

# An Empirical Study on the Effect of Employee Empowerment on Individual Performance

Prof. Dr. Kubilay Özyer and Abdulkadir Sinan

**Abstract**—The maintenance of operations for organizations depends on their survival under challenging market conditions. Survival of the organizations under challenging market conditions requires high quality products or services. However, providing only high-quality products or services is not sufficient. At this point, the employees of an organization play a rather crucial role. Employees are among the components that help an organization gain competitive advantage. The organizations that are aware of this fact wish to improve their staff. Previous research shows that employee empowerment practices within organizations influence employee performance. This study aims to scrutinize the effect of employee empowerment on employee performance. The study applied factor analysis to test construct validity, correlation analysis to measure the relationship between the variables, and regression analysis to measure the effect between the variables. The study found out that employee empowerment has positive effect on employee performance.

**Keywords**— Empowerment, Employee Performance.

## I. INTRODUCTION

It is very difficult for organizations whose employees do not have high performance to succeed. Organizations and managers who are aware of that individual performances are influential on achieving high organizational performance conduct employee empowerment practices so that their employees can achieve more and thus contribute to their organization more and support the organization's higher performance. It is stated in many studies that employee empowerment has many dimensions. This study deals with behavioral and psychological dimensions, which are accepted by majority. It is pointed out that employee empowerment is not something instantaneous, but a process. Performance refers to all the efforts of an organization including products, services, and values. The concept of performance is divided into two: organizational and individual performance. It should be kept in mind that each type of performance plays a role in the formation of the other type. It is acknowledged that the higher the individual performance is, the higher the organizational performance is, and vice versa. This study dwells on both individual and organizational performances. However, the focus is rather on the individual performance. The study is an attempt to evaluate employees' perceptions of individual performances.

## II. EMPLOYEE EMPOWERMENT

Employee empowerment involves practices that will strengthen "people's conviction in their own effectiveness" (Conger, 1989: 17). Corsun and Enz describe employee empowerment as a motivational process whereby employees feel more efficient (Corsun and Enz, 1999: 207).

The term "employee empowerment" is likened to the terms "participation in management", "delegation of authority", and "motivation". However, it is indicated that there are some differences between these concepts and employee empowerment. One of these differences can be stated as that employee empowerment is a more comprehensive term and that employee empowerment efforts are more difficult when compared with other practices (Koçel, 2015: 474).

There are two basic dimensions related to employee empowerment. The first is behavioral dimension involving employee empowerment taking the social-structural factors into account. The second one is psychological dimension that deals with psychological-motivational states of employees (Gürbüz et al., 2013: 792). The main focus of behavioral dimension involves the roles of managers in empowering employees (Honold, 1997: 203). On the other hand, the main focus of psychological dimension is on way duties and activities are perceived by employees (Gürbüz et al., 2013: 792).

## III. PERFORMANCE AND EMPLOYEE PERFORMANCE

The concept of performance can be described as the effort devoted to reach a specific goal. This effort denotes the process of completing the task in question between the start and the end of the task (Kutal and Büyüksulu, 1996: 125). The individual performance of an employee is defined as the outcomes of the process and the behaviours shown by the wage earner based entirely on his/her own knowledge, skills, capabilities, and motivation (Uysal, 2015: 33). The studies in the literature indicate that there are many factors contributing to the difference between individual performance levels. These factors are generally examined under four basic categories: individual factors, organisational factors, the intensity of achievement motivation, and environmental factors (Timur, 1983: 4). The suitability of tasks performed by the organisation or the personnel with the pre-determined standards is evaluated from time to time. This is also known as performance evaluation. It is stated that performance evaluation refers to a process (Jordan, 2009: 13). Another definition for performance

evaluation is given as “the qualitative and quantitative expression of the achievement level regarding the desired objective attained by a certain individual, group, or organisation performing a task” (Örücü & Köseoğlu, 2003: 22).

Defining professional standards, the results of a comparison between employee performances and standards, and the evaluation and declaration of these results are presented as the stages of the performance evaluation process (Byars & Rue, 1997: 284). There are two different types of evaluation: informal evaluation methods and formal evaluation methods. It can be seen that organisations tend to use formal evaluation methods more frequently. The evaluation of the employee conducted constantly within the context of their own working environments is described as informal evaluation while evaluations made regularly based on pre-determined standards and rules are considered to be formal evaluations (Cole, 1992: 325). The aim of performance evaluation can be stated as the determination of the value of efforts to be devoted by employees on the road to success (Canman, 1993: 165). Another author indicates the same objective as the creation of a culture to improve organisational operations along with the skills and contributions of the personnel (Bolton, 1997: 248).

#### IV. PURPOSE AND HYPOTHESIS

Having good staff today is very important for organizations. This study seeks to reveal whether employee empowerment is influential on individual performance. To this end, the purpose of the study is to answer the question: “Are employee empowerment practices of organizations a burden on them or do they play an important role in shaping individual performances?”. In compliance with the purpose of this study, an attempt is made to test the hypothesis below:

Hypothesis: Employee empowerment has a positive influence on performance.

