

# Driving on Different Roads of Empowerment; Case Study of two Business Schools

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**Abstract.** University of Peshawar is the largest university in the northern region of Pakistan. It has a unique history, where five of its departments got autonomy and were awarded degree awarding (University) status. In most cases this autonomy was granted under the pretense of employee empowerment. The purpose of this study is to examine if any real employee empowerment has taken place in these new universities. And if so, did this empowerment take the same evolutionary path as its parent institute or did they adopt some new route. To this end, one such new degree awarding institute was compared with an existing department of the University of Peshawar. A mixed – methodology was used where a series of interviews was carried out, followed by a questionnaire survey. The results show that the condition of empowerment has not been met sufficiently in the new institute. Though, both the institutions follow different paths to empowerment, they are still strongly rooted in the culture of their parent institute.

**Keywords:** Empowerment, Human Resource, Management, Business School, University.

## 1. Introduction

Established in 1950, University of Peshawar is the largest university of the north-western province of Pakistan. It has not only shown growth in terms of the graduates it has produced but has also followed the same lead in number of Universities it has parented. So far, five (5) of its constituent bodies (departments, colleges and institutes) have attained degree awarding (University) status, these are [1]:

- Engineering College was awarded degree awarding/university status is 1980, and was re-named University of Engineering and Technology (UET), Peshawar.
- Agriculture College was awarded degree awarding/university status is 1981, and was re-named NWFP University of Agriculture (NWFP-AU), Peshawar.
- Institute of Management Sciences was awarded degree awarding/university status is 2002 and was re-named Institute of Management Sciences (IMSciences), Peshawar.
- Khyber Medical College was awarded degree awarding/university status is 2007, and was re-named Khyber Medical University (KMU), Peshawar.
- Islamia College was awarded degree awarding/university status is 2008, and was re-named Islamia College University (ICU), Peshawar.

In almost all cases the reason quoted for the demand of such an independent status was lack of employee empowerment that either affected the service quality or hindered the growth of these constituent bodies. There is empirical evidence to suggest that empowerment leads to improvement in service quality [2], [3]. So it was argued that giving degree awarding status to the said bodies would enable them provide better services. In other cases, these bodies have shown tremendous growth e.g. at IMSciences the Number of enrolled students has increased from 180 to over 2000 just within a decade [4].

The objective of this paper is to test the validity of the argument that granting these institutes autonomous status lead to employee empowerment. And if such empowerment has taken place, did it follow the tradition of the parent institute or did it adopt some new evolutionary path. For this purpose the case of Institute of Management Sciences (IMSciences) and IMS has been followed.

In 1995, University of Peshawar decided to combine Public Administration and Business Administration degrees into a single department by the name of Institute of Management Sciences, which was then called

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IMS. Within a short span of five (5) years IMS became the premier business school of the region. To facilitate further growth of IMS, it was decided to establish a separate campus for it. For this purpose 8.75 hector land was acquired in the outskirts of the city. With unprecedented success, and soon to be built building, the then faculty, staff and management asked for more autonomy and a stronger role in decision making.

This claim for empowerment started a rift between IMS and the University; that led to the eventual complete autonomy of IMS and creation of IMSciences. At the same time, University of Peshawar established a new business school with the name of Institute of Management Studies with the same abbreviation of IMS. The employees and students were given a choice to select either of the institutes.

## **2. Literature Review**

### **2.1. Employee Empowerment**

There is a plethora of research on the still debated issue of Employee Empowerment. As noted by experts employee empowerment means more than delegation [5]. There are three predominant schools of thought in management about the nature and sources of empowerment. Some scholars have equated empowerment to job related decision making and consider it a structural function [6] whereas, other view it as more in depth involvement with job and the organization and consider it a cultural function[7]. Yet another group of scholars consider it a mental construct with motivational and personal function [8], [9]. The more assessable school of thought believes it to an element of organizational culture, where it helps employees to realize their potential.

