

The impact of psychological empowerment of employees



Psychologically empowered people feel a positive change in their attitude, behavior and cognition which leads them towards innovative ideas.

Psychologically empowered people feel strong in four dimensions I. E.

Meaning which is value of employees' goal or task for him, competence which refers to their belief on their capabilities to perform their task, self determination which is characterized as sense of initiation, and impact which refers to level up to which employees can affect administrative, strategic and activator for process of innovation.

Innovation and risk taking, attention to detail, outcome orientation, and people orientation individual vs.. Team orientation, aggressiveness and stability are dimensions of organizational culture. These factors encourage or discourage the employees to bring new innovative ideas or working in innovative ways. For this purpose, data will be collected form employees of public banking sector. Data will be gathered by questionnaire including the questions regarding psychological empowerment, organizational culture and innovative behavior.

Correlation and regression will be applied to analyze the data by SPAS to check the relationship between variables. 2. Introduction Psychological empowerment of employees has been an emerging discussion since last decade. It refers to decentralization of decision making process and employees' prudence over their tasks. It encourages employees to bring innovation at work place. Unconventional and new ways of working, unusual ideas, unique approach of thinking , diverse methodologies of working from existing patterns and contributing through new things which were not present before.

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It has become necessary for organizations to encourage innovative behavior in their employees to survive in intense competitive environment, ever increasing demanding business culture and paid changes. Innovation is the last resort to stay in business world for a long time. In service business, every time better quality and continuous innovation is prerequisite due to irregular changes. The banking sector of Pakistan is striving to deal with all the facing challenges and ever changing demands of customers.

But the employees in public sector banks of Pakistan are not psychologically empowered and their organizational culture is not supporting to innovative behavior of employees. Employees are still working on conventional methods by taking dictations from their supervisors. They are not asked to contribute in decision making process. Having no or less access to information and resources, they remain underperformed. They have no sense of initiation and to bring innovation in their way of working. Less empowered employees having little sense of satisfaction with their jobs prove themselves less productive human resource.

Organizational culture also inhibits innovative ideas to emerge in employees. In public banking sector of Pakistan conventional culture of working discourages employees to think and behave innovatively. Culture of bureaucratic style of management in banking sector with one power distance has discouraged the employees' innovative way of things in their way of working, services and entertaining their customers. The need is to psychologically empower the employees and to maintain the organizational culture which encourages innovative behavior of employees.

Psychological Empowerment Knowledge and inspiration enable the people to own the authority (Blanchard et al, 1999). The empowerment is the process of letting go this power. It brings progress and employee Job enhancement (Born and Melanoma, 1996). Totally, the concept of empowerment has defined as a significant approach of attaining valuable and sources use of manpower (Wryer and Mason, 1999). Psychological empowerment is an internal attention-grabbing factor that encourages the employees to play a dynamic role in organization (Thomas and Pilothouse, 1990).

Thomas and Pilothouse (1990) have described four dimensions of psychological empowerment: agglomerations, competence, Impact and the sense of meaning and merit. Sprinter (1996) also has measured and validate these four dimensions. Fourth dimension was added by Veteran and Cameron, of trust, in these dimensions based on the mishears research (Abdullah, 2005). Consequently psychological empowerment as following these five facets: Meaning: Sprinter (1995) defined meaning, facet of psychological empowerment, as a sense of purpose or individual association to the workplace task.

The company must make sure the compatibility of purpose of assigned work goal with their employees' value systems, to ensure that they are meaningful, enthused and dedicated to the organization (Brief & Nor, 1990). Self-determination: A sense of independence or autonomy which employees have to make decisions about their work is described as self-determination (Sprinter, 1995; Thomas & Pilothouse, 1990). Self-determination exists when employees have some have power over over what they do, have freedom of

deciding that how much endeavourer is needed in their work, and have free will of starting and discontinuing their task (Spector, 1986).

