

**PSYCHOLOGICAL EMPOWERMENT AND JOB PERFORMANCE
IN IT INDUSTRY**

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ABSTRACT

Psychological empowerment was defined from the perspective of individual employees which was characterized by a sense of perceived control, perceptions of competence, and internalization of the goals and objectives of the organization (Menon, S.T 1999). Psychological empowerment is a multi-faceted construct reflecting the different dimensions of being psychologically enabled, and is conceived of personal control, a proactive approach to life, and a critical understanding of the socio-political environment, which is rooted firmly in a social action framework. The role played by the IT industry in the contemporary world aroused the need for understanding the impact of psychological empowerment on job performance with special reference to IT industry. The tool for the study was a questionnaire comprising of twelve items on psychological empowerment, and six items on job performance on a five point scaling ranging from strongly agree (5) to strongly disagree (1). Data was collected from a sample of 200 respondents from four IT companies in Chennai. Being satisfied with the reliability of the research instrument the researcher carried out parson correlation and multiple regression to understand the impact of psychological empowerment on job performance.

Keywords: authority competence, job performance, psychological empowerment.

INTRODUCTION

Human resource is the most valuable asset of an organization. The employees are the repository of knowledge, skills and abilities that can't be imitated by the competitors. But in general, these Human Resources are the underutilized resource of an organization. And that's the main reason behind which all organizations like to empower the employees. But employees often are afraid of taking this responsibility. Empowerment gives the employees a degree of responsibility and authority. Empowerment encourages the employees to utilize their skills, abilities and creativity by accepting accountability for their work. Empowerment includes supervisors and employees working together to establish clear goals and expectations within agreed-upon boundaries.

There is a lot of empirical support stating the relationship between employee empowerment and work-related outcomes. (Liden et al., 2000; Sparrowe, R.T 1994; Spreitzer, G.M 1995; Spreitzer et al., 1997). The most related outcome of employee empowerment is job performance. Empowered employees should report greater job satisfaction than employees who were not empowered since they would have access to necessary resources and support to accomplish their work. In this study the author tried to identify the role of psychological empowerment of employees on job performance.

LITERATURE REVIEW

Seibert et al., (2004), made a survey from 375 employees in one division of a Fortune 100 manufacturer of high-technology office and printing equipment located in the northeastern United States. The study identified a positive and strong relationship between empowerment climate and psychological empowerment. There was slight significance in the case of psychological empowerment and individual performance but there was no significance between empowerment climate and job performance. The study concluded that psychological empowerment should be seen as a theory of intrinsic motivation and not as a comprehensive theory of work performance.

Kirkman et al., (2004), investigated the direct relationship between team empowerment and virtual team performance and the moderating role of the extent of face-to-face interaction among the team members on the relationships between team empowerment and both process improvement and customer satisfaction. A field study was conducted in a high-technology service organization in the travel industry that had formally implemented virtual teams. Their research had proved a positive link between team empowerment and team performance. And also found that number of face-to-face meetings had a significant, moderating effect on the relationship between team empowerment and process improvement, but not on customer satisfaction.

Ahearne et al., (2005), focused on the impact of leadership empowerment behavior (LEB) on customer service satisfaction and sales performance, as mediated by salespeople's self-efficacy and adaptability. Data for the study was collected from a sample of 231 salespeople in the pharmaceutical field, along with external ratings of

satisfaction from 864 customers and archival sales performance information. Contrary to our popular belief the study results indicated that employees with low levels of product/industry knowledge and low experience benefited the most from leadership behaviors that are empowering, compared with high-knowledge and experienced employees.

Abd. Ghani et al., (2009), examined the relationship between psychological empowerment and innovative behaviour as well as the impact of psychological empowerment on the behavioral outcome. This study was conducted with a sample of 312 lecturers from 25 private higher education institutions in three states in Malaysia. The results indicated that psychological empowerment had significant relationship with innovative behaviour and also found to be a significant predictor of innovative behavior

Tuuli, M.M and Rowlinson, S (2009), analyzed the relationship between psychological empowerment and job performance. The study also tried to find out if motivation, ability, and opportunity to perform mediated between empowerment and performance. The study proved that empowerment had direct and positive effect on job performance and also was mediated by intrinsic motivation, opportunity to perform and ability to perform. The study demonstrated that empowered employees exhibited positive performance behaviors, and hence psychological empowerment is a valuable source for organizations to pursue their desired results

Whitman et al., (2010), made a theoretical method to examine the satisfaction–performance relationship when both the constructs were construed at the work unit level. Their results revealed a significant relationship between unit-level job satisfaction and unit-level performance. Specifically, significant relationships were found between unit-level job satisfaction and unit-level criteria, including productivity, customer satisfaction, withdrawal and organizational citizenship behaviors.

