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Influence of psychological empowerment on organizational effectiveness in the public sector

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Capstone Draft

by Penny Touchette

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Influence of Psychological Empowerment on Organizational Effectiveness in the Public Sector

Penny S. Touchette

LD850.1OH: Strategic Leadership & Management Capstone

Granite State College

May 31, 2020

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Abstract

One of the main objectives of public sector organizations is to provide services to individuals. Employees are the front line in which this goal is met, this makes them an important resource towards meeting organizational goals. Studies have determined that how employees perceive their involvement and role within an organization can contribute to the overall organizational effectiveness. The purpose of this study is to assess how psychological empowerment of employees influences organizational effectiveness within the public sector. Research has shown that there are four components of psychological empowerment. These components are meaning, competence, self-determination and impact. Employees that perceive positive psychological empowerment in the four components will have an effect on their behavior in knowledge sharing, can increase their affective commitment, innovation and creativity. In addition to qualitative research, a study will be conducted with a structured set of 12 questions to determine the level of perceived empowerment within a state government organization with 159 employees.

Introduction

Psychological empowerment has been conceptualized as the manner that employees perceive their involvement and role within an organization and their contribution to the overall organizational effectiveness (Yukl, 2006). It has been argued that empowerment is an effective strategy to transform public sector organizations to be more effective (Faerman, 2010). It is important for leadership to understand psychological empowerment and how it can influence outcomes. Without an understanding of empowerment and how it can effect the organization, leaders will not be able to sustain or measure its effectiveness.

There are four components that when met that are used to describe empowerment. These components are defined as meaning, which is the value or caring that an individual contributes towards a task or purpose. Competence which is the degree to which an individual is able to perform activities skillfully, this concept relates to Bandura's theory of self-efficacy. Self-determination is the individual's sense of having a choice in commencing or controlling once's actions or work. Impact, the last of the four components, and is defined as the degree to which an employee sees the effects of ones tasks influencing the outcomes (Yukl, 2006).

The purpose of this study is to assess how psychological empowerment of employees, when these components are met, will influence the organizational effectiveness within the public sector. The research will assess key areas that psychological empowerment can influence such as knowledge sharing, innovation, creativity and overall affective commitment to an organization. It will also ascertain employee behaviors that foster psychological empowerment. Some of these behaviors include proactive personality and learning goal orientation.

In addition to certain supporting behaviors in employees, research revealed certain leadership behaviors and styles that can promote psychological empowerment. These theories

include Intrinsic Motivation, Social Exchange, Organizational Support and Bandura's Self-Efficacy theories.

It is important to note that studies revealed that employees within public sector organizations tend to stay with organizations for very long periods of time and some employees will remain throughout their lifetime (Yau-De Wang, 2012). Due to this and the very nature of a hierarchal organization with set rules and procedures that determine how work is to be completed, leaders have to find new ways to motivate employees without the use of external rewards.

In addition to extensive qualitative research, a survey measuring psychological empowerment, designed by Gretchen Spreitzer (Appendix A), will be conducted with a structured set of 12 questions to determine the level of perceived empowerment within a state government organization with 159 employees. This survey was designed to ask a set of three questions about each of the four components of psychological empowerment based on meaning, competence, self-determination and impact (Spreitzer, 1995).

Literature Review

“An empowered organization is one in which individuals have the knowledge, skill, desire, and opportunity to personally succeed in a way that leads to collective organizational success --Stephen Covey.” In recent years, public sector organizations are faced with doing more with less and need to have programs in place that will attract, motivate, and retain human capital to stay competitive in today's ever-changing business environment. While the idea of employee empowerment is not a new concept and has been around for the past three decades (Fernandez, 2013). Many have viewed bureaucratic organizational structure as an impediment to

employees' positive behavior (Amber, 2019) and while public sector organizations are implementing change to incorporate empowerment more fail than succeed (Brunetto, 2018).

The purpose of this study is to focus on the influence of psychological empowerment on organizational effectiveness within the public sector. Public Sector organizations normally adopt a hierarchal structure. This type of structure is a centralized authority with a top down management style. Studies have shown that this type of formal organizational structure, with its rules and procedures, is known to place employees under stress which creates an atmosphere that they will avoid including themselves in value driven activities that would be of benefit to the organization (Amber, 2019).