#### V. THE RESEARCH POPULATION AND SAMPLE

The study was conducted in January 2018 in three branches of a private hospital located in Ankara province. 247 survey forms were distributed in total for the study. 211 of them were returned. The sample of the study consists of employees who returned the survey forms. These employees are nurses and medical officials.

#### VI. SCALES USED IN THE STUDY

The first four questions in the survey form which was prepared for this study was asked to measure performance. These questions were adapted from the questions in a study entitled “Beyond Self-Management: Antecedents and Consequences of Team” by Kirkman and Rosen (1999) and another study entitled “Creating an Empowering Culture: Examining the Relationship Between Organizational Culture and Perceptions of Empowerment” by Sigler and Pearson (2000). The 5th question and the following questions were adapted from the questions in a questionnaire named “Conditions for Work Effectiveness Questionnaire-II” by Laschinger.

#### VII. RELIABILITY ANALYSIS

Cronbach’s alpha value should be taken into consideration within the context of reliability test results. It is stated that this value must be over 0.70 in order for the scale to be reliable (Gürbüz and Şahin, 2015: 158).

Reliability analysis was performed via SPSS to reveal to what extent the survey is reliable. The two variables under the study were analysed separately. The analysis results are below:

TABLE I. RELIABILITY TEST RESULTS

Scale	Cronbach’s Alpha ( $\alpha$ )	The Number of Attributes
Employee Empowerment	0.891	15
Performance	0.860	4

There are 16 attributes in the employee empowerment scale. However, it is possible to have a reliable analysis only when one of the attributes is excluded. Therefore, the employee empowerment scale was finalized with 15 attributes. The scales shown in the above table have  $\alpha$  values of .891 and .860 respectively. Thus, they are above the reliability level.

#### VIII. FINDINGS REGARDING DEMOGRAPHIC CHARACTERISTICS

Table 2 shows demographic characteristics of participants.

TABLE II. FINDINGS REGARDING DEMOGRAPHIC CHARACTERISTICS

Demographic Characteristics	n	%	Demographic Characteristics	n	%
<i>Sex</i>			<i>Marital Status</i>		
Male	78	36. 0	Single	98	46. 4
Female	13	64. 0	Married	11	53. 6
<i>Educational Background</i>			<i>Age Range</i>		
Middle School	9	4.3	19 – 25	66	31. 3
High School	66	31. 3	26 – 32	73	34. 6
Associate’s/Bachelo r’s Degree	12	58. 8	33 – 39	46	21. 8
Postgraduate	12	5.7	40+	26	12. 3

As shown in Table 2, 64% of the participants (135 people) are female; 53.6% (116 people) are married; 58.8% (124 people) have associate's/bachelor's degrees; and 34.6% (73 people) are aged between 26 and 32.

#### IX. CORRELATION ANALYSIS AND THE FINDINGS

Bivariate correlation analysis was employed to test the hypothesis of the study and to reveal whether there is a relationship between employee empowerment and performance. The analysis table is below:

TABLE III. CORRELATION ANALYSIS ON EMPLOYEE EMPOWERMENT AND PERFORMANCE

		Employee Empowerment	Performance
Employee Empowerment	Pearson Correlation	1	.504
	Significance (Sig. 2-t.)		.000
Performance	Pearson Correlation	.504	1
	Significance (Sig. 2-t.)	.000	

The correlation table of the employee empowerment and performance variables shows that the significance value is .000. As this value is lower than .05, correlation analysis between the variables is significant. The relationship between the two variables is positive and the correlation coefficient is .504 ( $0.3 < r \leq 0.7$ ), which indicates a medium level.

#### X. REGRESSION ANALYSIS AND THE FINDINGS

The existence of a relationship between the two variables indicates that these two variables are convenient for regression analysis. In the regression analysis, employee empowerment was considered as the independent variable while performance was taken as the dependent variable. The table below shows the analysis results:

TABLE IV. REGRESSION ANALYSIS ON REPUTATION MANAGEMENT AND PERFORMANCE

Independent Variable	Dependent Variable: Performance				
	R <sup>2</sup>	F value	Standard Beta ( $\beta$ )	t value	p value
Employee Empowerment	.254	70.998	.504	8.426	.000

The significance rate of the analysis shows that analysis results are significant. In this analysis, employee empowerment explained performance at a rate of 25.4%. In other words, employee empowerment makes up 25.4% of performance. In addition, employee empowerment has a statistically positive influence on performance. The analysis shows that as the perception of employee empowerment increases by 100 units,

the perception of performance increases by 50.4 units. This result confirms the hypothesis. Employee empowerment has an effect on performance.