Impact: Impact is conviction that individual employee can manipulate the system in which they are rooted (Sprinter, 1995). Impact is the confidence of employees that they are capable to create a distinction in their organization. So, impact is the level up to which employees can manipulate organization strategy, managerial or functional conclusions at workplace (Seaports, 1989). Competence: Competence, another facet of psychological empowerment, is defined as a sense of faith which employees have on their expertise and potential to execute their work better (Sprinter, 1995).

Competence is the extent to which an individual employee is able to execute the activities proficiently (Thomas & Pilothouse, 1990). These two definitions explain that, if the employees are deficient in confidence on their expertise and potential, then they will not be able to enjoy the feeling of psychologically empowered by their superiors. Trust: Competent people has trust that they are treated justly and parallel to others Clayton and Doyle, 1996). They trust the people who are in command or own authority, won't harm them or they conduct themselves impartially (Sale and Flattery, 2003).

Innovative Work Behavior: For constant stream of innovations to be realized, the willingness and ability to innovate is necessary in individual employees (e. G. Janssen, 2000). Scott and Bruce (1994) defined BIB as a multiphase course of actions. Canter (1988) mentioned three generation is relatively broad as it consists of both ideas generation and the identification of problems (Scott & Bruce, 1994, p. 581). Exploration of opportunities y

employees follows realization of something novel and innovative (e. G. Purses et al. , 1977; Bastard, 2004; Amiabile, 1988).

Trucker (1985) mentioned seven sources of opportunities exploration, such as: unforeseen successes, malfunction or outside proceedings; incongruities or gaps between present and expected outcomes of tasks; practices needed in response of mentioned problems or reasons of failure; alterations in industrial or market compositions; changes in demographics such as nativity rates or manpower composition; changes in awareness; and, new acquaintance. Canter (1988) laid stress on the importance of creating new ways to pop the new needs or opportunities besides being well conscious of needs or opportunities.

The idea generation may include new products, services or practices, the new doorway to new markets, progress in contemporary work procedures, or in common words, ways out to identified setbacks (e. G. Canter, 1988; Van De Even, 1986; Amiabile, 1988). Canter (1988) talks about ' kaleidoscopic thinking', in which a set of several activities shape a pattern but when twist or alteration is brought in that, the same fragments reshape a completely new pattern. Championing another significant aspect of BIB follows the idea generation phase. It is necessary for ideas to be sold.

A champion has been depicted as who has ability to thrust an innovative idea ahead of barricade within the organization (Shame, 1994) or as someone who comes forward to put efforts to realize innovation through creative ideas (Killeen & Street, 2001). Creative ideas require the phase of implementation for fruition of efforts for bringing innovation. For making

innovation a customary part of work processes, implementation phase is crucial (Killeen & Street, 2001) which comprises of conduct like developing new products or task completion procedures, and assessing and transforming them (e. . West & Afar, 1990; Van De Even, 1986; Canter, 1988).

PEE and innovation Sprinter's (1995, 1996) research illustrated that fundamentals of psychological empowerment similar to Conger and Augends four dimensions are positively related with perceived efficiency and innovativeness. A creation of the Clinton Administration, the National Performance Review (NAP) highlighted employee psychological empowerment as one of the source to making government more competent and effectual in its function. Frontline employees were considered the source of bringing many innovative ways out to problems facing public organizations s they are contiguous to problems and more clued-up about how to crack them.

Delegation of power, sharing information and knowledge, allocating resources, and bestowing with rewards for performance of employees are facets of psychological empowerment (Bowen and Lawyer, 1995). Reformers anticipated enhanced performance to come from turning the whole management style upside down through empowering leading edge employees to put into effect their findings, providing them training and resources considered necessary to get the Job done, and holding them accountable for consequences (Gore, 1993).

Through loose control, managers provide entrepreneurial employees the independence or free will to fiddle with accessible elements and approaches and reconstructing them in new ways persuade employees to innovate by passing on a sense of power and accountability for the quality of their work (Hickman and Lollo, 1976). The authority to alter work procedure may enhance innovation by elevating level of confidence of employees as they will not have fear of being punished in case of failed attempt of bringing innovations (Edmondson, 1999; see also Light, 1998).

