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Developmental experiences, empowerment and perception of organizational support: a conceptual framework

Hazril Izwar Ibrahim

School of Management, Universiti Sains Malaysia.

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ABSTRACT

The objective of this paper is to propose a framework on the relationship between developmental experiences, empowerment and perception of organizational support. This framework relies on the social exchange theory (SET), which proposed that employees who received developmental experiences and empowered by their organizations will view their organizations favorably. Review of past literatures is provided to establish the foundation for the proposed framework.

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Introduction

For decades, there has been strong tendency to adopt downsizing strategy to deal with economic pressures in the environment (Makawatsakul & Kleiner, 2003). Organizational downsizing and organizational decline has been frequent phenomena due to fundamental and structural changes in the world economy (Selmer & Waldstrom, 2007). In an economic downturn or recession, involving the national or regional economy, job opportunities may not be numerous and few employees may want to leave their current employment voluntarily. Hence, organizational downsizing involving staff reductions may be the main strategy employed to try to arrest the organizational decline and for the survival of the firm (Freeman & Cameron, 1993). For example Lee and Corbett (2006) reported that at least one third of large and medium-size US companies have downsized their workforces every year since 1988, and more than 85 per cent of *Fortune* 1,000 firms pared their white-collar workforce between 1987 and 1991 (Cascio, 1993). During the economic recession of 2009 and early 2010, the manufacturing sector in Malaysia experienced a substantial negative effect, thereby, exposing the fragility of the sector where, when the GDP was in decline, the contribution of the manufacturing sector fell steeply. While the country is slowly recovering from the crisis, it has left a bitter experience both for the country and the investors. One of the effects of the crisis was the mass retrenchment exercise undertaken by firms in their effort to survive during the difficult period. World Bank (2010) further reported that during the period of recession, 120 000 employees were laid-off, where 77.8% of the retrenched employees came from the manufacturing sector. As such it is only appropriate that the study is conducted.

Against the backdrop of the economic situation, it is apparent that downsizing has become one of the favoured strategies implemented by firms to weather out the storm brought about by global economic recession. The volatile business environment have increased the likelihood that organizations have become hesitant or less able to provide

workers with traditional development opportunities, such as organization-sponsored training programs, professional development and career management advice (Roberts, Dowker, Fleming, King & Stack, 2008). The rationale behind this trend is that firms may end up losing employees who have received developmental experiences, which is extremely costly for an organization. Thus, developmental experiences may be a double edged sword: they have the potential to develop talented employees, but they might also be costly for the firm if the employees are involved in the downsizing exercise (Roberts et al., 2008). Consequently, although staff reductions may be perceived as unavoidable, firms need to preserve their core competencies and hence must retain key staff members for organizational survival and post-crisis development (Allen et al., 2001; Lee, 2001; Nutt, 2004). Therefore, this paper proposed that the extent that developmental experiences are provided to the employees is a signal to them that they are valued and cared for by the organization. In return, employees will view their organizations to be supportive of their efforts.

Despite the volatility of the current economic environment, HRM practices are still required to promote discretionary efforts of employees, that retain valuable human capital, and that reconstruct valuable organizational structures (Chadwick, Hunter and Walston, 2004). Specifically, in the field of strategic HRM, it is well established in previous studies (Pfeffer, 1994; Arthur, 1994; Huselid, 1995; MacDuffie, 1995; Youndt et al., 1996) that empowerment/involvement activities lead to increased effectiveness and productivity through conditions that encourage employees to identify with the goals of the organization and strive harder to achieve those goals (Wood & De Menezes, 1998; Whitener, 2001). The underlying objective was that employees will increase their involvement in the organizations if they are given the opportunity to exert some control and understand their work. Therefore, the way the firms address human resource issues may provide the remedial effect on employees whose firms had to face difficult times during the recession and one of those remedy could lay with empowerment

practices. Therefore, this paper proposes that by providing the developmental experiences and the practice of empowerment will lead employees to perceive their organizations much more positively despite the turbulent business environment.

Literature Review

Developmental Experiences

Developmental experiences are defined as the cumulative knowledge derived from implementing and evaluating development assistance programs, including extra training seminars or even going to a foreign country to learn new skills (Noe, Hollenback, Gerhart and Wright, 2007). Indeed, where firms are unable to guarantee long-term employment, organizations may offer survivors ways to enhance their value and marketability, such as skills training and career management training (Chadwick, Hunter & Walston, 2004). Firms gain competitive advantage by offering developmental experiences to employees, the most obvious being the utilization of skills and experiences that employees acquire during these experiences, which would likely increase the value of the employee to the organizations (Roberts et al., 2008). In other words, by providing such experiences to the employees, the organizations are proving that they value the contributions and are concerned with the skill enhancement of their employees despite the economic situation.

