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

# NESWATI BINTI ARJIKAL



SCHOOL OF BUSINESS AND ECONOMICS UNIVERSITI MALAYSIA SABAH 2007

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

# NESWATI BINTI ARJIKAL

A dissertation submitted in partial fulfillment of the requirements for the degree of master of Business Administration.

> SCHOOL OF BUSINESS AND ECONOMICS UNIVERSITI MALAYSIA SABAH 2007

## **BORANG PENGESAHAN STATUS TESIS\***

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

### IJAZAH : SARJANA PENTADBIRAN PERNIAGAAN

## **SESI PENGAJIAN : 2005 - 2007**

Saya, NESWATI BINTI ARJIKAL mengaku membenarkan tesisi Sarjana ini disimpan di Perpustakaan Universiti Malaysia Sabah dengan syarat-syarat kegunaan seperti berikut :

- 1. Tesis adalah hakmilik Universiti Malaysia Sabah
- Perpustakaan Universiti Malaysia Sabah dibenarkan membuat salinan untuk 2. tujuan pengajian saya.
- Perpustakaan dibenarkan membuat salinan tesis ini sebagai bahan pertukaran 3. antara institusi pengajian tinggi.
- 4. TIDAK TERHAD



Disahkan oleh

(Pepulis : NESWATI BINTI ARJIKAL)

Alamat: Politeknik Kota Kinabalu, Jln. Politeknik Menggatal, 88450 Kota Kinabalu

ANITA BINTI ARSAD PUSTAKAWAN KANAN UNIVERSITI MALAYSIA SABAH (TANDATANGAN PUSTAKAWAN)

(Penyelia : Dr, Arsiah Hj. Bahrun) Tarikh : 2.21.1

Tarikh : 2007

CATATAN : \* Tesis dimaksudkan sebagai tesis Ijazah Doktor Falsafah dan Sarjana secara penyelidikan atau disertassi bagi pengajian secara kerja kursus dan penyelidikan, atau laporan Projek Sarjana Muda (LPSM)

## DECLARATION

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

NESWATI BINTI ARJIKAL PS04-002(K)-128 JULY 2007



### ACKNOWLEDGEMENT

A number of people played critical roles in helping to finish my research project. Special thanks are extended to the following persons for their helpful comments and suggestions: Dr. Arsiah Hj.Bahrun as my first supervisor, Dr. Fumitaka and Associates Professor Dr. Roselina as the lecturer for the Research Methodology and Research Project, Puan Sharija as a course Coordinator for postgraduates and to all my classmates. Finally, I would like to acknowledge and thank my husband, Saliman, my son Muhammad Yatimi, for their love and support all through my years of studies in the MBA program and to my new born baby Muhammad Najmi, you are my inspiration that keep me strong and passion to complete this research project. It would be impossible for me to sustain without my family cheering and encouragement.



#### 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, comp<mark>etence, se</mark>lf-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 pekeria 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.

# CONTENTS

## PAGE

TITLE						
DECLARATION				i		
ACKNOWLEDGEMENT				ii		
ABSTRACT				iii		
ABSTRAK				iv		
TABLE OF CONTENTS				V		
LIST OF FIGURES				ix		
LIST OF TABLES				x		
LIST OF APPENDICES				xii		
CHAPTER 1: INTRODU	JCTION					
1.1	Overv	iew		1		
1.2	Proble	em Stateme	nt	4		
1.3	Resea	rch Objectiv	ves	5		
1.4	Scope	of the Stud		6		
1.5	Signifi	cance of th	NIVERSITI MALAYSIA SABAH	6		
1.6	Key Va	ariables		7		
1.7	Organ	ization of S	tudy	9		
CHAPTER 2: LITERAT	CHAPTER 2: LITERATURE REVIEW					
2.1	Introd	luction		12		
2.2	Definit	tion of the l	key Concepts	12		
	2.2.1	Psycholog	ical Empowerment	12		
		2.2.1.1	Meaning	14		
		2.2.1.2	Competence	14		
		2.2.1.3	Self-Determination	14		

		2.2.1.4	Impact	15
	2.2.2	Organizati	onal Commitment	15
		2.2.2.1	Affective Commitment	16
		2.2.2.2	Continuance Commitment	16
		2.2.2.3	Normative Commitment	18
	2.2.3	Demograp	hic	18
2.		2.2.3.1	Length of Service	19
		2.2.3.2	Gender	19
2.3	Antece	edents and	Outcomes of Psychological	
	Empov	verment.		19
2.4	Antece	edents and	Outcomes of Organizational	
	Comm	itment.		21
2.5	The Re	elationship	between Psychological	
	Empov	verment an	d Organizational Commitment.	23
2.6	Summ	ary		26
CHAPTER 3: RESEARC	H METH	IODOLOGY	AND FRAMEWWORK	
3.1	Introd	uction		28
3.2	Resear	rch Framew	ork	28
	3.2.1	Dependen	t Variables	29
	3.2.2	Independe	ent Variables	30
	3.2.3	Moderatin	g Variables	30
3.3	Hypoth	neses		30
3.4	Resear	rch Design		32
3.5	Unit of	Analysis		32
3.6	Sampli	ng Design		33
	3.6.1	Location	of Study and Population	33

