The Differential Effects of Social Structure Characteristics on Employees’ Perception toward Empowerment

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ABSTRACT

This paper examined the relationship between social structure characteristics and employees’ perception on empowerment. Further, this study determined the differential effects of social structure characteristics on employees’ perception toward empowerment among Customer Marketing Executives of service sectors in Malaysia. Sample of this study consisted of 482 Customer Marketing Executives in the selected service sectors in Malaysia. The study found that all of the social structure characteristics (power distribution, information sharing, knowledge, rewards, leadership and self esteem) were related with employees’ perception on empowerment. Hierarchical Regression analysis on a sample of 482 respondents also indicated that all of the social structure characteristics had a positive effect on employees’ perception toward empowerment. The study found that power distribution emerged as the most significant effect on employees’ perception toward empowerment. Based on the findings, implications for managerial practice and future research are discussed.

Keywords: Social structure characteristics and employee empowerment

INTRODUCTION

Practitioners and scholars have long recognized that the management of organization is undergoing a paradigm shift (Daff & Lewin, 1993). The shift is from the traditional control of management style to management by commitment and involvement. The purpose of this paradigm shift is to implement a high performance or transformed workplace where employees will feel more empowered. Empowered employee is crucial particularly those involve with the tasks that need immediate decisions and deal with customers. This is no exception to employees who serve as frontline employee in service sector in particular, Customer Marketing Executives. Empowered workplaces require employees who are able to change their mind set with the way they work. This includes responsibility in making decision at workplace, work methods and problem solutions. Front liner employees also need to perform mental and physical work. The risk inherent in the empowered workplace is the loss of control on subordinates and a loss of power when decision is shared with lower levels employee.

In addition globalization and technology advances require front line employees to face with multiple responsibilities that include dealing with ambiguity and uncertainty which normally be controlled by superiors in a traditional workplace. Teamwork is the common nature of employees who work in empowered workplace. Employees in the empowered workplace will experience a shift from individual pay based performance to team pay based performance. This may cause employees to loss control to their pay and resulting in resistance to the empowered workplace. However, in the dynamic business environment there is a need to shift of control style of management to a commitment style of management. This requires team management, leader of the organization, managers and employees to change. According to Cotton (1996) incremental change would not help much instead he suggested that the shift can be done through a transformational change.

Several studies have highlighted how empowering environment are created and maintained to face with the environmental changes. However, very few studies are done on the antecedents and roles of the contextual and organizational factors such as social structure characteristics on empowerment particularly among frontline employees in Malaysian context. This study attempted to relate on particularly one of the important elements that shape and guide the behaviors of employees in empowerment. The objectives of this study was to examine the relationship of social
structure characteristics on employees’ perception towards empowerment and determined the different effects of social structure characteristics on the employees’ perception towards empowerment.

LITERATURE REVIEW

Several definitions of empowerment are documented in the literature. Empowerment has been addressed in several different approaches due to diverse definitions in the scholarly literature (Heller et al., 1998). Empowerment is also referred as giving authority to make everyday decisions and self-generated exercising of judgments (Rappaport, 1984).

Scholars have classified two main views of empowerment mainly structural and psychological perspectives. Structural empowerment focuses on empowering management practices such as delegation of decision making from upper to lower levels of organization (Heller et al., 1998) and increasing access to information and resources among individuals at the lower levels (Rothstein, 1995). Accordingly, the main idea of structural empowerment is that it entails the delegation of decision-making prerogatives to employees, along with the discretion to act on one’s own (Mills and Ungson, 2003). In the structural perspective, employees will be empowered by way making the necessary changes at the structural level. It means that employees will feel more personal control over how to excel in the job; will be more aware of the business and the strategic context in the job is performed and ultimately would be more accountable for performance outcomes (Bowen and Lawler, 1995). Conger and Kanugo (1998) attributed these responses as cognitive-affective and later have been labeled as psychological empowerment.

Extensive writings in the organizational theory domain have been given towards clarification of psychological empowerment concepts. Thomas and Velthouse (1990) defined psychological empowerment as increased intrinsic task motivation that is generic conditions by an individual, regarding directly to the task, that produce motivation and satisfaction. Derived from the work of Conger and Kanugo (1988), Thomas and Velthouse (1990) and Spreitzer (1995), proposed four dimensions of psychological empowerment; meaning, competence, self-determination and impact.

Meaning concerns with the value of a work goal or purpose, judged in relation to an employee’s own ideals and standards (Thomas and Velthouse, 1990 and Spreitzer, 1996). It relates to agreement between requirement of a work role and employee’s beliefs, values and behaviors (Spreitzer, 1995). While competence is an employees’ belief in his or her capability to perform based on their skill (Thomas and Velthouse, 1990). Self-determination is defined as the employees’ perception on the autonomy in the initiation and continuation of work behaviors and processes (Deci et al., 1989). Self-determination involves causal responsibility for a person’s actions. The impact or influence dimension reflects the degree to which an employee can influence strategic, administrative or operating outcomes at work (Ashforth, 1989).

