

Examining the effects of behavior variables (skill, attitude and personality) on employees' empowerment (case study: Karafarin Bank)

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Abstract:

In this research, the role of behavioral variables (skill, attitude, and personality) was considered on employee empowerment in Karafarin bank. In order to research in this particular subject, some questionnaire provided and distributed among 120 employees and managers in Karafarin bank. Each of behavioral variables effectiveness on employee empowerment considered with utilizing stepwise regression after information gathered. Results of research indicated that behavioral variables (skill, attitude, and personality) have positive and significant effectiveness on employee empowerment, and personality among considered behavioral variables is most effective item on employee empowerment.

Keywords: employees' empowerment, skill, attitude, personality

Introduction

The history of the first definition presented about the term "empowerment" is referred to the year of 1788, in that year, empowerment deemed as empowering the individual's organizational role. Such an authority should be given to that individual in his organizational role (Aghayari, 2004). Generally and by examining researches on this basis, empowerment is categorized in three classes: 1- empowerment as giving authority, 2- empowerment as giving motivation and 3- empowerment based on two mechanical and organic approaches (Blanchard et al, 2003; Foy, 2005). Therefore, as we can see, empowerment is considered as giving decision making authority to employees in order to increase their performance and helpful organizational role. But nowadays this concept of empowerment expands and empowerment is considered more than just giving power or authority to employees; but it is a process in which employees learn related knowledge, skill and motivation to improve their performance. So empowerment is a process that includes high-level management to the lowest rank of the organization.

Although Whetten and Cameron defined empowerment as giving power to employees, meaning to help them strengthen their confidence, overcome their weaknesses and also to give them energy and motivation to do their best (Whetten and Cameron, 2004). They also noted that: empowerment is not just giving a power to personnel. Power and empowerment aren't the same, the one who is empowered should meet the required ability to have the power (Whetten and Cameron, 2004). Therefore, there is a bilateral relation between empowerment and merely giving power or authority. Some of scientists consider empowerment as the process of increasing feeling of self-efficiency by means of identifying and eliminating conditions cause employees unable to reach high performance (Conger and Kanugo, 2005). Empowerment would also help ones increase their motivation to fulfill their tasks by strengthening feeling of self-efficiency (Abdollahi and

Navehebrahim, 2006). Some research indicated that there are important relationships among employees enabling variable and all structural, behavioral and contextual variables (Javanmard and Havasi, 2013).

Empowerment model can be summarized into four following stages (Conger and Kanugo, 2005):

First stage: includes identifying and eliminating conditions cause individuals to feel hopelessly powerless. These factors include organizational changes, organizational structure, organizational reward system and job nature.

Second stage: applying management techniques and solutions or management empowerment. This solution includes participatory management, organization collision avoidance system, organization reward system based on individual's competency and job enrichment.

Third stage: utilizing efficient information resources. These resources would help empowerment activities mentioned in second stage, be effective.

Fourth stage: getting the experiences of employees with the help of empowerment process.

The above stages would strengthen feeling of empowerment or self-efficiency of managers and subordinates. Scientists recently present and develop new definitions of empowerment adding psychological approach. For instance, Thomas and Velthouse believed: psychological empowerment, as a set of cognitive scopes, is a motivation which in addition to self- efficiency, includes the other three scopes. These three scopes include: choice right (right to choose autonomously), feeling efficient and effective (Thomas and Velthouse, 2006). Spritzer added one another dimension to the concept of empowerment which includes feeling competency and self-sufficiency (Spreitzer, 2006). One of triple dimensions of empowerment , is the empowerment dimension based on two mechanic and organic approaches. Fox explains empowerment considering these two approaches. In his opinion, considering mechanic approach, empowerment is: delegating responsibilities and accounting for taking the results. But in organic approach, empowerment is about risks, growth, change, understanding employee's needs, method of making employees feel empowered, team-building in order to encourage teamwork participations, encourage to intelligent risk-taking and increasing trust. In his opinion, the efficient state is yielded in combination of those two approaches in organization (Fox, 2006).

By examining and analyzing researches conducted about human resources empowerment and concluding what was said above, three models (Conger and Kanugo, 2005) or viewpoints are extracted regarding empowerment:

First viewpoint is an intellectual viewpoint expressing to share power with subordinates (here, power means organizational authority), giving power or authority, lack of concentration in decision making, emphasizing on participatory management, quality cycles, self-managed teams and bilateral targeting in the condition that the follower shows inclination and interest to participate and take responsibility.

Second viewpoint is stimulation viewpoint; need to acquire power which is an internal state to acquire authority and control over others, is considered as base of empowerment.

Third viewpoint is extra-stimulation viewpoint, making intrinsic job motivation by provisioning the environment and appropriate related channel to transfer motivation for self-effective feeling and more energy, this presents more theoretical viewpoint for empowerment. Each of three abovementioned viewpoints has weak and strong points. Therefore, we can consider more comprehensive viewpoint which in addition to strong points, includes variables and parameters of all three viewpoints together and excludes weakness points of those viewpoints. This viewpoint from which the main model of this study is extracted, can be introduced as the appropriate systemic viewpoint. Systemic model includes three branches (Javanmard and Havasi, 2013):

- Structure-included branch: organizational structure, job designing and reward system
- behavior-included branch: skill, attitude and personality
- context-included branch: organization atmosphere and culture

In this study we are examining the effect of behavior branch variables on Bank Karafarin employees' empowerment with use of a regression model.