So why should psychological empowerment be important to public sector leaders? This study will reflect on the benefits of psychological empowerment on employees and how these drivers in behavior can improve the organizational effectiveness in areas such as knowledge sharing, affective commitment, innovation, and creativity.

Psychological Empowerment and Knowledge Sharing

Psychological empowerment has been defined as a process of enhancing feelings of self-efficacy or when an individual perceives and possesses the ability to have some control in their work and work role (Dr. Simanchala Das, 2017).

Knowledge sharing is an area that psychological empowerment can affect. This collaboration of information among individuals can promote innovation within an organization (Amber, 2019). Researchers have found that knowledge sharing by mid-level management when interacting with superiors can be more formal and carefully presented while these same individuals are quick and efficient when sharing information or knowledge with their subordinates (Kuok Kei Law, 2017). Hierarchal structures, with a centralized authority, will

have policies and procedures in place so the organization will run more efficiently but will have negative effects on employees. As employee's feel an overburdensome of rules and procedures they can be left feeling alienated leaving them feeling unempowered. This unempowered feeling restricts employees from networking which can demotivate them from knowledge sharing (Amber, 2019).

A study done correlates a direct relationship with empowering leadership with improved knowledge sharing in employees while it indicates that a bureaucratic culture has no bearing. This study revealed that knowledge sharing could be improved through empowerment by providing more opportunities in decision making, autonomy and allowing employees the ability to communicate new ideas (Hendryadi, 2019). Other studies indicate that within formal organizational structures, social dilemma can affect knowledge sharing among employees. One example is when employees withhold in knowledge sharing, knowledge is seen as an asset towards promoting the employee within the organization (Amber, 2019).

Empowerment influences Affective Commitment

Commitment to an organization is defined in three ways, affective, normative and continuance. For the purposes of this paper we will focus on affective commitment. Affective commitment can be defined as a strong emotional attachment, involvement and identification by an employee to their organization (Meyer, 1997). Employees that feel psychologically attached and can identify themselves with the organization contribute to the successful performance of the organization. While there are a lack of studies in this field, this particular study revealed that psychological empowerment can affect an employee's affective commitment to an organization. A limitation of this study is that it was performed in the private sector, but I believe that the results can be transferred to employees within a public sector organization. An employee that

has perceived empowerment as provided by their leaders can also have an affective commitment towards their organization (Kundu, 2017) which in combination can contribute positively towards the organizations goals. Further research on this area of employee empowerment needs to be researched for this paper.

Psychological Empowerment on Innovation and Creativity

Another area that psychological empowerment can have an effect is on employee's behavior towards innovation and creativity. Innovation is increased when employees have discretion to change work processes and are provided with opportunities to acquire job-related knowledge and skills. The more opportunities that employees are able to have the more innovative they can become. This study also revealed that certain rewards affect innovation differently. Rewards that are based on performance when it is based on outcomes may inhibit innovativeness. While rewarding innovative changes in processes seems to encourage innovation (Fernandez, 2013). Creativity is an important resource for organizations to respond to the complex and growing challenges that they face. This study indicates that leadership factors may negatively influence creative tendencies in employees while other studies argue that there is strong relationship between creativity and autonomy (Min, 2016).

Organizational Outcomes Associated With Psychological Empowerment

Empowering employees in government organizations is not always the easiest task. The formal structure adopted by public sector organizations means that decisions are made at the top and trickle down to the employees. So how can formal organizations promote an environment that employees feel empowered? Why would they want their employees to feel that they are empowered? Would they be giving up their own power to employees to make this a reality or would they be inspiring individuals to be more innovative and willing to share with others? This

feat, while it may be daunting, can be accomplished by those with authority who have the ability to empower frontline employees (Hassan, 2018). Studies have been conducted to support employee empowerment and the benefits that an organization can reap from this. One study revealed the in the public sector, employee silence can be an issue. Employees may not speak up at critical times, this could be contributed to a lack of accountability to the organization. When managers empower frontline employees and allow them to take responsibility for their decisions, they take pride and ownership in their organization and this can be directly related to their emotional attachment to the organization (Hassan, 2018). Another benefit to employee empowerment is creativity. Results of the study performed by Min, Reginald and Sung found that there is a direct and positive relationship to empowerment on employee creativity. While there is not a lot of research on the topic, it has been shown that the extent of the influence leadership may have has a tendency to vary depending on the role of such leader (Min, 2016).

