuous learning.

Managers can empower their employees by adopting one of two alternative empowerment strategies: either through enhanced “participation,” that is via use of individual and/or team suggestion schemes; quality circles; team briefings, etc. (Lashley, 1999, p. 177); or through “delayering,” via establishing autonomous work teams and/or by job-redesign (job ownership schemes). Recently, Matthews et al. (2003, p. 297) developed an organizational empowerment scale measuring three environmental factors (dynamic structural framework, control of workplace decisions and fluidity in information sharing) that are related to and affect psychological empowerment.

At the individual level of analysis, empowerment
literature can be classified into two broad categories: the structural approach (relational empowerment) and the motivational approach (psychological empowerment). In the structural approach empowerment is understood as a re-distribution of power, focusing on the dynamic leader/subordinate relationship. Under this approach empowerment is considered an act: the act of granting power to “less influential or lower-level members of organizations” (Menon and Hartmann, 2002). Power in an organizational context has been defined as “the ability to affect organizational outcomes” (Mintzberg, 1983), stemming from sources such as hierarchical authority, control of resources, and network centrality (Astley and Sachdeva, 1984). Empowering employees would thus involve “delegating decision-making authority downward and providing increased access to resources including information, so that employees can significantly affect organizational outcomes” (Menon and Hartmann, 2002, p. 138). To study relational empowerment, Konzack et al. (2000) developed the Leader Empowering Behavior Questionnaire, designed to measure if managers display six empowering behaviors: delegation of authority, accountability, self-directed decision making, information sharing, skill development, and coaching for innovative performance.

In the motivational approach pioneered by Conger and Kanungo (1988, p. 474), empowerment was conceptualized as a: … “Process” – a process of enhancing feelings of self-efficacy among organizational members through the identification of conditions that foster powerlessness and through their removal by both formal organizational practices and informal techniques of providing efficacy information.

Thomas and Velthouse (1990, p. 667) extended this approach by viewing empowerment as energy. According to these authors empowerment is associated with “changes in cognitive variables (called task assessments), which determine motivation in workers”. Building on Thomas and Velthouse (1990) and Spreitzer (1995) developed a model of psychological empowerment measuring an employee’s sense of competence, meaning, impact, and self-determination. 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 is an individual’s belief in his/her capability to perform task activities skillfully.
2. Meaning: 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 behaviors and processes.

**Participation in decision making**

Knoop (1995) defines participation in decision making (PDM) as sharing decision making with others to achieve organizational objectives. Support in the literature claims that participation in decision making increases employee motivation, job satisfaction and organizational commitment (Pearson and Duffy, 1999), Kappelman and Prybutok (1995) attribute these outcomes to empowerment.

Numerous organizations began espousing the benefit of employment involvement in the 1980s. However, the effect of participation on performance has become increasingly 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 programs or techniques. For example, Heckshers’ (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 approaches such as delegation gave 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 to the 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 including: 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 analyzing PDM strategies and outcomes (Black and Gregersen, 1997; Cotton et al., 1988).

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 that 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 sense of psychological empowerment. She demonstrated that in a participative climate, the acknowledgement, creations, liberation of employees are 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:

1. Competence: competence is an individual's belief in his/her capability to perform task activities skillfully.
2. Meaning: the meaning of 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 behaviors' and processes.

**H0**: Employees' Participation in decision making isn't correlated with their psychological empowerment.

**H1**: Employees' Participation in decision making is correlated with their psychological empowerment.

**H1a**: Employees' Participation in decision making is not correlated with their sense of competence.

**H1b**: Employees' Participation in decision making is correlated with their sense of competence.

**H2**: Employees' Participation in decision making is not correlated with their sense of meaning.

**H2a**: Employees' Participation in decision making is correlated with their sense of meaning.

**H3**: Employees' Participation in decision making is not correlated with their sense of impact.

**H3a**: Employees' Participation in decision making is correlated with their sense of impact.

**H4**: Employees' Participation in the decision making is not correlated with their sense of self-determination.

**H4a**: Employees' Participation in the decision making is correlated with their sense of self-determination.

**METHODOLOGY**

**Sampling method**

Survey data was collected from the Telecommunication Company of Iran subsidiary of Mazanderan. Total employees in Telecommunication Company of Mazanderan Province were 867. By using the stratified random sampling 250 questionnaires were distributed. Questionnaires were given to the middle managers, operational managers, and technician and expert employees.

