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The impact of employee empowerment on achievement motivation and contextual performance of employee: A Case Banking Sector in Pakistan

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ABSTRACT

The rationale of study is to investigate the effects of employee empowerment on achievement motivation and contextual performance of employees. Responses of employees in Public and private banks have been analyzed by using regressions analysis. The results of study show the positive impact of employee empowerment of achievement motivation and contextual performance of employees. It implies that employee empowerment is important for achievement motivation and ultimate performance for employees working in dynamic corporate environment.

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Introduction

In the view of fact Organization source of higher employee performance and effectiveness is the human person which is more reliable and trustworthy element of organization through which employee performance and commitment are higher for organization. Human asset are gradually more complex for working process. Now the time required the continuous improvement in information technology and communication. Organizations need to introduce the advance production methods and techniques and developed a structure for the welfare of the organization. For survival in competition environment need to follow the new approach as compare to traditional. New approach based on human creativity competences and on empowerment. Employee empowerment is power gives to employee to take initiatives independently on their own will and through experience for the profits of the organization. This power of empowerment encourages the motivation of employee which ultimately affects the performance of employee as well as increase the progress of organization. Empowerment maintained through leadership approach and leadership described as a coach or problem solver who gives importance to human. The rationale of empowerment is to motivate the employees and in output increase the performance of employees with the strategy of productiveness, satisfaction and effectiveness of organization. Achievement motivation increases the efforts and supports the employee's confidence which give the desired results (McClelland, 1985). The researches show that individual development is an important factor who gives a more efficient performance that having a high level of motivation which affects on the performance of the organization (Can, 1985). Motivation is behavioral dimensions which reflects the employee competency and also have a emotional and cognitive dimension which overcome the problems of organization as well as give strength to employees to control their bad attitude toward their organization welfare. These dimensions provide resistance position to employees in difficult situations and increase their contextual performance of employees (Grote GF, 1991). The

major part of motivation is to increase the performance of employee under empowerment by giving tasks to examine the employee strength of doing job efficiently. Employee's motivation is strength for getting commitment and enhanced the performance and the way of working that an individual employee does in organizations.

Employee's productive activities provide benefit to an organization also the behavior which is different from employees' figural behavior. Non figural behaviors also called as extra role behavior, prosaically behavior, good soldier syndrome (Organ, 1988) contextual performance (Scotter & Motowidlo, 1996) organizational citizenship behavior (Bateman & Organ, 1983) Innovative task performance followed three-step performance indicator which are creating, supporting and application of new ideas and processes. In context of contextual performance behaviors comes out as extra role behavior instead of formal tasks from innovative task performance. Innovative task performance is another type of performance measure. Particularly, it is the behavior of employees towards creativity like; innovative ideas, methods technique and intrinsic entrepreneurship and in role defining. These behaviors, as they are in contextual performance, appear voluntarily as extra role behavior away from formal tasks out of innovative task performance (Janssen, 2000).

The rest of the paper has been organized as section 2 deals with literature review, while section 3 with methodology and section no 4 containing results discussion and conclusions.

Literature review:

Employee empowerment:

The concept of empowerment is defined through its different aspects in researches. According to (Vogt & Murrell, 1990), Employees decision making ability improved through empowerment and also helps through training, education, sharing, and team work cooperation. Empowerment recognized as an assigned responsibility and activity for employees to attain their abilities for appropriate decisions (Klagge, 1998). Empowerment has administered to employees because empowerment enhanced the internal entrepreneurship of

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employees and institutional abilities, also considerable the empowering factors which is facilitate the self empowerment implications and helpful for employee administration (Spreitzer, 1995). Conger & kaung, (1988) consider empowerment influence on motivation and employee's self competence and making progress employee in organization. Gist & Mitchel (1992) stated that satisfaction or self efficiency of employees increase through empowerment and it's a way of evaluation the performance. Blanchard defined as empowerment work as an authority gives to employees through which they can overcome the lackness in their tasks and enhanced the overall performance of their work and also encourages completing their tasks with responsibility.

Motivation:

Accomplishment motivation can temporarily be defined as the instinct that prompts people. It is usual that people with high accomplishment motivation have moreover strong instinct succession of individual and organizational achievement being result-oriented, strong determination making the difference, and being resolute (Epstein & Harackiewicz, 1992). Challenging threatening situations, hard workings, taking up responsibility, tackling hard tasks are the traits of people with high succession of motivation. The ones studying on the succession motive demonstrated that the individuals who have a high succession motive have features such as formative the target, believing in achievement, determination, insistency, effort for compensating, being proud of, superiority, hegemony, concentrating, tendency of competition having a trust for achieving, hegemony, superiority, desire for learning, regular and continual study, flexibility, focusing on, determining target, internalization obstinacy, preferring hard task, feeling proud for productivity, self-control, acquiring a status (Higgins et al., 2001; Byrne et al., 2004).