Leadership Theories that Promote Psychological Empowerment

Psychological empowerment is all about perception and leadership plays a role in how employees perceive their role and contribution to an organization. If leaders are unaware of how their leadership practices are affecting employees it can make it difficult to change behaviors (Andersen, 2015). Results of a study performed by Klerk and Stander, showed that leadership empowerment behaviors correlated significantly with psychological empowerment.

Empowering leadership can result in employees that are more competent and in control of their work which can result in increased meaning (Stander, 2014). Transformational leadership stimulates employees and will attempt to change beliefs, assumptions and behaviors by appealing to the importance of organizations and outcomes (Andersen, 2015).

Framework for Analysis

In the public sector the ultimate goal and objective of many organizations is to provide an essential service to large groups. The goal of this paper is to research psychological empowerment in the public sector to see if it has an affect on the organizations effectiveness in meeting those goals and objectives. This analysis reveals that psychological empowerment is worth evaluating as a positive element to promote within the public sector.

The information that has been collected through the literature review is analyzed for similarities and differences on the effects that psychological empowerment has on the employee and the benefits these elements can contribute to an organizations effectiveness. Supporting research is completed by analyzing contributing theories and the role that they play in the employee's perception. Such theories include Intrinsic Motivation, Social Exchange, Organizational Support and Bandura's Self-Efficacy theories.

Information derived from this study will be shared with the upper level of management of the organization that I work for as well as other leaders within the organization. I will also share the results of the study with any individual within the organization that requests to view it. Analyzing and viewing the data within this research study, I will be able to add to the knowledge I have gained thus far from my education which will afford me another chance to share the results of the study which is through my own actions and behaviors in the organization.

Methods

Participation

In addition to performing a literature review, a survey was conducted to determine the level of perceived psychological empowerment felt by the employees within a large government

organization. I determined that the organization was a sublime example of a public sector organization with a bureaucratic authority.

Materials and Procedures

An email was sent to 159 participants with a link asking them to participate in a twelve (12) question survey identifying them only as an employee or a supervisor. Participation in the survey is voluntary and of the 159 participants, 56 responded. The survey was developed by Gretchen Spreitzer in 1995 (Appendix A) and permission was requested and granted by Spreitzer via email. (Appendix B). The survey was created to measure the level of psychological empowerment by asking questions based on the four components identified in psychological empowerment.

Conclusion

The purpose of this study was to assess the influences that psychological empowerment can have on organizational effectiveness. As the research reveals, employees that are psychologically empowered will contribute to the organizational outcomes through knowledge sharing, innovation, creativity and affective commitment. As leaders empower employees to feel more in control of their work environment and contributions the organization will encounter positive outcomes. Empowered employees are more apt to share knowledge with each other and this in turn can effect innovation and creativity. Some studies found that knowledge sharing was not always affected by empowerment but by the position the individual held within the organization. This study also showed that some employees can view knowledge as an asset for promotional benefit and advancement and not be willing to share with others.

While empowerment can influence organizational effectiveness, it is not always sustainable. Leadership plays a major role in keeping employees empowered and within public

sector organizations, leadership can fluctuate continuously, since within most public sector the organizations leaders are elected and may hold differing opinions.

Reviewing the results of the survey, of 159 employees 56 responded. 64.3% of the respondents were employees and 35.7% supervisors. Of the 56 responses two surveys were not answered completely. The overall results showed that both employees and supervisors feel more empowered in areas of competence and meaning and are not as empowered in areas of self-determination and impact. The results of the study do not surprise me given the bureaucratic structure of the organization and the work that is completed in the largest division within the organization.

Some of the limitations discovered during the study was a majority of the studies that were conducted were done in other countries. Overall, I believe the information gained is transferable some differences may occur due to different cultures and norms. Another limitation discovered is a lack of studies about psychological empowerment within public sector organizations.