Eighty-seven percent of the samples were males. The work experience of employees ranged from 5 to 25 years.

**Sample size determining**

The following formula was used to calculate the sample size:

\[ n = 3.30 \times \left(\frac{4\sigma}{\beta} \times \left(\frac{1}{0.01} \times \frac{1}{0.1} \right)^{0.5}\right) \]

where:

- \( n \): sample size
- \( C \): constant number; for \( \sigma=0.5, \beta=0.1 \) the \( C \) value is equal to 10.5.
- \( r \): Lowest correlation coefficient which was achieved from the independent and dependent variables from the elementary questionnaire. In this research it is related to the sense of trust (www.delsnas.edu/ilarr-n/ilarjournal/43-4/v4304p.pdf)

**Instrumentation**

Spreitzer’s (1992, 1995) multidimensional measure of empowerment was used in this study. The instrument is grounded in a construct definition based on a review of related interdisciplinary
Table 1. Stratified random sampling.

<table>
<thead>
<tr>
<th>Type of employee</th>
<th>No. of relevant employees</th>
<th>Relative portion of no. relevant employees</th>
<th>No. of sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle Managers</td>
<td>147</td>
<td>0.16955</td>
<td>147*0.16=25</td>
</tr>
<tr>
<td>Operational managers</td>
<td>211</td>
<td>0.243368</td>
<td>211*0.24=51</td>
</tr>
<tr>
<td>Employees technician</td>
<td>356</td>
<td>0.410611</td>
<td>356*0.41=146</td>
</tr>
<tr>
<td>Employees Expert</td>
<td>158</td>
<td>0.182238</td>
<td>158*0.18=28</td>
</tr>
<tr>
<td>Total</td>
<td>867</td>
<td>1</td>
<td>250</td>
</tr>
</tbody>
</table>

Table 2. Result of the inferential statics.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>p-value</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>H\textsubscript{1}</td>
<td>0.000</td>
<td>H\textsubscript{0} is not valid</td>
</tr>
<tr>
<td>H\textsubscript{2}</td>
<td>0.000</td>
<td>H\textsubscript{0} is not valid</td>
</tr>
<tr>
<td>H\textsubscript{3}</td>
<td>0.000</td>
<td>H\textsubscript{0} is not valid</td>
</tr>
<tr>
<td>H\textsubscript{4}</td>
<td>0.000</td>
<td>H\textsubscript{0} is not valid</td>
</tr>
</tbody>
</table>

Spreitzer's 12-item instrument consists of three items assessing each dimension of empowerment. The scale provided responses in a range from 1 “strongly disagree” to 5 “strongly agree”. The first dimension, “competence”, is concerned with “an individual’s belief in his or her capacity to perform activities with skill” (Spreitzer, 1995, p. 1443). The second dimension of empowerment, “meaning”, is defined by Thomas and Velthouse (1990, p. 668) as “the value of a work goal or purpose, judged in relation to an individual’s own ideals or standards”. The third dimension, “impact”, refers to the degree to which an individual can influence outcomes at work (Ashforth, 1989). The fourth dimension, “self-determination”, focuses on an individual’s sense of having a choice in initiating and regulating actions (Deci et al., 1989).

Spreitzer (1992, 1995) has reported evidence supporting the convergent and discriminated validity of the component measures (dimensions) of empowerment, and provided support for a higher order construct composed of the four dimensions. Cronbach alpha reliability coefficients for the four empowerment dimensions ranged from 0.79 to 0.88. Examination of the empowerment gestalt via confirmatory factor analysis showed that the four dimensions of empowerment were first order factors. Second order confirmatory factor analysis provided empirical justification for creation of the overall empowerment scale using the four component dimensions. Overall fit statistics showed a goodness of fit value of 0.93 (Spreitzer, 1992, 1995).

Participation in decision making was measured by through eighteen questions relating to the individual’s access to organizational information; influence a range of work activities and organizational reinforcement. These measures were based on the work of Lawler et.al. (1992) and were similar to Siegal and Ruh's (1973) involvement scales which had been previously tested by Pearson (1991; α≥0.89) and Knoop (1991; α≥0.81) respectively.