Public organizations have been found to have higher levels of reserved system of proceedings than private firms (Rained and Baseman, 2000). Authority to alter work procedures raises the confidence of employees which in turn increases innovative work behavior as they do not have fear of being questioned or punished in case of failure of attempt (Edmondson, 1999; Light, 1998). Employee learning about introduction and successful application of ideas can be increased by training and professional development programs which expose employees to more ideas to resort existing and new problems (Downpour, 1991; Thompson, 1965; Katz and Dustman, 1981).

Achievement-oriented employees are encouraged to find out new strategies and plans for accomplishing communicated goals and priorities from leadership. Negative feedback indicative of failure also signals the need to search for new ways of narrowing the performance gap (Cherty and March, 1963; Means and March, 1978), thus innovative work behavior is encouraged in employees. Green and Haywood (2008) mentioned that employee's

performance, Job satisfaction and efforts can be increased by pay and other extrinsic rewards.

In public employees, monetary rewards have been seen highly valued for motivating them (Wittier, 1991; Wright, 007; Alonso and Lewis, 2001) that is another practice to encourage the innovative work behavior. Hypotheses

Hypothesis 1: The practice of delegating authority to alter work procedures will enhance innovative work behavior in employees. Hypothesis 2: The practice of sharing Job relevant knowledge and expertise will enhance innovative work behavior. Hypothesis 3: The practice of communicating employees with information about goals and output will enhance innovative work behavior.

Hypothesis 4: The practice of granting performance based rewards either will enhance innovative work behavior or vice versa. Organizational Culture: Opposite (2006), referred organizational culture as compound of shared beliefs, conventions, devotions, and values in an organization and that affects influence how it performs in its routine proceedings which in turn brings innovative work behavior potential source of innovation and befits and pushes organization forward. O" Reilly, Chatham, and Caldwell (1991) published seven dimensions in their research work to describe nature of organizational culture.

Innovation and risk taking - eager to experiment, risks prone, persuade innovation Attention to detail - paying attention to being precise vs.. Eying its " good enough for chopped salad" Outcome orientation - orient to consequences vs.. Oriented to procedure People orientation - degree of

worth and respect for employees. Is human resource considered inimitable talent, or is just considered an engineer. Individual vs.. Team orientation - are individual efforts are appreciated, or is team work is encouraged.

Aggressiveness taking proper actions to tackle conflicts.

Stability - reception of change. Innovative Work Behavior and Organizational Culture: way of innovation thus relationship exists between organizational culture and innovative work behavior (Kenny and Reedy, 2007). For instance, an innovative firm can be established through innovation supportive culture which can also, on the other hand, smother the way of innovation by restricting employees' interaction that is vital to construct innovative behavior. Thus, Kenny and Reedy (2007) mentioned that the way in which organization's culture is shaped and put into practice.

Successful organizations bring together innovation in management course of actions and on the whole culture through two ways. First, passing through the solicitation processes through which employees learn the existing organizational norms and explore that either innovation is among one of the norms of organization or not. Secondly, since an organization's basic principles, assumptions and philosophy are exposed by the management structure, policies, and practice and procedures, which are associated to workplace innovation (Martins and Turbulence, 2003).

Aimed (1998) conveys that innovative behavior is induced by the basic determinant of organizational culture but many organizations talk about it but very few are successful in implementation of it. Most of the organizations are risk averse which is always there in the process of innovation.

Nevertheless, Angel (2006) lays stress on innovation as organizations must “innovate or die” (p. L) and even though difficult to implement, but still innovation is a significant success factor.

Hypotheses: Innovation and risk taking organizational culture has significant positive relationship with innovative work behavior. Organizational culture which pays attention to detail has significant positive relationship with innovative work behavior. Outcome oriented organizational culture has significant positive relationship with innovative work behavior. People oriented organizational culture has significant positive legislation with innovative work behavior. Individual vs.. Team oriented organizational culture has significant positive relationship with innovative work behavior.