Contextual performance:

The purpose of performance is how to provide the surplus through productive activities (Gist & Mitchel, 1992). Two basic aspects are considered in performance one is task performance and other one is contextual performance. Task performance is the responsibility which contributes to the institution into practice through technical processes and trough product and services (Borman & Motowidlo, 1997). It is provide the essentials to make possible production and support the behaviors of employees (Scotter & Motowidlo, 1996). Scotter & Motowidlo (1996) view contextual performance as personal coordination and commitment to their work. This classification is key for contextual performance which is added the social effectiveness and organizational environment also the task performance and based on technical processes.

There has been a clear gap identified that employees empowerment is important function which motivate the employees to fulfill their tasks as result to increase the performance and then achieved positive impact on organization for the profits.

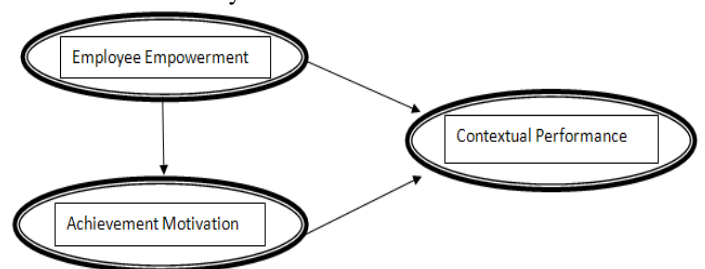
Methodology:

Sample & data collection:

In order to investigate the effect of employee empowerment on achievement motivation of employees and their contextual performance, 100 questioners are distributed among the employees working in public and private sector banks. In order to collect data for research a survey questionnaire has been used. Different scales have been used to develop research instrument from developed researches like employee empowerment perceptions scale and contextual performance scales adopted from (Kaya & selcuk, 2007; Moorman & Blakely, 1995).

As, employee empowerment perceptions scale was developed by Spreitzer (1995) having four dimensions and twelve statements. Whereas, achievement motivation scale has been adopted from Kaya & selcuk (2007) study. The scale having four dimentionns and seventeen statements. In order to measure contextual performance a scale having 5 different section has been used in this study (Moorman & Blakely, 1995).

Descriptive statistics of the demographics have been covered in Table No 01. The demographic features results show that mostly male use to work in banks having job tenure in organization ranges from 1 to 3 years holding middle level posts. Middle level contains the following positions like; CSO, Credit officer, Agriculture Officer, Remittance officer. Mostly, the employees are graduated in their academic qualifications. Most of the employees having job experience less than three years working in lowers and middle posts, it indicates that there has been massive induction of employees in banking sector has absorbed in last few years.



According to theoretical frame work of the study backed by literature research model of the study has been developed. As the foundations provide by model positive perception of empowerment applications is assumed to affect achievement motivation and contextual performance of employees positively.

H1: Empowerment perception of employee positively affects on achievement motivation.

H2: Empowerment perception of employee positively affects on contextual performance.

H3: Achievement motivation positively affects on the contextual performance of employee

Results

The descriptive statistics of the main variables has been displayed in table no 02. The means and standard deviations of the variables have been reported in following table. Almost all the variables have similar means values ranges from 4.27 to 4.32 while the low threshold of variance indicate that most of the responses are clustered and there is less dispersion between values. These figures show that employees have positive perception of employee empowerment, achievement.

Correlation analysis has been applied in order to check the nature of relationship between variables and also to identify the level of autocorrelations in variables and multicolliniarity. As the results of the table indicate that there is positive and significant correlation between employees empowerment and contextual performance which implies that as the employees will be empower more they will perform (Gist & Mitchel, 1992). However, there is also significant positive correlation between achievement motivation and contextual performance, it also implies that as the employees will be motivated more they will perform (Epstein & Harackiewicz, 1992). While there also a positive significant positive correlation between motivation and empowerment, this thing indicate that both of these dimensions move parallel in corporate culture and these could have bidirectional effect on each other in such a way that, empowerment can lead to motivation as well.

