

Effect of Psychological Empowerment on Commitment of Employees: An Empirical Study

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Abstract. Relationship between psychological empowerment and organization commitment was empirically studied. Empowerment is granting power or enabling people to exercise power. Organizational commitment is understood as individual's identification with and involvement in the organization. The study was conducted on employees from the service industry. Results showed that psychological empowerment led to commitment at workplace.

Keywords: Psychological empowerment, organizational commitment, continuance, normative, affective.

1. Introduction

Organizations are continuously upgrading their technology, processes, and systems to cope with competition and challenging environment. Empowerment of employees and generating organizational commitment among them is perceived as going a long way in differentiating one organization from the rest. The present paper attempts to explore the relationship between psychological empowerment and organization commitment. It was hypothesized that psychological empowerment results in organization commitment among employees.

2. Concepts of empowerment and commitment

2.1. Psychological empowerment

Empowerment is perceived as a solution to highly regulated workplaces where creativity was stifled and workers were alienated, showing discontent both individually and collectively. An empowered and committed workforce is widely claimed to be essential for the effective functioning of modern organizations [1]-[7]. Empowerment is on taking responsibility of work and related activities [8]. It is a motivational process of being enabled.

In the organization empowerment reflects an active work orientation in which an individual wishes and feels 'able' to shape his or her work role or context [9] This feeling of empowerment has been proposed and found to facilitate commitment of workers in organization [10]-[11] and is termed as psychological empowerment[12]. It is defined as increased task motivation manifested in four cognitions: meaning, competence, self-determination and impact [13]. Meaning reflects the degree to which an individual believes in and cares about work goals and purpose Competence refers to the self-efficacy specific to work and is rooted in individual's belief in his or her knowledge and capability to perform task activities with skill and success. Self-determination represents the degree to which an individual feels causal responsibility to work related actions, in the sense of having choice in initiating and regulating actions [14]. Impact is the experience of having an influence on strategic, administrative or operating outcomes at work to make a difference [15]. Together these four concepts combine additively to give the construct of psychological

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empowerment. Empowered employees are assumed to feel increased intrinsic work motivation and have a proactive rather than a passive orientation to their work roles.

2.2. Organizational commitment

Organizational commitment is defined as an individual's identification with and involvement in the organization, characterized by a strong belief in and acceptance of the organization's goals and values, and a willingness to exert considerable effort on behalf of the organization [16]. Scholars [17] have proposed three components of commitment: continuance, normative and affective. Continuance commitment implies awareness to the costs incurred when leaving an organization, and those with this primary link stay because they have to. Normative commitment implies a feeling of obligation to stay with the organization, resulting in one's feeling he or she ought to stay. Affective commitment refers to the employee's emotional attachment to, identification with, and involvement in the organization.

2.3. Empirical studies linking psychological empowerment and organizational commitment

Feelings of empowerment have been proposed and found to facilitate workers' commitment to the organization [18]. These studies show that psychological empowerment evokes organizational commitment because:

A meaningful job provides a suitable fit between the requirements and purposes of one's organizational work roles and one's personal value system

A sense of competence gives workers the belief that they are able to perform their work roles with skill and success, stimulating them to exert considerable effort on behalf of the organization

Self-determination gives workers control over their work and a voice in work-related decision processes, leading to enhanced involvement in the organization

Having impact facilitates workers' possibilities to participate in shaping the organizational system in which they are embedded.

Team empowerment also leads to higher levels of commitment in the organization [19]. Likewise number of other studies also showed that organizational commitment bears a strong relationship to employee empowerment [20]-[28]. Another study [29] showed that organizations that are able to attract and retain employees despite challenging economic conditions had employees involved in decision-making process especially those which affected them. They had more autonomy and control over their jobs and enjoyed better relationships with superiors. This was described as structural empowerment. A related study [30] showed positive relationships between employees' organizational commitment and top management actions such as allowing employee influence in decision making and supporting employee efforts, which are consistent with the components of empowerment. Based on the above discussion it is hypothesized that:

1a Psychological empowerment influences continuance commitment

1b Psychological empowerment influences normative commitment

1c Psychological empowerment influences affective commitment

3. Research design

3.1. Sample:

Sample consisted of 133 working professionals from the Service Industry covering Information Technology (IT), Information Technology enabled services (ITes), and Financial Services (Banks and Insurance). The sample consisted of 102 male and 31 female respondents. Their work experience was as follows: 88 respondents had upto 5 years of experience, 22 had between 6 to 10years of experience, 6 had between 11 to 15 years of experience, 10 had between 16 to 20 years of experience, 2 had between 21 to 25 years and 3 had between 26 to 30 years of experience. The respondents were either graduates or post graduates.

3.2. Instruments used

Psychological empowerment was measured by instrument developed by Spreitzer (1995). Organization Commitment was measured by instrument developed by Meyer, Allen, and Smith (1993).

4. Result and analysis

Tables 1 and 2 show Eigen value, variance and reliability of the scales used (exploratory factor analysis) rotated to varimax criterion.

