A STUDY ON THE EFFECT OF PSYCHOLOGICAL EMPOWERMENT TOWARDS ORGANIZATIONAL COMMITMENT IN POLYTECHNIC KOTA KINABALU, SABAH.

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SCHOOL OF BUSINESS AND ECONOMICS
UNIVERSITI MALAYSIA SABAH
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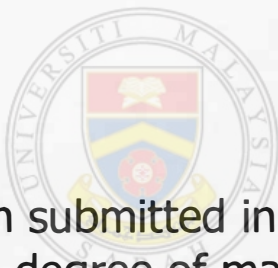A dissertation submitted in partial fulfillment of the requirements for the degree of master of Business Administration.

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JUDUL : **KAJIAN KEATAS KESAN PSIKOLOGI EMPOWERMEN TERHADAP KOMITMEN ORGANISASI DI POLITEKNIK KOTA KINABALU SABAH**

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DECLARATION

The materials in this dissertation are original except for the quotations, excerpts, summaries and references, which have been duly acknowledged.

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ABSTRACT

This research project is meant to study the effect of psychological empowerment among staff in Polytechnic Kota Kinabalu on how they will response to the organizational commitment in doing their work. Based on the previous researchers, the concept of commitment towards organization is the employee's psychological attachment to the organization which indirectly allows employees to be responsible and in charge of what they are doing concerning to their routine work. A study on roles, norms and values within an organization which caused psychological empowerment to exist can be use to direct and structure individual's activities in relation to the objective of work done (Tannenbaum, 1966). There will be two models applied for the research study inclusive the theory of Psychological Empowerment by Thomas and Velthouse (1990) undertakings the elements of meaning, competence, self-determination and impact. While the second one is the theory of organizational commitment being conceptualized by Allen and Meyer (1991) undertakings three elements of commitments namely affective, continuance and normative. The findings in the research study will be discussed through statistical analyses. The limitations together with the suggestions for future research study and the implications on the findings will be provided in this research project.

ABSTRAK

KAJIAN KEATAS KESAN PSIKOLOGI EMPOWERMEN TERHADAP KOMITMENT ORGANISASI DI POLITEKNIK KOTA KINABALU, SABAH.

Projek penyelidikan ini dibuat untuk melihat sejauhmana kesan empowermen psikologi terhadap kakitangan yang bertugas di Politeknik Kota Kinabalu bertindakbalas dengan komitment kerja yang dilakukan di dalam organisasi. Berdasarkan kajian lepas, konsep komitment terhadap organisasi dianggap sebagai ikatan psikologi pekerja terhadap organisasi di tempat mereka bekerja dan secara tidak langsung membenarkan pekerja bertangungjawab terhadap apa yang dilakukan dalam melaksanakan tugas seharian. Sehubungan dengan itu, kajian mengenai peranan, kelaziman dan nilai individu di dalam sesebuah organisasi yang menjadi penyebab wujud empowermen psikologi boleh dijadikan sebagai panduan terhadap aktiviti kerja yang dilaksanakan mengikut objektif kerja yang ditetapkan (Tannenbaum, 1966). Penyelidikan ini menggunakan dua buah model iaitu model teori empowermen psikologi oleh Thomas dan Velthouse (1990) yang melibatkan dimensi erti, impak, kompetensi dan penentuan kendiri. Manakala yang kedua ialah model teori Allen dan Meyer (1991) yang melibatkan tiga dimensi komitment iaitu afektif, sambungan dan normative. Hasil dapatan penyelidikan kesan empowermen psikologi terhadap komitment organisasi di Politeknik Kota Kinabalu, dibincangkan melalui analisis statistik. Limitasi serta cadangan kajian masa depan dan implikasi terhadap hasil dapatan diperuntukkan dalam kajian ini.

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CHAPTER 1

INTRODUCTION

1.1 Overview

When most people think about organizations they think about the places where people work. In consideration of flattened organizations in this era, empowered workers, employee's commitment is crucial. In relation to the facts, most managers must aware the importance in identifying individual and situational factors that build commitment to the workplace in order to keep a high standard of performance. According to Kartz and Khan (1966), organizations have classically being defined as a social systems that co-ordinate people's behavior by means of roles, norms and values. The roles refer to the particular place and functions of employees internally differentiated in ways relevant to the system's operation, position and activity.