Reliability

Measures of construct reliability using Cronbach’s α all exceeded the accepted benchmark of 0.93. The composite measures of construct reliability and variance extracted are deemed more reliable (Hair et al., 1998) and these measures exceeded most benchmarks.

Procedure

Surveys were distributed through internal mail systems, with covering letters assuring respondents of confidentiality and explaining the purpose of the study. Completed surveys were returned directly to the researcher. The survey included demographic questions and scales described in the following section. Scale item responses were measured on five-point Likert-type scales with 1 representing “strongly disagree”, to 5 representing “strongly agree”. Respondents were invited to add further comments or explanatory notes if they wished.

Correlation analysis

Correlation is a measure of relationship between two variables. Coefficient of correlation determines validity, reliability and objectivity of an examination prepared. It also indicates the amount of agreement or disagreements between groups of scores, measurements, or individuals.

Spearman’s rank Coefficient correlation (Rs)

In this research, the reason of election Spearman’s rank correlation coefficient was pro ordinal variables.
### Table 3. Result of the correlation analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>PDM</th>
<th>Competence</th>
<th>Meaning</th>
<th>Impact</th>
<th>Self-determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDM</td>
<td>1.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competence</td>
<td>0.556</td>
<td>1.0</td>
<td></td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>Meaning</td>
<td>0.556</td>
<td>0.531</td>
<td>1.0</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>Impact</td>
<td>0.636</td>
<td>0.463</td>
<td>0.564</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>Self-determination</td>
<td>0.611</td>
<td>0.415</td>
<td>0.510</td>
<td>0.714</td>
<td>1.0</td>
</tr>
</tbody>
</table>

### RESULTS

**Correlation analysis**

These results indicate that higher levels of PDM are associated with significantly higher Competence, Meaning, Impact and Self-determination. Table III contains the correlation positive between independent the variable with dimension empowerment.

### Conclusion

The aim of this study was to examine relation between employees' participation in organizational decisions making and their empowerment.

Overall evaluation of all the research correlation suggests that all dimensions of empowerment are significant in aggregate.

Specifically it demonstrates the importance of the empowerment construct in this study being affected by employee’s participation in decision making.

Employees believe they are better off because of participation in decision making and the organization also gains through the positive impacts on task and performance effectiveness.

The correlations between PDM and empowerment suggest PDM does have benefits for both employees and employers. The risk for employers is that an unbalanced relationship means employees are not the only losers.

If organizations want to successfully transit a difficult period of evolution, the evidence suggests that increasing employee participation offers a powerful means for doing so.

With exact studying on the literature of PDM and empowerment, it was recognized that with increasing of employee's participation, the employee’s empowerment is increased.

In this research, the null hypothesis was that there is not significant relationship between employee's participation in decision making and their empowerment.

The results of this examination show that the p-value is equal to zero, therefore the null hypothesis is rejected. As a result it can be stated that there is significant relation between the employee's participation in decision making and their empowerment.

### SUGGESTIONS

Hence, a number of suggestions are worth emphasizing:

1. These findings suggest that within Iran context, the role of social supervision not only leads to senses of empowerment amongst employees but also moderates the relationship between PDM and employees’ empowerment. 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 possessed sense of autonomy and meaning and higher level of participation decision making.

2. The findings suggest that creating sense 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.

3. The findings suggest that the managers must help the employees until they can recognize their abilities; therefore they are able to do their works successfully.

4. Employees’ Respect and appreciation for extension of their works.

5. Connection between participative programs and employees’ works.

6. Link between employee's works, result and theirs effects.

7. Paying attention to the suggestions and its performance if the suggestions were practical and well.

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

The limitation of this study includes the use of very specific sample of employees and supposing equal ordinal scale with interval scale. It might be case that the senses of this study may not be generalisable to employees in different industries (e.g. manufacturing).

Finally, findings of this study have shown that participation decision making increasing empowerment employees.
ACKNOWLEDGMENT

The authors would like to express their deepest appreciation to the Iran telecommunication research center (ITCR) for supporting this project.

REFERENCES