Due to the ease of measurability of taking empowerment as an element of culture, most researchers prefer to use this understanding of the concept. Randolph and Blanchard prefer definition is “*Empowerment is the creation of an organizational culture that releases the knowledge, behaviour, experience, talent and motivation that resides in the people* [10].” Therefore, empowering employees is more a matter of creating an enabling environment, where they can completely utilize their creative energies.

### **2.2. Dimensions of Empowerment**

The main dimensions of an environment that enables employee empowerment are as follows:

- *Initiative*: Initiative can be taken at two levels: first, the employee should be able to improve his/her own task and second, he/she should be able to take action to contribute to group efficiency.
- *Responsibility*: It has been described as the leader’s “*tolerance of freedom*” towards the independent decision making [11]. In an enabling environment employees are encouraged to take decisions, own the outcomes and held responsible for the results.
- *Innovation*: In context of empowerment, the employee’s ability to come up with better solutions and being able to implement those solutions can be term as innovation [12]. Innovation mostly displays itself in employees’ response to customer service and dealing with affairs of their own job [13].
- *Enthusiasm*: The employee’s willingness to put extra effort [14] and forego certain types of rewards [15] for the sake of organization makes up the enthusiasm dimension of empowerment.
- *Reward System*: Salary and Promotion are the two main elements that constitute a reward system. In an empowering environment the reward system is performance based [16] and considered justified against the work done.

## **3. Methodology**

A mix (quantitative and qualitative) method approach was used for the study. The same approach was applied by Ely (1995) in similar conditions [17]. Mix method has the advantage of both the quantitative and qualitative methods while covering their respective short comings. Three (3) senior faculty members were interviewed to get a qualitative overview of the issue from each institute. All the faculty members were present at the time of splitting and were offered a choice to go to either institute. Quantitative data was collected through a questionnaire developed by Tromp (2007), and was used with the permission of the author [18]. Due to the small population of the employees in both the organizations, questionnaire data was

collected from a sample of thirty four (34) respondents split equally between both institutes. Respondents were selected from all levels ranging from clerical staff to faculty members.

For the analysis of interviews Walker et al (2008) method of building themes was used [19]. Due to the small sample size, non-parametric tests were applied to the questionnaire data. Mann Whitney U Test) was applied using SPSS 16 software package.

#### 4. Analysis

Given below are interview responses and their qualitative analysis.

Question 1: How was your organization and its employees affected though the splitting?

Table 1: Responses to the Interview question “How was your organization and its employees affected by the Splitting?” and theme developed.

<b>IMSciences Respondent 1:</b> <i>For IMSciences the affect is good as we got autonomy for the institute and self recognition.</i>
<b>IMSciences Respondent 2:</b> <i>IMSciences enjoying autonomy, making and implementing their own decisions, employees are satisfied and getting talented staff and producing better education in the market. Affects are excellent for IMSciences.</i>
<b>IMSciences Respondent 3:</b> <i>IMS has achieved what was planned and affects are wonderful for IMSciences.</i>
<b>IMS Respondent 1:</b> <i>For University of Peshawar no affects at all and for IMSciences may be its good.</i>
<b>IMS Respondent 2:</b> <i>This created competition and more opportunities for the students.</i>
<b>IMS Respondent 3:</b> <i>The results are good IMSciences, achieved what they wanted and for University of Peshawar there is no such affect at all.</i>
Theme: IMSciences achieved its objective i.e. its employees got empowerment whereas; there is no impact on IMS and its employee.

Table 2: Responses to the Interview question “What strategies does your institute follow to empower its employees?” and theme developed.