Drawing upon the social exchange theory (Blau, 1964), which is derived from the organizational support theory; Eisenberger, Huntington, Hutchison and Sowa (1986) suggest that employees develop opinions concerning the degree to which organizations value their contributions and shows an overriding concern for their well-being. According to Eisenberger, Cummings, Armeli and Lynch (1997) high perceived organizational support (POS) would (a) meet needs for approval, esteem, and social identity, and (b) produce the expectation that superior conventional performance and extra-role behaviour, carried out for the organizations, will be recognized and rewarded. In other words, when the employees feel that their organizations favours or is committed to them, the norm of reciprocity (Gouldner, 1960) takes effect where it is suggested that that individuals have the responsibility to react positively to favourable treatment (Hochwater, Kacmar, Perrewe & Johnson, 2003). This exchange assumes to create feelings of obligation which motivate the employees to repay the commitment by helping the organization to reach its goals and objectives (Shore & Shore, 1995).

Empowerment

De Val and Lloyds (2002) defines empowerment as the involvement of employees in the decision-making process, inviting employees to think strategically and to be personally responsible for the quality of their tasks; animating, favoring and rewarding employees for behaving in a way more suitable to satisfy the customers and to improve organization's functioning (Mitchell, 1988; Vroom & Jago, 1988; Hermel, 1990; Bowen & Lawler, 1992; Bowen & Lawler, 1995).

According to Guerrero and Barraud- Didier (2004) empowerment encompasses a set of methods based on task enrichment including enlargement of responsibilities, encouragement of initiative, job rotation and work organization practices such as project groups, quality circles and self-managed teams. In essence, empowerment is the management style where managers share with the rest of the organizational members their influence in the decision-making process. That is to say, empowerment is a developmental process that promotes

an active approach to problem solving, understanding of work environment and an increased ability to exercise control in work environment (Baron & Kreps, 1999).

Thus, the treatment that an organization provides an employee in terms of human resources practices which is related to job condition and fairness serves as an indicator to the employee signifying whether or not the organization values them or not. Similarly with developmental experiences, the social exchange theory is an important framework through which to view the relationship between empowerment and POS because whether a person believes that their organization values their contributions and cares about their well-being may influence how they perceive their organizations.

Perception of Organizational Support

Grounded in social exchange theory (Blau, 1964) and the norm of reciprocity (Gouldner, 1960), the POS perspective is guided by the principle that most employees need to feel that their organization respects and supports them. Eisenberger et al. (1986) found that, in order to determine the organization's readiness to reward increased work effort and to meet needs for praise and approval, employees develop global beliefs concerning the extent to which the organization values their contributions and cares about their well-being (Erickson & Roloff, 2007).

According to LaMastro (2009) individuals evaluate the behaviour of organizational agents towards them and infer the general motive underlying that treatment, with the categories that are considered important varying considerably between organizations and between persons. Some individuals might base their sense of POS upon factors such as the organization members' willingness to provide them with special assistance in order to complete a project. Others might develop a strong sense of POS based on the organization members' willingness to provide them with additional opportunities for training in an area that was of particular interest to them. Furthermore, employees are frequently sensitive to relevant environmental and organizational constraints that might limit the ability to provide them with desired rewards (Eisenberger et al., 1997).

Brockner, Grover, Reed, De Witt and O'Malley (1987) found that organizational support plays an important role in preserving the morale of layoff survivors. Armstrong-Stassen (1997) found that surviving managers who had been told their jobs were redundant perceive decreased organizational support. Eisenberger, Armeli, Rexwinkel, Lynch and Rhoades (2001) found that POS is positively related to employees' sense of "felt obligation" to care about the organization's welfare and to help the organization reach its goals. In addition, Naumann, Bennet, Bies and Martin (1998) argued that the degree of organizational support may be particularly salient to employees during difficult times, such as downsizing (Erickson & Roloff, 2007). Overall, it appears that employees who feel that their organization appreciate and value their contribution will experience high levels of POS, which in turn, will encourage the employees to reciprocate the favorable treatment with attitudes and behaviours that will benefit the organizations (Eisenberger, Fasolo & Davids-LaMastro, 1990).