The norms are attitudinal and behavior prescriptions associated with individual who fulfill the functionally interchangeable and equivalent which creates expectations about how people ought to think, feel and behave. Finally, the values refer to are higher-level principles intended to guide this behavior as well as the organization's activity as a whole (Peters & Waterman, 1995). Thus, it is clear that the system of roles, norms and values exist in any organizations to direct and structure individual's activities in relation to the purpose (Tannenbaum, 1966).

In due to the above mentioned systems that exist in organizations, there has been an adoption on some kind of empowerment initiative for at least part of the

workforce in nowadays workplace environment. The employees must learn to take initiative, be creative and accept responsibility for their action. Thus, the empowerment can give an organization a competitive advantage but often run into problems in implementation especially in the perspective of psychological empowerment experienced among employees that might be perceived differently. A major promise of empowerment theory is that empowered individuals should perform better than those who are relatively less empowered (Thomas & Velthouse, 1990). They are likely to be seen as effective because they proactively execute their job responsibilities (Spreitzer, 1995). However, not all employees felt empowered all the time when doing their work. The experience of being empowered and disempowered has relationships with the fundamental beliefs and personal orientations individually in regards to their role in the organization (Spreitzer & Quinn, 1997).

The clarification on the psychological approach to empowerment have been done by Conger and Kanungo (1988) and Thomas and Velthouse (1990) by distinguished between four empowerment dimensions which reflect four distinct cognitions related to an employee's orientation to their work. The psychological empowerment is based on the theories towards on how employees experience empowerment at work outlined that people tend to experience four dimensions in common of the following feeling when they empowered at work which consists of meaning, competence, self-determination and impact.

The overall dimensions emphasis upon perceptions and beliefs of power, competence, control, self-efficacy (Psoinos & Smithson, 2002) and impact cognition endures with the work context (Spreitzer, 1995). Thus, if any of those dimensions are

missing then the experience of empowerment will be limited because it's linked to each other and more concerned on individual-centric.

In relation to four dimensions of psychological empowerment, one must understand that the attitude on employee empowerment is affected by perceptions and autonomy that has been a very important issue in empowerment. Initially, the nature of employee attitudes about feeling and beliefs will determine the way they perceive working environment, individual commitment to intended actions and behavior (Newstorm & Davis, 1993).

This will affect the psychological empowerment, the mindset of employees within the organization and indirectly will create commitment for personal benefits meant for career development or perhaps create commitment in achieving organization's goals. Another way for implementation of psychological empowerment among employees is through power sharing within an organization. Conger and Kanungo (1988), defines empowerment as creating conditions for heightened motivation through development of a strong sense of personal self-efficacy by means that individuals learn to believe in their ability to do the job.

The main reason of that definition is to explain that individual with emotional attachment to their work will become creative in using their ability, skills and talents in the organization (Nelson & Quick, 2002). Thus, it can be concluded that the nature of employee attitudes on how they perceived their working environment might cause of being psychologically empowered through power sharing which can be turned into a positive organizational commitment.

The organizational commitment has been perceived as individual's attachment in terms of affectivity and emotion to the group (Kanter, 1968). Obviously, it is a typical individual's psychological bond to the organization that includes a sense of job involvement, loyalty and a belief in values of the organization. Allen and Meyer (1990) have conceptualized three dimensions of organization commitment which consist of affective, continuance and normative.

It was explained that these three conceptualizations of commitment is a link between the employee and the organization but the nature of that link varies in a different point of view such as employees with strong affective commitment will remain within the organization because they want to, those with strong continuance commitment because they need to, and those with strong normative commitment because they ought to. In this research study paper, the four dimensions have been extended to the area of organizational commitment to analyze the effects of psychological empowerment to employees within the organizational and taking into consideration of gender and length of service as moderating factors.

1.2 Problem Statements

There has been some problems area existing within organizations in relation to how psychological empowerment among employees can be done successfully. It has been discussed that empowerment can be very important to an organization as it will encourage or perhaps may assisting individuals to make decision that affecting their work environment. However, most people get confuse about empowerment because they take a quick fix and give up before it has been implemented which will lead to poor commitment to achieve the organization's goals.

In relation to that kind of problem generalization on psychological empowerment, this research study will investigate the problems on how to empower employees so that they can be responsible of what they do and can increase the work commitment. Tough not all employees will have the feelings of being psychologically empowered because of the issue of autonomy in making decision and depending to their nature of attitudes at workplace. This could lead towards poor organization's commitment due to employee's differences in work behavior and perceive empowerment differently.