CONCEPTUAL FRAMEWORK AND OBJECTIVES

Psychological Empowerment

Psychological Empowerment is the experience of employees on empowerment at work. This empowerment focuses on the beliefs that employees have about their role in relation to the organization. Psychological empowerment had its roots in early work on employee alienation and quality of work life. Psychological empowerment has four components: meaning, competence, self-determination and impact. (Spreitzer, G.M1995).

Job Performance

Job performance is the direct and indirect contribution of an individual towards the organizational goals and objectives. (Borman, W.C and Motowidlo, S.J 1993; Campbell, J.P 1990b). In this study the researchers had focused on behavioral performance, since it provided insight into specific types of employee behaviours that transmit the effects of engagement to more “objective” outcomes, such as productivity, efficiency, and quality. This study focused on identifying the relationship between psychological empowerment and job performance. This laid the foundation to the following research objectives

- ❖ To describe the demographic characteristics of the study participants
- ❖ To study the impact of psychological empowerment on job performance

METHODOLOGY

Sample

Primary data was collected from the respondents by using a questionnaire with 18 items. A sample of 200 respondents from 4 IT companies in Chennai, constituted as the sampling unit for the study. Convenient sampling technique was adopted to collect the data.

MEASURES

Independent Variable

Spreitzer’s 12-item Psychological Empowerment Scale was used to measure the four components of psychological empowerment. Each component was measured by 3 items on 5-point Likert scales.

Dependent Variable

Job performance was assessed using a six-item Likert scale from Rehman, M.S and Waheed, A (2011).

SCALE RELIABILITY**Table 1 Scale Reliability**

No.	Factor	Mean Score	Cronbach Alpha
1	Meaningful work	4.1	.84
2	Competence	4.0	.83
3	Autonomy	4.1	.81
4	Impact	4.1	.84
5	Job performance	4.0	.78

The scale was found reliable in this study, and the alpha value for each of the four construct on psychological empowerment is meaningful work (0.84), competence (0.83), autonomy (0.81), impact (0.84) and the reliability value of job performance (.078)

DATA ANALYSIS AND INTERPRETATION**DESCRIPTIVE STATISTICS**

The sample represented varied range of respondents representing the diversity of the total population. The demographic variables like age, sex, marital status and experience of the employees were included for data collection. Table 2 presents the frequency distribution of the respondents on each of the demographic variables.

Table 2 Descriptive – Demographic

Demographic Variables	Frequency	Percent [%]
Gender		
Male	148	74
Female	52	26
Experience (years)		
1 – 3 years	86	43
4 – 6 years	57	28.5
7 – 10 Years	36	18
11 – 13 Years	13	6.5
14 – 16 Years	8	4
Age group (years)		
21-25 years	81	40.5
26-30 years	64	32
31-35 years	35	17.5
36-40 years	13	6.5
> 40 years	7	3.5
Marital Status		
Married	72	36
Single	128	64

From 200 respondents, 148 (74%) are male and 52 (26%) are female respondents. Out of study participants 72 (36%) are married and 128 (64%) are unmarried. The sample is representative of all age groups. Majority of the respondents (40.5%) are of the age group between 21 – 25 years. When experience of the respondents is considered it is understood from the table above that nearly half of the sample (43%) of the respondents have between 1 – 3 years of experience.

REGRESSION ANALYSIS

A multiple regression model for predicting job performance in software companies was developed with various psychological empowerment constructs like meaningful work, competence, autonomy and impact as predictors with the hypothesis that each of the predictor would have differing prediction ability on job performance.

Hence the following hypothesis and regression model is proposed.

H₁ – Job performance is not predicted by psychological empowerment.

$$\text{Job performance } Y_{1a} = b_{1a} + b_{1a1} x_1 + b_{1a2} x_2 + b_{1a3} x_3 + b_{1a4} x_4$$

Where,

x₁ – meaningful work

x₂ - competence

x₃ – autonomy

x₄ – impact

b_{1a1}, b_{1a2}, b_{1a3}, b_{1a4} – Regression Coefficients

b_{1a} – Regression Constant

Model Summary (F)

The coefficient of determination (Table 3.1) R² was compared to determine percentage variation in the dependent variable. F value was to compute the significance of R² with F-distribution at 5% level of significance. The model is found fit on significance (.000) of independent variable proving job performance depends on psychological empowerment comprising meaningful work, competence, autonomy and impact which is supported by the studies made by Bradley et al., (2006), Barrutia et al., (2009) and Tuuli, M.M and Rowlinson, S (2009). Hence the hypothesis H₁ is rejected.

The prediction ability of the model is expressed by R square which was .789 whereby 79% (Table 3.1), of the variance in job performance was explained by psychological empowerment comprising meaningful work, competence, autonomy and impact. With F-value 259.014 (Table 3.2) at .000 level of significance

Table: 3.1 Multiple Regression Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	0.818	0.789	0.785		0.23207

a. Predictors: (Constant), meaningful work, competence, autonomy and impact.