Both organizational researchers and practitioners have identified employee empowerment as a construct meriting critical inquiry (Kanter, 1989 and Thomas & Velthouse, 1990). Therefore, great interest in psychological empowerment crops up at a time when global competition and change require employee initiative and innovation (Drucker, 1988). According to Rappaport (1984) empowerment is a construct that links individual strengths and competencies, natural helping system and proactive behaviors to special policy and social change. Therefore empowerment theory, research and intervention link individual well being with the larger social and political environment (Perkins and Zimmerman, 1995).

Empowerment is commonly believed to be a solution to stress related problem in organization. Fock et al. (2002) suggest that empowerment enables frontline employees to provide personalized services to meet special customer request albeit violating the prescribed policies of their companies. In addition, to create a supporting service climate in the organization an empowerment strategy will encourage frontline employees to serve customers in innovative ways, which in turn lead to employees’ desire to provide better and higher quality of service (Schneider, 1980). Consequently, this will directly affirm customer satisfaction and help reduce employees’ role ambiguity and their job satisfaction (Fock, 2002).

Empowered employee will always feel they are more satisfied and motivated in their jobs and will be more productive, changeable and cooperative (Spreitzer et al., 1997). Currently most organizations are more proactive in providing superior service to their customers. This is due of the risk of having too many unsatisfied employees would
affect the performance of the organizations. Having satisfied employees working in organization would also help organization in providing good services to customers. Considerable interest has been devoted in the study of employee empowerment (Spreitzer, 1995). Despite of numerous studies regarding employee empowerment, cross-cultural studies have revealed of inconclusive findings on the factors that associated with empowerment. Researchers generally still argue on the relative merits of social structure characteristics influence for explaining behavioral outcomes of employee empowerment. This study explored the extent of social structure characteristics relate and affect employees’ perception on empowerment.

Social Structure Characteristics

Social structure characteristics refer to environmental events that impact the task assessment individuals make, influencing the level of perceived empowerment and thus, influencing behavior (Thomas & Velthouse, 1990). Environmental events provide information to individuals about the effects of their behavior and about conditions relevant to future behavior. The social structure can be classified into formal and informal characteristics of the work environment (Sigler, 1997). Further, objective characteristics of the environment are posited to influence perception of empowerment (Sigler, 1997). According to Thomas & Velthouse (1990) organizational environment can be a powerful influence on cognitions of empowerment. The formal characteristics of the environment are like power sharing, power distribution, information sharing, knowledge and rewards (Lawler, 1992) and self esteem (Brockner, 2002). Meanwhile, informal characteristics of environment are like leadership and organizational culture. Sigler (1997) found that the formal and informal characteristics of work environment had significant effect on employees’ perception toward empowerment. Further, test on both leadership and organizational culture were found to predict employees’ perceptions on empowerment.

The social structure characteristics correspond with the work setting factors postulated by Robertson et al. (1993). The work setting is composed of four interrelated components mainly: 1) organizational arrangements, 2) social factors, 3) technology, and 4) physical setting. This models encompasses organizational arrangements (information sharing policies, rewards system and knowledge sharing practices) technology issues (power sharing) and social factors (organizational culture, leadership and individual attributes). Spreitzer (1995) proposed model empowerment of social structure that includes organic structure, access to strategic information, access to organizational resources, organizational support and organizational culture that will influence psychological empowerment. In the structural perspective, employees will be empowered by making the necessary changes at the structural level. This means that employees will feel more personal control over how to excel in the job; will be more aware of the business and the strategic context in the job is performed and ultimately would be more accountable for performance outcomes (Bowen and Lawler, 1995).

Social Structure Characteristics and Empowerment

The influence of social structure characteristics and its components on organizational behavior has been widely researched (Spreitzer, 1996). For instance Sigler (1997) investigated on the effects of social structure characteristics on empowerment in Western context. The study, which was carried among front line employees discovered that both formal and informal social characteristics, specifically the performance work environment, organizational culture and leadership are significantly related to employees’ empowerment. Spreitzer (1995) in his research found that social structure characteristics of self-esteem, locus of control, information and rewards are some critical antecedents of empowerment that have influence on managerial effectiveness and innovation. This finding implied that social structure characteristics have shaped how individuals see themselves in relation to their work environment and work context of management practices have influenced employees’ empowerment.