PE scale	Factors			
	self determination	Impact	Meaning	competence
Eigen Value	3.39	2.05	1.69	1.20
percentage of variance explained	28.24	17.10	14.11	9.97
cumulative percentage of variance explained	28.24	45.35	59.45	69.42
Cronbach Alpha (0.76)	0.81	0.82	0.77	0.64

Extraction Method: Principal Component Analysis, Rotation Method: Varimax with Kaiser Normalization. a Rotation converged in 6 iterations.

	Factors		
	Normative	Affective	Continuance
Eigen Value	4.72	3.04	1.69
percentage of variance explained	26.21	16.90	9.39
cumulative percentage of variance explained	26.21	43.11	52.51
Cronbach Alpha (0.68)	0.66	0.65	0.76

Extraction Method: Principal Component Analysis, Rotation Method: Varimax with Kaiser Normalization. a Rotation converged in 6 iteration

The regression analysis with psychological empowerment and its sub dimensions as predictor variables and dimensions of organization commitment as criterion variables (Table 3) shows that psychological empowerment explains 3% of continuance commitment ($R^2=0.03$, $F = 4.491$, $p \leq 0.05$), 9% of affective commitment ($R^2 = 0.09$, $F = 0.297$, $p \leq 0.05$) and 2% of normative commitment ($R^2 = 0.02$, $F = 0.562$, $p \leq 0.05$) commitment. When sub dimensions of psychological empowerment are taken as predictor variables then continuance commitment is explained by competence ($\beta=2.12$, $t=-0.27$, $p \leq 0.05$), and self determination ($\beta=-0.31$, $t=-3.47$, $p \leq 0.001$). Affective commitment is explained by meaningfulness ($\beta=0.10$, $t=1.01$, $p \leq 0.05$) and self determination ($\beta=0.10$, $t=1.02$, $p \leq 0.05$). Normative commitment is explained by meaningfulness ($\beta=0.14$, $t=1.53$, $p < 0.05$). All the four sub dimensions together explain 10% of continuance commitment ($R^2 = 0.10$, $F=3.54$, $p \leq 0.001$) and 13% of affective commitment ($R^2=0.13$, $F=0.568$, $p \leq 0.05$).

Table 3: Regression analysis with psychological empowerment (PE) and its sub dimensions as predictor variables and dimensions of organization commitment and criterion variables (CV).

CV	Sub dimensions of empowerment as Predictor Variables									
OC continuance	PE (Predictor Variable)		Meaning		Competence		self determination		impact	
	beta	t-values	beta	t-values	beta	t-values	beta	t-values	beta	t-values
	-0.18	2.12*	0.04	0.41	2.12	-0.27*	-0.31	-3.47***	0.04	0.41
	$R^2=0.03$		$R^2 = 0.10$							
	$F = 4.491^*$		$F = 3.54^{***}$							
OC Affective	PE (Predictor Variable)		Meaning		Competence		self determination		impact	
	beta	t-values	beta	t-values	beta	t-values	beta	t-values	beta	t-values
	0.27	0.09*	0.10	1.01*	-0.04	-0.46	0.10	1.02*	-0.01	-0.13
	$R^2=0.09$		$R^2 = 0.13$							
	$F = 0.297^*$		$F = 0.568^*$							

	PE (Predictor Variable)		Meaning		Competence		self determination		impact	
	beta	t-values	beta	t-values	beta	t-values	beta	t-values	beta	t-values
OC	0.12	1.41*	0.14	1.53*	0.01	0.11	0.04	0.39	-0.01	-0.11
Norm	R ² = 0.02		R ² = .023							
ative	F = 0.562*		F = .747							

N= 133,*p≤0.05, **p≤0.01, ***p≤0.001

5. Discussion

In the present study effect of psychological empowerment on commitment level of employees was studied. The study showed that psychological empowerment significantly influenced all three forms of commitment. While studying the impact of sub dimensions of empowerment on commitment dimensions it can be seen that all factors together influenced continuance and affective commitment and not normative commitment. Since psychological empowerment leads to feeling of being enabled from within (as a result of culture, and management practices) continuance commitment becomes strong. Empowerment also gives power of decision making to employees. This results in employees owning their work which causes both affective and continuance commitment. Spreitzer, (1996) showed that dimensions of psychological empowerment contributed to employee commitment. A meaningful job provides a suitable fit between the requirements and purposes of one's organizational work roles and one's personal value system. Meaningfulness showed significant relationship with affective and normative commitment. Competence was significantly linked to continuance commitment. A sense of competence gives workers the belief that they are able to perform their work roles with skill and success, stimulating them to exert considerable effort on behalf of the organization. Self determination was significantly related to affective and continuance commitment. Self-determination gives workers control over their work and a voice in work-related decision processes, leading to enhanced involvement in the organization. The impact dimension did not significantly explain any commitment. Further studies are required to study what factors moderate the relationship between empowerment and commitment

The study is useful in handling employee engagement initiatives, loyalty at work and attrition issues.

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