Literature review

One research indicated that there are important relationships among employees enabling variable and all structural, behavioral and contextual variables (Javanmard and Havasi, 2013).

Empowerment in human resource management performs as a mediating variable in the relationship between transformational leadership and organizational commitment and performance in the organizational sample (Ismail et al, 2011). Employees who feel more empowered in terms of competence and control so that they are motivated to have a more favorable assessment of organizational reputation (Linjuan, 2010).

The findings reveal that there is a relationship between empowerment and employee performance so empowerment has a strong impact on employee performance. When employees are empowered with autonomy, freedom and opportunities in order to influence decision making in their jobs or organization, their commitment will enhance effectively greatly (Chen, 2011).

Empowerment when utilized properly can create tremendous benefits for the property. In order to decline costs significantly in an organization, it is critical to pave the way to implement empowerment dimension which leads to improved employee retention (Chen, 2011).

Another study showed a major positive relationship between employees' empowerment and their commitment to organization (Nazim, 2013).

In order to have confidentiality that employees feel empowered, factors such as communication, coaching, participation, training and reward should be given due attention by the management therefore an empowered employee is a knowledgeable worker (Kartinah and Chung, 2010).

Personality has "Big Five" dimensions that they include: openness to experience, conscientiousness, extraversion/introversion, agreeableness, and neuroticism/emotional stability (Phipps and Prieto, 2011)

Another study demonstrated that there is a direct relationship between attitude and employee performance so attitude can enhance employee performance (Abbas and Yaqoob, 2009).

Highly compromised and skilled employees play an important and critical role since they have possibility and ability to respond promptly (Siering and Pahlke, 2013).

Methodology

The research method is applicable from the viewpoint of goal, descriptive from the viewpoint of performing method and is of Traversal Branch. The main tool to gathering information for this study is utilizing a questionnaire made by the researcher. Statistic community of this research is all employees and managers in Karafarin Bank of Iran. The amount of the samples were 120 numbers according to Cochran formula. Validity and reliability of the questionnaire are confirmed respectively by utilizing Delphi and Cronbach Alpha coefficient.

Research hypotheses

Considering behavior dimensions of empowerment, three hypotheses are defined as follows:

- There is a meaningful relation between Bank Karafarin employees' skills and empowering them.

- There is a meaningful relation between Bank Karafarin employees' attitude and empowering them.
- There is a meaningful relation between Bank Karafarin employees' personality and empowering them.

Results

Each of variables in spearman method which has the highest effect on the dependent variable (employees' empowerment), first would be considered as first independent variable and then in continue, a variable which is recognized as second-ranked of affectivity, would be entered into the equation, this method repeats until entering new variable would be considered meaningful. Following table shows rank correlation (r) and affectivity rank of each independent variables toward dependent variable:

Table (1) Independent variables coefficient toward employees' empowerment in Spearman method

Independent variables	Correlation coefficient (r)	Sig. (2-tailed)	Affectivity rank
Employee's skills	0.416	0.018	2
Employee's attitude	0.126	0.008	3
Employee's personality	0.513	0.013	1

Now, with the use of stepwise correlation method, value of Karafarin bank employees' empowerment are computed according to triple independent variables as follows:

First step: entering employees' personality variable to the model:

Employees empowerment = 4.29 + 0.523 (employees personality)

The value of determining coefficient, R^2 , is estimated at 0.442 which shows that 44 percent of employee empowerment variable changes can be predicted with the use of employee personality.

Second step: entering employees' skill variable to the model:

Employees empowerment = 3.88 + 0.493 (employees personality) + 0.398 (employees skill)

Value of determining coefficient, R^2 , is estimated at 0.519 which shows that 52 percent of employee empowerment changes could be predicted by means of employee personality and skill.

Table (2) Complimentary information of estimated models in stepwise regression method

Step	Variable	Coefficient	Standard deviation	t-value	R^2	Sig
1 st	Constant No.	4.29	1.329	4.84	0.442	0.00
	Employee personality	0.523	0.077	5.46		0.00
2 nd	Constant No.	3.88	1.132	3.41	0.519	0.00
	Employee personality	0.493	0.089	7.48		0.00
	Employee skill	0.398	0.342	4.32		0.00
3 rd	Constant No.	3.12	1.321	4.91	0.609	0.00
	Employee personality	0.486	0.145	3.19		0.00
	Employee skill	0.344	0.117	3.85		0.00
	Employee attitude	0.104	0.169	2.99		0.00

Third step: entering employees' attitude variable to the model:

Employee empowerment = 3.12 + 0.486 (employee personality) + 0.344 (employee skill) + 0.104 (employee attitude)

Value of determining coefficient, R^2 , is estimated at 0.609 which means that 61 percent of employee empowerment changes could be predicted by means of employee personality and skill and attitude.