In a study of 393 middle managers representing diverse units of a Fortune 50 organization found that work context (social structure characteristics) of role ambiguity, span of control, sociopolitical support, access to information, and participate unit climate is found to be related with employee’s empowerment. The structure characteristics in a form of contextual factors like communication, general relations, teamwork and concern for performance have also helped employees’ sense of empowerment (Stiegall and Gardner, 2000). Empowerment in the workplace has increased attention
among scholars and practitioners (Donovan, 1994). Therefore, the social structure characteristics have been researched in various dimensions in which Koberg et al. (1999) have found leader approachability, work of group, group effectiveness and position in the organization’s hierarchy are found to be related with employees’ empowerment. Most studies in this area have been carried out in the United States. No information is available about the generalizability of these findings to other Eastern countries in particular, Malaysia. Thus this study aims at answering the following hypotheses:

H1: There is significant relationship between social structure characteristics and employee empowerment
H2: Demographic variables will have a significant effect on employee empowerment
H3: Social characteristics will have a significant effect on employee empowerment
H4: Power distribution will have the most significant effect on employee empowerment.

**METHODOLOGY**

**Sample and Procedure**

Participants in the study consisted of Customer Marketing Executives of a telecommunication firms in Malaysia. 800 questionnaires were distributed to the Customer Marketing Executives in these firms and 482 useable questionnaires were used in the statistical analysis represented a response rate of 60% from the sample. The selection of the respondents was based on the stratified random sampling. In terms of age the average age of the respondents was 35.04 years, while the mean age of their experience in organization was 11.3 years and experience with the current job was 5.6 years. Regarding gender, 36% of respondents were male while female respondents were 64%. Majority of the respondents (68%) were married while 32% were not married. In terms of position, 60% of the respondents were from senior level of Customer Marketing Executives and 40% were among lower levels.

**Measurement**

The dependent variable of this study was empowerment. Empowerment was measured using a 12 item scale developed by Spreitzer (1995). The multidimensional measure consisting of four sub-dimensions mainly meaning, competence, self-determination and impact. Each scale had three items each. Subjects indicated their level of agreement or disagreement with each of the statement, with responses ranging from 1 = strongly disagree to 7 = strongly agree. The empowerment scale had an alpha coefficient of .93. The four subscales were averaged, yielding a single composite measure with a high score indicating high perceived psychological empowerment.

Social structure characteristics were the independent variable of the study and were measured with multiple items. Three items from Coopersmith’s (1967) scale was used to measure self-esteem. Power distribution with 5-item, information sharing with 8-item, knowledge with 8-item and rewards with 7-item scale were measured using instrument developed by Lawler et al (1995). Meanwhile, leadership was measured using a 7-item scale adapted from Podsakoff (1990) scale. All of the social structure measures were on a 7-point Likert type scale where 1 = strongly disagree and 7 = strongly agree. The reliability coefficient for each of social structural aspects indicated a high value ranging from .85 to .93.

**RESULTS**

**The Relationship Between Social Structure Characteristics and Employee Empowerment (H1)**

Correlation and regression analysis were used to analyze the data. Findings on the correlation analysis were integrated into the overall model to answer the first (H1) hypothesis of the study. The correlation results revealed a significant relationship among social structure characteristics and employee empowerment. Table 1 depicts the Pearson’s correlation coefficients of the study variables. In general all the independent variables had significant correlations ($p < 0.05$) with empowerment. As can be seen in Table 1, the correlation coefficients for the variables under investigation were relatively high ranging from 0.31 to 0.75.
As shown in Table 1, all of these coefficients were found to be significant. The study found that social characteristics in terms of power distribution, information sharing, knowledge, rewards, leadership and self esteem indicated a significant and positive relationship with employee empowerment. This finding implies that the higher the level of power distribution, information sharing, knowledge, rewards, leadership and self esteem lead to the higher level of employee empowerment. Data in this study supported the first hypothesis (H1) of the study. Therefore, the first hypothesis was accepted.

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* p < .05

1 = power distribution; 2 = information sharing; 3 = knowledge; 4 = rewards; 5 = leadership; 6 = self esteem.

The Effects of Social Structure Characteristics and Demographic Variables on Employee Empowerment (H2, H3 and H4)

Table 2 reports the hierarchical regression results predicting employee empowerment from the independent variables of social structure characteristics and demographic variables. This analysis was employed to test the second (H2), third (H3) and fourth (H4) hypothesis of the study. Two steps were included in the regression analysis. The first step involved all aspects control variables. In the second step six variables under social structure were entered as independent variables. The dependent variable was employee empowerment. From Table 2, when the six control variables were entered in the equation in the first model, the R² value for employee empowerment was found to be .229 indicating that 22.9 percent of the variance in employee empowerment is explained by the demographic variables. Specifically, age (β = .58); income (β = .20); organization tenure (β = .49); and job tenure (β = .33); gender (β = .38); marital status (β = .41) had a significant and positive effect on employee empowerment.