Developmental Experiences and Perception of Organizational Support

It is worth noting that research that includes social support variables has generally supported their positive influence. Variables such as trainees' beliefs about the opportunities to use and apply the training and the likelihood of feedback, praise,

encouragement, and recognition from supervisors and peers have shown positive effects (Clarke, 2002; Holton, Bates & Ruona, 2000; Salas & Cannon-Bowers, 2001; Seyler et al., 1998; Tracey et al., 1995). Employees who perceive how important the training program is to their supervisor are more motivated to attend, learn, and transfer their new skills to the job (Baldwin & Ford, 1988). Recent research indicates that trainees returning to a supportive work environment are more motivated and more likely to apply their new skills to the work setting (Egan, Yang, & Bartlett, 2004; Holton et al, 2000; Seyler et al., 1998). Mathieu, Tannenbaum & Salas (1992) noted that research has found an unsupportive organizational climate will decrease employee commitment and chances for transfer of trained material, for these reasons, it is important to examine ways in which organizations may influence perceptions of organizational support among their employees. Providing employee training may be one way to influence such perceptions. If providing training opportunities can be shown to increase perceptions of organizational support, which in turn affect the likelihood of transfer, a symbiotic relationship between organizational climate and training can greatly benefit the organization (Mullen, Kroustalis, Meade & Surface, 2006).

Empowerment and Perception of Organizational Support

Walton (1985) argued that organizational support facilitates mutual trust between organization and employees which enhance employee's sense of confidence (self-determination) and increases his impact at work place. Vogt and Murrell (1990) suggested that interdependence (reciprocity) of employee and organization creates collaborative and accessible environment for both parties that, in turn, empowers employees through developing their sense of self-efficacy. Employees need certain comfort zone for the successful completion of their work. These comfort zones may involve monetary, physical, human and informational resources, organizational affiliations for employees' actions, and legitimate support for consequences of the actions performed by employees on the behalf of organization (Rhoades & Eisenberger, 2002). When employees perceive organizational support in all these concerns then their feeling of self-efficacy, impact and self-determination would be increased.

Based on the relationships established above, derived from the social exchange theory, the framework for the current study is provided as below:

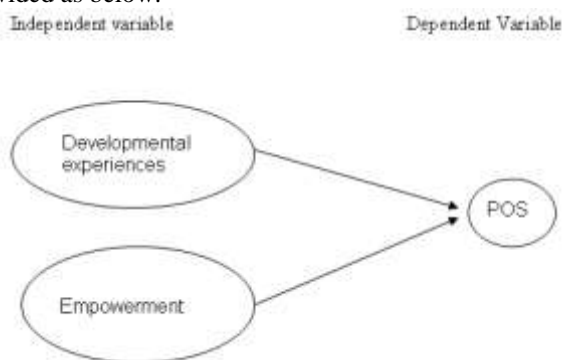


Figure 1: Proposed Framework of Study

Methodology

Measures

Developmental Experiences. This variable was measured using the four-item scale developed by Wayne, Shore, Bommer and Tetrick (1997). This scale assesses employees' beliefs regarding whether or not their organization provides challenging

assignments, projects that develop new skills, managerial help with development and formal training and development opportunities. Consistent with Wayne et al. (1997), all responses were provided in the form of a seven-point Likert scale (1= not at all; 7= to a very large extent).

Empowerment. Items for this variable were derived from the scale developed by Bae and Lawler (2000). This scale assesses the extent that employees were allowed to use personal initiative to perform their work, employees' involvement in problem solving exercises, employees' decision on work performance and equality between management and employees'. This variable is measured in the form of a seven-point Likert scale (1=not at all; 7= to a large extent).

Perception of Organizational Support. The eight items for this variable is a shortened version of the Survey of Perceived Organizational Support by Eisenberger et al. (1986), the same items were utilized by Hochwater et al. (2003). Respondents respond to a seven-point Likert scale (1=strongly disagree; 7=strongly agree).

Sampling and Data Collection

Sample of study will be collected from manufacturing firms listed in the Federation of Malaysian Manufacturers Directory as this the most comprehensive directory available on Malaysian manufacturers. Data will be collected via self-administered questionnaires.

Conclusion

The objective of this paper is to establish a research framework linking developmental experiences and empowerment as the independent variables and perceptions of organizational support as the dependent variable. The relationships between the variables are based on the social exchange theory, where, if the employees perceive that the organizations have provided them with sufficient developmental experiences and they are allowed participation in the decision-making process through the practice of empowerment; the employees in turn, will perceive organizational support positively. The literature has provided strong evidence to support the proposed framework.

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