Hence, the research study interest are, to identify if the elements in the four dimensions of psychological empowerment through employees will give some effects towards the three conceptual elements in organizational commitment by taking into consideration on gender and length of service as moderating factors. The aim is to provide a better picture on how to improve the work commitment at workplace and at the same time will give personal benefits to the staff.

1.3 Research Objectives

The main objective of this research study is to identify on the significance relationship between the effects of psychological empowerment towards the organizational commitment and to what extend do the psychological empowerment play an important role as to increase the level of commitment within the organization. Secondly, to determine if the empowerment can be especially important in the virtual setting of employees with lack of face-to-face interaction but must work independently as it might be important to preserve the hope and attachment of employees without the presence of supervisors. Thirdly, to see if gender and the length of service can moderates the relationship between psychological empowerment and organizational commitment.

1.4   Scope of the Study

The scope of this research study will focus on the academician staff in Polytechnic Kota Kinabalu, Sabah, whereby the existing working culture provided a greater degree of flexibility, more freedom and able to work independently.   The academician in Polytechnic Kota Kinabalu can be categorized into technical and non-technical department.   They are the respondents to the research study in findings the outcomes of the relationship between independent variable on psychological empowerment with the four dimensions: meaning, competence, self-determination, impact, towards dependent variables on organization commitments namely affective, continuance and normative.

1.5   Significance of Study

This research study is the first one to be conducted to find out the psychological empowerment experience by the academician staff in Polytechnic Kota Kinabalu, Sabah. The main explicit benefits from this research study meant to contribute an understanding and invaluable knowledge for the staff on the effect of psychological empowerment towards organizational commitment as well as to highlight that the effect on employees who experienced a psychological empowerment will give benefit to the organization's performance in terms of organizational commitment to achieve goals, and indirectly will cause on value-added benefits towards a better personal career development for the employees.   Perhaps the findings outcomes from this research will be able to be used to formulate the possible solutions to improve the working environment and experience particularly in the perspectives of psychological empowerment among the staffs that will lead towards a higher and better organization commitment for future benefits.

1.6   Key Variables

In this topic, the key variables used in the research area of study will be defined to provide a clear understanding on the terms used in the research study. Basically, the key variables can be divided into three parts that is independent variables of four elements, dependent variables of three elements and two elements of moderating variables. The terms of key variables used in this research study can be simplified and explain briefly as follows:

1.6.1   Independent variable which is the psychological empowerment that can be defined as intrinsic motivation manifested in four cognitions elements in which reflecting an individual's orientation towards their work role (Thomas & Velthouse, 1990). The four elements can be defined as follows:

1.6.1.1   Meaning - involves matching the needs of one's work role and one's beliefs, values and behaviors (Breif & Nord, 1990). It is the core element of empowerment through which employees become energized about their jobs. The reason for being so is due to employees put all their heart and feelings towards work that make them felt empowered.

1.6.1.2   Competence – more towards self-efficacy specific to one's work, or beliefs in one's capability to perform work activities with skill (Gist & Mitchell, 1992). Thus, without competence, employees will feel inadequate and lack a sense of empowerment.

1.6.1.3   Self-determination – a sense of choice in initiating and regulating one's actions (Deci & Rayan, 1985). It reflects a sense of autonomy by having control over the way employees handle their work such as decision making in relation to their routine work activities. If employees following orders from their boss there will be no experience

on feeling of empowerment which in a way they are lack of self-determination.

1.6.1.4   Impact – concerning one's degree of influencing strategic, administrative or operating outcomes at work (Ashforth, 1989). It is the beliefs that one's job will make a difference within the organization by having a sense of contributing to fulfill the organization's goals.

1.6.2   Dependent variable which is the predicted outcomes on organizational commitments is the strength of an individual's identification with an organization (Allen & Meyer, 1991). There are three concepts of organization commitment which can be simplified into these three areas:

1.6.2.1   Affective commitment: is defined as the type of organizational commitment that is based on an individual's strong desire to remain in an organization (Nelson & Quick, 2002). It included three main factors of their intention to stay with the organization because of a belief in the goals and values of the organization, willingness to put effort on behalf of the organization and the desire to remain their membership of the organization.

1.6.2.2   Continuance commitment: is defined as employee's tendency to remain in an organization because the person cannot afford to leave (McShane & Von Glinow, 2003). They believe that if they leave, they will lose a great deal of their investments in time, effort, and benefits and that cannot be replaced.

1.6.2.3   Normative commitment: is based on an individual's perceived obligation to remain with an organization (Nelson & Quick, 2002). Individuals