Variable	Frequency	percent
<i>Gender:</i>		
Male	78	78%
Female	22	22%
Total:	100	100.0%
<i>Age:</i>		
Below 25-35	85	85%
36-45	13	13%
46-55 & above	2	2%
Total:	100	100.0%
<i>Education:</i>		
Under graduated	2	2%
Graduated	38	38%
Post Graduated	60	60%
Total:	100	100.0%
<i>Tenure:</i>		
1-3 years	69	69%
4-6	24	24%
More than 7 years	7	7%
Total:	100	100.0%
<i>Position:</i>		
Upper	29	29%
Middle	43	43%
Lower	28	28%
Total:	100	100.0%

	Mean	Std. Deviation
Employees Empowerment	4.2733	.29684
Achievement Motivation	4.1718	.28838
Contextual Performance	4.3258	.27442

	EE	AM	CP
Employees Empowerment	1	.664** .000	.418** .000
Achievement Motivation	.664** .000	1	.559** .000
Contextual Performance	.418** .000	.559** .000	1

** . Correlation is significant at the 0.01 level (2-tailed).

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.997	.365		5.466	.000
	AM	.478	.107	.502	4.476	.000
	EE	.078	.104	.085	.754	.452
Model	R	R Square		Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.562 ^a	.316		.302	.22928	1.836
a. Predictors: (Constant), EE, AM						

As more the employees will be empowered more the feel secure and ultimately the level of motivation in employees raise.

In the nest step regression analysis has been used because it is a pure case of measure of associations between variables. In order to apply regression analysis the data should be free from the issues of autocorrelations and multicolliniarity. The Durban-Watson test has been applied to check the issues of autocorrelations and multicolliniarity, the coefficient of the test indicate that the data is appropriate to apply regression analysis. The regression coefficient predict that contextual performance and achievement motivation are positively highly significant integrate with each other while the contribution of employees empowerment in contextual performance is neither strong nor significant. It could be because of that most of the employees are not aware about empowerment policies and power and uncooperative management behavior. In most of the existing studies like: (Gist & Mitchel, 1992; Vogt & Murrel, 1990) have established that empowerment is a significant predictor of performance but in Pakistan it has not been observed as. It could be because of that in local corporate culture empowerment could be exploited due to weak monitoring or supervisory function. The regression analysis predicts the relationship among the variables. And the model result shows the adjusted R square .302 so 30% variation in contextual performance (dependent variable) due to employee empowerment and achievement motivation (independent variable).

Table 3. (Model 02)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.424	.325		4.377	.000
AM	.683	.078	.664	8.781	.000
Model	R	R Square	Adjusted Square	Std. Error of Estimate	Durbin-Watson
2	.664 ^a	.440	.435	.22319	1.564

a. Predictors: (Constant), AM

b. Dependent Variable: EE

The model no 2 represents the relationship between employee empowerment and achievement motivation. Employee empowerment has a significant positive impact on achievement motivation. As well as more the employees will be motivated their achievement graph will be up word sloped. The regression model predicted the employee empowerment as dependent variable and achievement motivation as independent variable. The value of R square shows the fitness of model as Adjusted R Square = .435 so variation comes in achievement motivation due to employee empowerment is 43%.

Conclusion:

The study intends to investigate the impact of employee empowerment on achievement motivation and contextual performance of employees. Responses of employees in Public and private banks have been analyzed by using regressions analysis. In order to collect date for research different scales have been used like employee empowerment perceptions scale and contextual performance scale developed by different scholars. The established hypotheses have been tested by using measure of associations approach. The study concludes that employee empowerment has a positive impact on achievement motivation and contextual performance. It is understood that in organization following humanistic management, approaches empower employees which strengthens self-respect of employees which ultimate lead towards achievement motivation

positively and also enhance organizational citizenship behavior and loyalty. Results show significant relationship among the employee empowerment and achievement motivation in the bank's employees. Empowerment leads towards employee motivation as results increase their performance. It is important and beneficial for employees as well as banks. In Pakistan banks empowerment is not practiced properly due to unawareness, and no engorgement for employees for empowerment. Empowerment is process of training and education also sharing the experiences. This study is useful for both public and private banks of Pakistan to encourage the employees for empowerment which motivated the employees. It is recommended that after the study on employee empowerment in Pakistan to develop strategies or policies like cooperative management, rewarding on their decisions. Efforts should be made to encourage the employees for empowerment to take initiatives and imparted necessary training and coaching for them. Empowerment introduced slowly in to banks working environment because it's difficult to change the traditional way to self directed team approach. Also recommended for future research to investigate the employee empowerment into other organizations with maximum sample size and added more factors than this study and explore more results over the country.

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