Table 3.2 Anova (B)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	51.316	5	10.263	259.014	.000(a)
	Residual	16.563	418	.040		
	Total	67.879	423			

Predictors: (Constant), meaningful work, competence, autonomy and impact.

b Dependent Variable: job performance

Table 3.3 Coefficients of Model

Coefficients(a)					
Model		Unstandardized Coefficients		T	Sig.
		B	Std. Error		
1	(Constant)	0.827	0.113	7.297	0.000
	Meaningful work	0.332	0.034	7.339	0.000
	Competence	0.140	0.040	3.087	0.000
	Autonomy	0.194	0.039	3.599	0.001
	Impact	0.326	0.041	5.207	0.001

a. Dependent Variable: job performance

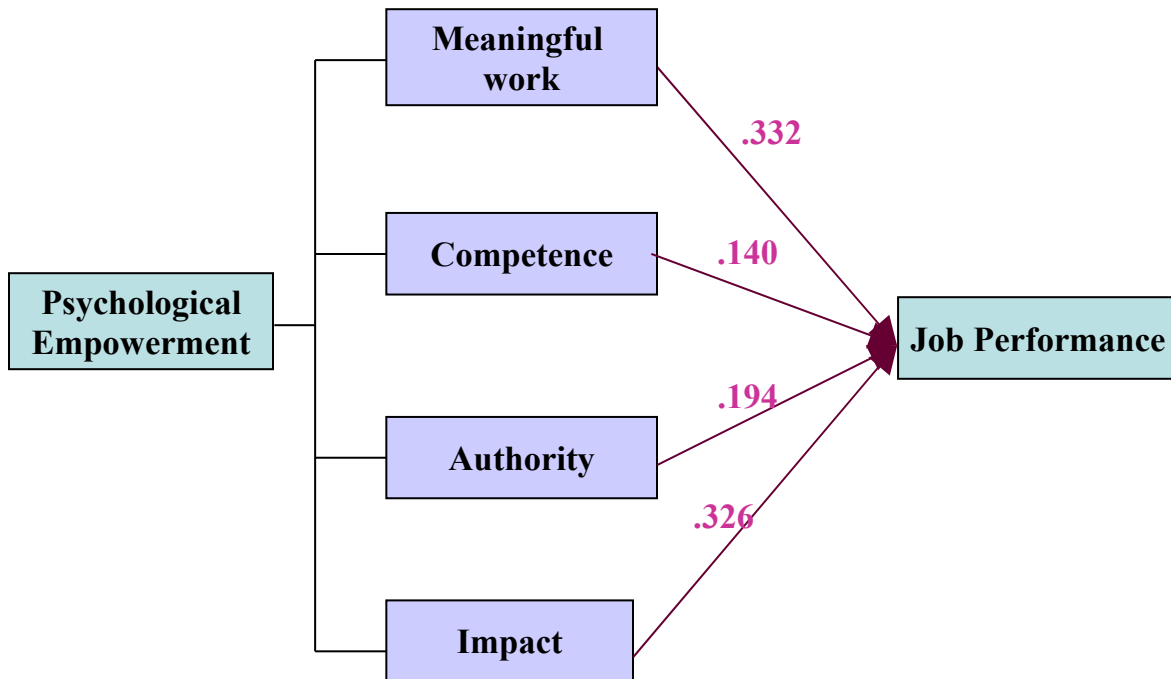
In predicting the job performance (Table 3.3), in software companies it is found that meaningful work is found to be the most important component (β 0.332, $t=$ 7.339)

followed by impact ($\beta = 0.326$, $t = 5.207$), autonomy ($\beta = 0.194$, $t = 3.599$), and competence ($\beta = 0.140$, $t = 3.087$).

Regression Equation

Job performance = 0.827+ 0.332 (meaningful work) + 0.140 (competence) + 0.194 (autonomy) + 0.326 (impact)

Figure 1 Conceptual Framework for Psychological Empowerment



FINDINGS AND DISCUSSION

This paper analyzed the impact of psychological empowerment on job performance of employees in IT companies. Almost all firms had recognized the importance of increased employee performance for organizational sustainability and development. All organizations expect a committed workforce, who can define their objectives and set the means for achievement (Carter, J.D.T 2009). This is possible only by empowered workforce. Most of the employees wanted recognition and responsibility from their management. When organizations entrust responsibility on its employees and empower them, it leads to greater flexibility, increased innovation, commitment to change and improved job satisfaction (www.workcommunication.co.uk)

This study had identified a strong association between employee psychological empowerment and job performance. Job performance is predicted by psychological empowerment and among the four components of psychological empowerment, in IT

companies meaningful work is found to be the most important component predicting job performance followed by impact, autonomy and competence.

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