<b>IMSciences Respondent 1:</b> <i>There is no formal strategy for employees but coordinators are fully empowered in their area of work, they have both written and spoken role description to practice their expertise.</i>
<b>IMSciences Respondent 2:</b> <i>The institute is motivating employees to empowerment by starting new projects and giving the responsibilities to the employees, introduction of HRDC.</i>
<b>IMSciences Respondent 3:</b> <i>No such strategies for employees.</i>
<b>IMS Respondent 1:</b> <i>No formal strategy is followed over here.</i>
<b>IMS Respondent 2:</b> <i>No Such strategy for empowerment.</i>
<b>IMS Respondent 3:</b> <i>No strategy for empowerment.</i>
Theme: No formal system of empowerment is implemented in both the organizations and all the empowerment is derived from different elements of organization and its culture.

Table 3: Mann-Whitney U test score for Initiative, Responsibility, Innovation, Promotion, Salary Change and Enthusiasm

	Initiative	Responsibility	Innovation	Promotion	Salary Change	Enthusiasm
Mann-Whitney U	112.000	118.500	144.500	104.500	136.000	95.500
Wilcoxon W	248.000	271.500	297.500	257.500	289.000	215.500
Z	-.951	-1.067	0.000	-1.698	-.477	-1.257
Asymp. Sig. (2-tailed)	.342	.286	1.000	.090	.633	.209
Exact Sig. [2*(1-tailed Sig.)]	.402**	.375**	1.000**	.260**	.786**	.230**

The non-parametric Mann – Whitney U Test shows that there is significant difference across all dimensions of empowerment i.e. Initiative, Responsibility, Innovation, Promotion, Salary Change and Enthusiasm, between the IMS and IMSciences.

Table 4: Ranks of Empowerment's dimensions for IMS and IMSciences

Intuition	Participants	Initiative		Responsibility		Innovation		Salary Change		Enthusiasm		Promotion	
		Avg. Score	Total Score	Avg. Score	Total Score	Avg. Score	Total Score	Avg. Score	Total Score	Avg. Score	Total Score	Avg. Score	Total Score
IMSciences	17	15.50	248.0	15.97	271.5	17.5	297.5	18.0	306.0	15.15	257.5	18.38	312.5
IMS	17	18.41	313.0	19.03	323.5	17.5	297.5	17.0	289.0	18.97	303.5	14.37	215.5

Test statistics shows the direction of the difference in Mann-Whitney U test ranks for both the institutes. In IMS ranks higher on Initiative, Responsibility, Innovation and Promotion; whereas, in IMSciences Salary Change and Enthusiasm are high. Both the organizations allow the same level of opportunity to their employees for innovation and positive contribution.

## 5. Discussion

Both the institutions are similar in many aspects. First, both the institution offer limited empowerment to their employees. Though, the predominant perception was that IMSciences offer higher level of empowerment to its employees. Second, as determined by the interviews, both the institutions have put limited formal effort to empower their employees. This limit in empowerment negates the basic tenet to the claim of autonomy for IMSciences and shows a continuation of the same inhibitive culture of its past.

The main difference between IMS and IMSciences was in the sources of empowerment. Empowerment in IMS comes from its culturally embedded elements such as the willingness of management to allow its employees to take initiative to solve personal and department problems. Similarly, employees are allowed to innovate on student's problems. Finally, IMS allows its employees to own their work and take independent responsibility for results. IMS also uses structural factor of promotion more as a tool of empowerment. On the other hand IMSciences empowers its employees more through structural and personal factors. On the structural front it uses rapid Salary Improvement and Pay for Performance System. On personal level, the institute encourages the employees to be more enthusiastic and to put extra effort.

## 6. Conclusion

Both the institutions share the same heritage and therefore, follow a very similar set of behaviours. Both use structural factors for empowering their employees i.e. IMS uses Promotion while IMSciences prefer salary structure. But they diverge on the rest of the factors. IMS heavily prefer cultural factors while IMSciences rely on personal factors. Therefore, it can be concluded that they may be on different lanes but the same road. In broader terms the newly established Universities may not be offering more empowering environment but they are evolving on different routes.

This study has used a limited data set to explore the issue; it may be helpful if more in depth research is carried out. Also, it will be useful to study and compare the results of other cases where one organization splintered into two or more subparts with the present finding.

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