In step 2, by adding six independent variables of power distribution, information sharing, knowledge, rewards and self esteem, R² increased to 53.6 percent. This R² change (.307) is significant at 0.05. This implies that the additional 30.7 percent of variance in employee empowerment is explained by the six variables of social structure characteristics. The results showed that for the control variables in the second step four control variables out of six variables were found to have an impact on employee empowerment. The four variables were age (β = .39); income (β = .42); organization tenure (β = 1.01) and job tenure (β = .30). Marital status and gender however, had no effect on employee empowerment. These results provide partial support for the second (H2) hypothesis of the study.

For social structure characteristics all variables were found to have an effect on employee empowerment. These results provided support for the third (H3) hypothesis of the study and the hypothesis was accepted. The results also indicated that power distribution emerged as the most significant predictor to employee empowerment (β = .57. Since power distribution emerged as the most significant effect therefore it provided support for the fourth (H4) hypothesis of the study. It was discovered that the control variables together with the model variables jointly explained 53.6 percent of the variation in employee empowerment.
### Table 2. Results of Hierarchical Regression Analysis

<table>
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<th>Control Variables</th>
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<tr>
<td>Age</td>
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<td>.39*</td>
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<td>Marital Status (Single = 0, Married = 1)</td>
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<tr>
<td>Income</td>
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<td>Tenure in Organization</td>
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<td>Job Tenure</td>
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<th>Model variables</th>
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<tr>
<td>Power distribution</td>
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<td>Information sharing</td>
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<td>Knowledge</td>
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<td>Rewards</td>
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<td>Leadership</td>
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<td>Self esteem</td>
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*Significant at the .05 level

**CONCLUSION, IMPLICATIONS AND SUGGESTIONS**

The purpose of this study was to examine the relationship between social structure characteristics and demographic variables with employee empowerment and to determine the influence of independent variables on empowerment within the Malaysian context. The results obtained in the present study indicated that demographic variables and social structure characteristics are related to employee empowerment. This result is consistent with those of previous research (for example, Spreitzer, 1995 and Thomas & Velthouse, 1990). The finding of the study also indicated that age, income, job and organization tenure and social structure characteristics are the important controllable determinant or influence on employees’ perception toward empowerment in the organization. The results closely parallel earlier findings (Sigler, 1997 & Bateman & Crant, 1993) lending some support to the construct validity of these measures. Therefore this study validates the result obtained by these researches and generalizes it to the other groups of employees. Although gender and marital status did not emerge as significant predictors of the dependent variables in the regression equation, the correlations do indicate the significant relationships and need to be recognized as a potential source of employee’s perception toward empowerment.

The data suggests that, age, income, job and organizational tenure and social structure characteristics are positive factors in influencing empowerment in organization. When employees are perceived as having social structure characteristics they tend to experience or feel a positive emotional state and more empowered. The findings obtained from this research seem to suggest that managers should provide environment that would encourage employees to have social structure characteristics. This is important in developing good and positive culture among employees. Employers concerned with developing high levels of employee empowerment need to focus their attention on providing ample social structure characteristics for organizational effectiveness. Findings of the study tend to suggest that social structure characteristics were perceived as the stimulator for employees to perceive high in empowerment. Consequently, organization environment that provide high level of social structure characteristics will induce employee to feel more empowered.

The findings of this study respond to the need expressed in the literature to improve the measurement of employee empowerment by developing and evaluating an instrument to measure a firms’ ability to empower their employee. By
using this instrument, future research can be conducted to expand our understanding of employee empowerment. Further, although links between employee empowerment and social structure characteristics have often been assumed, there is little empirical to support this perspective, because most research on employee empowerment has been on case studies of other non-quantitative descriptive methods. This study seeks to fill this gap in the literature, by examining empirical survey data on the influence of social structure characteristics and demographic variables on employee empowerment. The empirical results of this study support the hypotheses that there is a positive and significant relationship between social structure characteristics and demographic variables with empowerment and both independent variables had significant impact of employee empowerment.

This research does have a number of limitations, leading us to suggest some possible implication for future research. However this research could be viewed in the light of three aspects. Firstly, this research was based on cross sectional data, which limits inferences with regards to causality between the independent variables and the dependent variables. It is suggested that the use of longitudinal approach would improve the ability to make causal statements. Secondly, this research is confined within limited group of employees in particular Customer Marketing Executives with discretion to psychological empowerment across cultural study for service industry. Finally, there is no evidence of research and empirical survey data on the relationship between social structure characteristics and demographic variables with empowerment and both independent variables had significant impact of employee empowerment.

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Finally this study undoubtedly is able to unmask the myth of empowerment by investigating the factors that related and could influence empowerment. The study also validated previous empirical research and uncovered an answered on the inconsistency of findings. It is expected that this research could contribute to clarify the popular and confusing empowerment concept and improve its practice in the global business. Moreover, there is no evidence of research and documented literature in this area pertaining to employees working in telecommunication industries in Malaysian context.

REFERENCES


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