Complimentary information of the above models, coefficients, standard deviation of coefficients, values of t and variables Sig, are shown in table 2.

Therefore, computations related to stepwise regression method, indicates meaningfulness of explanatory variables: personality, skill and attitude of employees have direct relation with employee empowerment. Coefficient of the above independent variables in the estimated equation, shows that with increasing and improving the level of personality, skill and attitude of employees, empowerment level of employee increases implying that managers should take it into consideration that these four variable play important roles in improving empowerment level of employees of the bank. To quantify this relation, considering that coefficient of personality variable of employees in equation is 0.486, therefore, with increasing the personality level of employees for one unit, value of employee empowerment would increase to 48.6 percent. As for other explanatory variables: with increasing skill level of employees for one unit, employee empowerment would increase to 34.4 percent and with increasing employee attitude for one unit, employee empowerment would increase to 10.4 percent.

The interesting thing about this study is that results of methods and student's t-test, spearman and regression meaningfulness coefficient and stepwise regression in accepting or rejecting research hypothesis, ranking and determining the importance coefficient of effective triple importance variables for employee empowerment, are completely compatible and have meaningful relation with each other. This indicates high validity, accurate results and explanations of this study.

Table (3): Output of ANOVA test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2518.703	3	839.568	4.162	.008 ^a
	Residual	23401.147	116	201.734		
	Total	25919.850	119			

a. Predictors: (Constant), X_3 , X_1 , X_2

b. Dependent Variable: Y

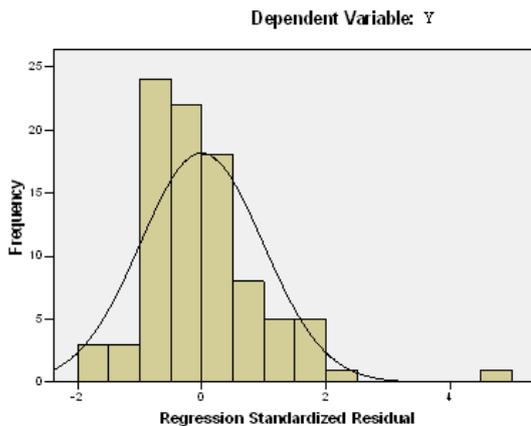


Figure (1) Normality of Residuals

Errors distribution (Residuals) should have normal distribution

For examining this hypothesis, standard normal diagram of errors should be considered. In normal distribution, mean is 0 and standard deviation is 1. If errors don't have normal distribution, then logarithm of these variables are almost equal to the variables itself and can be used instead.

Collinearity hypothesis

Collinearity is a property in which one independent variable is a function of another independent variable. In the research, we are looking for this property. Since high and seemingly appropriate determining coefficient, yields spurious regression, then it is essential to examine collinearity test; in order to examine collinearity, correlation between independent variables with each other should be examined.

Collinearity test:

H₀: there is no collinearity (there is no internal correlation)

H₁: there is collinearity (there is internal correlation)

More tolerance of variables results better regression. More variance inflation factor yields inappropriate regression for prediction.

Table (4) output of Collinearity test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	38.268	8.007		4.779	.000		
X ₁	.293	.097	.271	3.015	.003	.963	1.038
X ₂	-.096	.086	-.101	-1.118	.266	.959	1.043
X ₃	.135	.082	.146	1.644	.103	.989	1.011

a. Dependent Variable: Y

Autocorrelation between errors:

If the Durbin-Watson statistic is between 1.5 and 2.5, then H₀ is accepted, meaning the regression is able to use. In order to solve autocorrelation problem, dependent variable is placed into model within a hold time (previous year) or the first subtraction of all variables can be used to solve the problem.

H₀: lack of correlation between errors

H₁: correlation between errors

Table (5) output of correlation between errors

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.780 ^a	.609	.588	7.20331	1.700

a. Predictors: (Constant), X₃, X₁, X₂

b. Dependent Variable: Y

Considering that Durbin-Watson statistic is 1.7 and between 1.5 and 2.5, therefore autocorrelation between errors is rejected.

Conclusions

Employee empowerment in an organization means that employees learn knowledge, skill and motivation to meliorate their performance therefore empowerment process contains high-level management to the organization lowest rank. The data collection method of the research was a

questionnaire, and questionnaires were distributed among employees and managers in Karafarin Bank of Iran. In sperman method, three independent variables (skill, attitude, and personality) were determined based on their rank associated with one dependent variable (employee empowerment). In order to calculate value of Karafarin bank employees' empowerment, stepwise correlation method was expended. As conclusion, for making decisions and strategies, managers should pay attention to particular point that significance relationship not only exists between personality and employee empowerment but also attitude and skill have positive relationship with employee empowerment. According to this particular point, significance of these three behavioral variables on employee empowerment level promotion is not negligible. The research independent variables coefficients were estimated in the formulation therefore they indicated that employee empowerment has a direct relationship with skill, attitude and particularly personality.

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