		3.6.2	Sampling Frame	33	
		3.6.3	Sampling Technique	33	
		3.6.4	Sampling Size	33	
	3.7	Instrum	ent Design	34	
		3.7.1	Psychological Empowerment	34	
		3.7.2	Organizational Commitment	36	
		3.7.3	Demographic	39	
	3.8	Data Co	Ilection Method	40	
	3.9	Data Ar	alysis Method	40	
	3.10	Summa	ry	41	
CHAPTER 4:	ANALYSI	S OF RES	ULTS		
	4.1	Introdu	ction	42	
	4.2	Profile of	of Respondent	42	
	4.3	Reliabili	ty Test Analysis	44	
	4.4	Descript	tive Analysis of Variables	46	
	4.5	Inferent	ial Analysis	48	
	4.6	Hypotheses Testing			
		4.6.1	Relationship between Meaning,		
			Competence, Self-Determination, Impact		
			and Affective Commitment.	49	
		4.6.2	Relationship between Meaning,		
			Competence, Self-Determination, Impact		
			and Continuance Commitment.	52	
		4.6.3	Relationship between Meaning,		
			Competence, Self-Determination, Impact		
			and Normative Commitment.	54	

		4.6.4	Relationship between Psychological	
			Empowerment and Organizational	
			Commitment.	56
		4.6.5	Moderator Effects of Gender and Length	
			of Service between Psychological	
			Empowerment and Organizational	
			Commitment.	57
	4.7	Summa	ry of Findings	59
CHAPTER 5: D	DISCUSS	ION AND	CONCLUSION	
	5.1	Introduc	ction	62
	5.2	Recapitu	ulation	62
	5.3	Discussi	on and Implication	63
	5.4	Limitatio	on of Study	70
	5.5	Suggest	ion for Future Research	71
Z	5.6	Conclus	ion	72
REFERENCES			UNIVERSITI MALAYSIA SABAH	74
APPENDICES			UNIVERSITI WALATSIA SADAH	79

## LIST OF FIGURE

# Figure 3.2 Research Framework

PAGE



Table 2.5	Antecedents on		Psychological	Empowerment	(Independent	
	Variables)	and	Organizationa	l Commitment	(Dependent	
	Variables).					

- Table 3.3
   Summary of Variables in the Research Theoretical Framework.
- Table 3.7.1Elements in the Questionnaire for PsychologicalEmpowerment.
- Table 3.7.2Elements in the Questionnaire for OrganizationalCommitment.
- Table 3.9.1 Analyses Procedures to Test the Formulated Hypotheses.
- Table 4.2.1Respondent's Profile- Age, Gender, Status, Designation,
  - Service and Highest Level of Education Attained.
- Table 4.3.1Cronbach's Alpha Values for All variables.
- Table 4.4.1 Descriptive Analysis for All Variables.
- Table 4.6.1(a)
   Multiple Regression Relationships of Meaning, Competence,

   Self-Determination, Impact on Affective Commitment.
- Table 4.6.1(b)Multiple Regressions Relationships of Meaning, Competence,Self-Determination, Impact on Affective Commitment.
- Table 4.6.2(a)Multiple Regression Relationships of Meaning, Competence,Self-Determination, Impact on Continuance Commitment.
- Table 4.6.2(b)Multiple Regressions Relationships of Meaning, Competence,Self-Determination, Impact on Continuance Commitment.
- Table 4.6.3(a)Multiple Regression Relationships of Meaning, Competence,Self-Determination, Impact on Normative Commitment.

Table 4.6.3(b)	Multiple Regressions Relationships of Meaning, Competence,				
	Self-Determination, Impact on Normative Commitment.	55			
Table 4.6.4	Multiple Regression Relationship of Psychological				
	Empowerment and Organizational Commitment.	56			
Table 4.6.5(a)	Hierarchical Regression with Moderating Variables (Gender).	58			
Table 4.6.5(b)	Hierarchical Regression with Moderating Variables (Length of				
	Service).	58			
Table 4.7	Summary of Findings on Hypothese Against The Significant	59			



# LIST OF APPENDICES

		PAGE
Appendix A	Questionnaire of Research.	79
Appendix B	Descriptive Statistics on Respondent's Profile.	88
Appendix C	Reliability Analysis For All Items in the Questionnaire.	90
Appendix D	Descriptive Analysis of Variables.	97
Appendix E	Regression Analysis of the Relationship: Meaning,	103
	Competence, self-Determination, Impact on Affective	
	Commitment, Continuance Commitment and Normative	
	Commitment.	
Appendix F	Regression Analysis of Psychological Empowerment and	109
	Organizational Commitment.	
Appendix G	Hierarchical Regression Analysis of Gender and Length of	111
	Service on Relationship between Psychological Empowerment	
	and Organizational Commitment.	

UNIVERSITI MALAYSIA SABAH

## LIST OF APPENDICES

		PAGE		
Appendix A	Questionnaire of Research.	79		
Appendix B	Descriptive Statistics on Respondent's Profile.	88		
Appendix C	Reliability Analysis For All Items in the Questionnaire.	90		
Appendix D	Descriptive Analysis of Variables.	97		
Appendix E	Regression Analysis of the Relationship: Meaning,	103		
	Competence, self-Determination, Impact on Affective			
	Commitment, Continuance Commitment and Normative			
	Commitment.			
Appendix F	Regression Analysis of Psychological Empowerment and	109		
	Organizational Commitment.			
Appendix G	Hierarchical Regression Analysis of Gender and Length of	111		
	Service on Relationship between Psychological Empowerment			
N	and Organizational Commitment.			
	the case			

UNIVERSITI MALAYSIA SABAH

#### 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.

# UNIVERSITI MALAYSIA SABAH

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.

# UNIVERSITI MALAYSIA SABAH

### 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 selfdetermination.

- 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