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Appendix

Appendix A (Psychological Empowerment Survey)

Psychological Empowerment Instrument

Listed below are a number of self-orientations that people may have with regard to their work role. Using the following scale, please indicate the extent to which you agree or disagree that each one describes your self-orientation.

A. Very Strongly Disagree	D. Neutral	E. Agree
B. Strongly Disagree		F. Strongly Agree
C. Disagree		G. Very Strongly Agree

- ___ I am confident about my ability to do my job.
- ___ The work that I do is important to me.
- ___ I have significant autonomy in determining how I do my job.
- ___ My impact on what happens in my department is large. impact
- ___ My job activities are personally meaningful to me.
- ___ I have a great deal of control over what happens in my department. impact
- ___ I can decide on my own how to go about doing my own work.
- ___ I have considerable opportunity for independence and freedom in how I do my job.
- ___ I have mastered the skills necessary for my job.
- ___ The work I do is meaningful to me.
- ___ I have significant influence over what happens in my department.
- ___ I am self-assured about my capabilities to perform my work activities.

The scale is composed of 4 subdimensions: meaning, competence, self-determination, and impact. You may use the subdimensions individually (taking the mean of the 3 items measuring one dimension) or take the mean of the 4 subdimension means to create an overall empowerment score. The validation of the instrument is described in Spreitzer (1995; 1996). The instrument has been used successfully in more than 50 different studies in contexts ranging from nurses to low wage service workers to manufacturing workers.

The validity of the instrument is very good. Test retest-reliability has been shown to be strong and validity estimates for the dimensions are typically around .80. More information on the empowerment profiles for different contexts and norm data for the empowerment dimensions can be found in Spreitzer and Quinn (2001).

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Translated into Chinese by JWS-Hong Kong. Translated into Dutch by Thema B.V.

Empowerment Norming Scores

	Meaning	Competence	Self-Determination	Impact	Empower_
Lowest 5%	3.67	4.33	3.67	2.00	4.17
10%	4.67	4.50	4.33	2.67	4.50
15%	4.80	4.75	4.67	3.00	4.69
20%	5.00	5.00	4.75	3.33	4.83
25%	5.25	5.25	4.85	3.67	5.00
30%	5.33	5.33	5.00	4.00	5.08
35%	5.50	5.51	5.30	4.33	5.19
40%	5.67	5.67	5.33	4.67	5.33
45%	5.75	5.71	5.50	4.82	5.42
50%	5.91	5.75	5.67	5.00	5.50
55%	6.00	5.82	5.72	5.03	5.58
60%	6.11	6.00	5.75	5.33	5.67
65%	6.22	6.25	5.93	5.50	5.81
70%	6.33	6.33	6.00	5.67	5.88
75%	6.50	6.50	6.08	5.78	6.00
80%	6.67	6.67	6.33	6.00	6.08
85%	6.78	6.75	6.38	6.35	6.19
90%	6.89	6.91	6.67	6.50	6.38
Highest 95%	7.00	7.00	7.00	7.00	6.58

Appendix B (Psychological Empowerment Permission)

Re: Permission to use Psychological Empowerment Instrument

Gretchen Spreitzer <spreitze@umich.edu>

Sun 5/10/2020 11:07 AM

To: Penny S Touchette <pstouchette@go.granite.edu>

Hello Penny,

What interesting research you are doing! Yes you have my permission. Best wishes - and I hope to learn from your results!

On Sat, May 9, 2020 at 9:29 PM Penny S Touchette <pstouchette@go.granite.edu> wrote:

Dear Dr. Spreitzer,

My name is Penny Touchette. I am a master's student at Granite State College. I am asking for permission to use the Psychological Empowerment Instrument for my capstone project.

My project is on the Influence of Psychological Empowerment on Organizational Effectiveness in the Public Sector. I would like to use the Psychological Empowerment Instrument with your permission as one of the methods for my research to examine the level of psychological empowerment that employees perceive within a government-run organization.

Thank you for your time and I look forward to hearing from you.

Penny Touchette
pstouchette@go.granite.edu