#### XI. CONCLUSION

Today, organizations must have good employees to survive in their sectors and to make more income. Attracting good employees to organizations may never have been as difficult as today. Some employees no longer confine themselves to only a good income, good working conditions or good benefits, and other positive features like these. Organizations' supporting, encouraging, and rewarding their employees and other positive situations like these attract potential employees to organizations. Previous studies in the literature show that one of the elements influencing individual performances of employees in organizations is employee empowerment. Employees feeling empowered are likely to perform better. The analyses conducted within this study yielded statistical results that support this argument. For this reason, if organizations continue to work on employee empowerment, they can obtain positive results. The question "Are employee empowerment practices of organizations a burden on them or do they play an important role in shaping individual performances?" was attempted to be answered in this study.

The hypothesis of this study "Employee empowerment has a positive influence on performance" was initially tested through correlation analysis. As a result, a medium level positive relationship was detected between employee empowerment and performance. In other words, as employees' perception of empowerment increases, so do their perceptions of performance. As regression analysis could be performed between the two variables with a relationship, regression analysis was employed to measure the effects of the variables on one another. Regression analysis results show that employee empowerment explains performance at a rate of 25.4%. Moreover, reputation management influences performance at a rate of 50.4% based on the beta value in the table. In other words, employee empowerment efforts of organizations influence the performance of organization employees in a positive way. Based on the analysis results, it is believed that if organizations perform employee empowerment practices, this will help their employees demonstrate a better performance.

This study was conducted with data only from three branches of an organization. Similar studies within the context of other sectors that cover a wider sample may produce better results.

#### REFERENCES

- [1] Bolton, T. (1997). *Human Resource Management: An Introduction*. Massachusetts: Blackwell Publishing.
- [2] Byars, L. L. ve Rue, L. W. (1997). *Human Resource Management*. Chicago: Richard D. Irwin Inc.
- [3] Canman, A. D. (1993). Personelin Değerlendirilmesinde Çağdaş Yaklaşımlar ve Türkiye'de Kamu Kesimindeki Uygulama. *Amme İdaresi Dergisi*. 26/1: 159 – 184.
- [4] Cole, G. A. (1992). *Management Theory and Practice*. London: TJ International Publishing.
- [5] Corsun, D. L. and Enz, C. A. (1999). Redicting Psychological Empowerment Among Service Workers: The Effect of Support-Based Relationships. *Human Relations*. 52/2: 205 – 224.

- <https://doi.org/10.1177/001872679905200202>
- [6] Gürbüz, G., Kumkale, İ. and Oğuzhan, A. (2013). Bankacılık Sektöründe Personel Güçlendirme Uygulamalarının Örgütsel Bağlılığa Etkisi: Trakya Bölgesi Bankalarında Araştırma. International Conference on Eurasian Economies. 791 – 800.
- [7] Gürbüz, S. ve Şahin, F. (2015). Sosyal Bilimlerde Araştırma Yöntemleri. Ankara: Seçkin Publishing.
- [8] Honold, L. (1997). A Review of the Literature on Employee Empowerment. Empowerment in Organizations. 5/4: 202 – 212. <https://doi.org/10.1108/14634449710195471>
- [9] Jordan, K. (2009). Performans Değerlendirmesi. Trans. Melis İnan. İstanbul: Optimist Publishing.
- [10] Koçel, T. (2015). İşletme Yöneticiliği. İstanbul: Beta Publishing.
- [11] Kirkman, B. L. and Rosen, B. (1999). Beyond Self-Management: Antecedents and Consequences of Team Empowerment. Academy of Management Journal. 42/1: 58 – 74. <https://doi.org/10.2307/256874>
- [12] Kutal, G. and Büyüksulu, A. R. (1996). Endüstri İlişkileri Boyutunda Çok Uluslu İşletmeler ve İnsan Kaynağı Yönetimi Teori ve Uygulama. İstanbul: Der Publishing.
- [13] Örcü, E. ve Köseoğlu, M. A. (2003). İşletmelerde İşgören Performansını Değerlendirme. Ankara: Gazi Kitabevi.
- [14] Sigler, T. H. and Pearson, C. M. (2000), “Creating an Empowering Culture: Examining The Relationship Between Organizational Culture And Perceptions of Empowerment” Journal of Quality Management, 5: 27-52. [https://doi.org/10.1016/S1084-8568\(00\)00011-0](https://doi.org/10.1016/S1084-8568(00)00011-0)
- [15] Timur, H. (1983). Personel Başarı Değerlendirmesi ve Türk Adli Yargı Örneği. Amme İdaresi Dergisi. 16/3: 3 – 22.
- [16] Uysal, Ş. (2015). Performans Yönetimi Sisteminin Tanımı, Tarihiçesi, Amaç ve Temel Unsurlarına Genel Bir Bakış. Electronic Journal of Vocational Colleges. 5/2: 32 – 39. <https://doi.org/10.17339/ejovoc.51537>