Relationship between Employee Empowerment and Employee Effectiveness

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Abstract
The study in this article is a part of a more in-depth research investigating the effectiveness and empowerment of the employees in health organizations. The focus of this research is on introducing and testing a model to show the relationship between employee empowerment and employee effectiveness. This model consists of four factors, presenting empowerment including serving others, coaching others, mentoring others and monitoring others as employee. Furthermore, employee effectiveness outcomes are introduced by employee’s satisfaction and employee’s performance regarding their extra efforts. Structure equation modeling (SEM) analysis based on 203 questionnaires, was used to test the model. After analysing the model with a confirmatory approach, there was only minor revisions which were done for the model and, after modifications, the model can be used to measure the relationship between the aimed constructs. A post-hoc analysis based on three interviews was done in order to get more explanations about the results of the study.

Keywords
Employee Empowerment; Employee Effectiveness; Structure Equation Modeling

Introduction
Organizations are dealing with many complex challenges and human resources management have great influence on their success. Managers and leaders’ appropriate behavioural patterns will create strong motivation in employees. Moreover, this will increase employees’ satisfaction and make them more effective in their job.

Today, health organizations are facing with new challenges. One of these challenges is the patients’ increasing needs. Therefore, health professionals are looking for more efficient and effective ways to deal this challenge (Steinhardt, 2003). Offering effective health services to the society, greatly depends on the management methods which they use in the organizations (Leveck, 1996).

One of the essential goals for the managers and leaders is to hunt employee effectiveness (Day, 2001; O’Toole, 2001; Wright, 2007). Amagoh (2009) stated that more studies are needed to determine how managers develop the competencies of the organizational members in order to improve their performance.

Furthermore, professional workforce with sufficient knowledge and experience will be needed for the health organizations to use their resources efficiently. Moreover, these organizations can have better and more reliable interaction with other parts of the society, and therefore meeting the society’s needs. Consequently, this study helps the health organizations to be more useful and efficient.

Employee Empowerment and Employee Effectiveness
Successful leaders and managers help the employees feel competent. Moreover, they usually consider the interests of others (Kouzes and Posner, 2002). Goodly (2008) considered developing and empowering others as the main leadership development factors. In addition, he believed that servant leaders mostly can improve the leadership development factors. Developing others is one of the social skills of leaders (McCaulley and Van Velsor, 2004).

Empowering others is a leaders’ ability which allows them to reinforce and develop their constituents by sharing power and giving visibility and give credits to their employees (Kouzes and Posner, 2002).

Empowerment of people is a major contributor to the development of subordinates by allowing them to do extremely well by investing in themselves, even at the risk of making mistakes (Page and Wong, 2000). Servant leadership theory emphasizes empowering employees, serving them and being committed to cultivating them (page and Wong, 2000; Spear, 2004). Empowering others to act, will lead followers to do a better job, and will aware them about their full
Enabling others to act as Kouz and Posner (2002) described, is to develop the collaboration and empowerment of others, and these are the attributes of transformational leadership. Furthermore, Avolio and Bass (2004) mentioned that there is a need to maximize and develop the employee potential when introducing their transformational leadership model. In fact, one of the important duties of transformational leaders is empowering followers to meet the organizational goals and performance aims (Avolio et al., 2004). Bartram and Casimir (2007) described transformational leaders as enhancing their followers’ performance via empowerment.

Leaders have to treat their follower as individuals instead of a group, and moreover they have to understand subordinates’ developmental needs. Leaders have to treat their follower as individuals, not as a group and also have to understand subordinates’ developmental needs. To improve the potentials of the followers and empower them, leaders coach and mentor subordinates (Avolio and Bass, 2004). Using a method to develop the feeling of self-efficacy in employees can result in their empowering (Pelit et al., 2011). In some cases, empowering followers, lead lower level employees of the organizations to achieve the best knowledge. The role of a leader in empowering others has to be acting as a coach and/or mentor (Robert et al., 2000).

Page and Wong (2000) stated that the important parameters to develop empowerment in others are: getting satisfaction by helping others to succeed, investing great time and energy to help others to conquer their weaknesses and improve their potential, appreciating and encouraging the work of others, appreciating and validating others for their contribution, encouraging others to take initiatives, and focusing on searching for better ways of serving other people.

Kouzes (2003) brought other ways to improve empowerment, like developing cooperative relationship, listening to diverse point of views, treating customers with dignity and respect, supporting people’s choices, letting employees choose their job’s method. In addition, in Page and Wong’s model (2000) of servant leadership “serving others rather than be served” is the most important factor of “authentic leadership” to empower people. As Avolio and Bass (2004) stated, coaching, mentoring and monitoring are important ways to empower people.

Development of a leader’s coaching can provide personalized and honest feedbacks. In addition, these leaders will develop high-potential employees to become the future managers (Weller and Weller, 2004). Executive coaching has been planned as an involvement aimed toward helping executives and developing leaders to improve their performance and thus development of overall organizational performance (Kilburg, 1996).

A necessary strategy in developmental process is establishing mentoring relationships (McCaulley and Douglas, 2004). Mentoring is defined as developmental interactions which engage relations between two or more people with the aim of individual or professional development (D’Abate et al., 2003). Professional development, improved leadership skills, and leadership-capacity building are some beneficial areas for leaders which will be achieved through mentoring. While some researchers criticise this way of mentoring because it only addresses selected people, selective mentoring has the increased potential for productivity and achieving organizational performance goals (Stead, 2005).

According to Avolio and Bass (2004), the main concern of active management by exception is on-going monitoring for variances and deviations and taking active corrective action. Monitoring is the ordinary observation and recording of activities which happen in a program. It means gathering information on all parts of the program. A common example to explain the monitoring is to watch where you are going while riding a bicycle to make sure that you are on the correct path (Bartle, 2007).

Empowering employees by their leaders or managers led to high employee effectiveness. Employee satisfaction and employees performance based on their extra efforts are considered as the most important employee effectiveness outcomes in this study. These two factors were considered as some of the most important organizational effectiveness factors by many researchers e.g. (Avolio and Bass, 2004; Briggs 2008; Duerr, 2009). These categories are greatly influenced by leadership style and the employees’ perception of that style (Avolio and Bass, 2004).

According to Bass and Avolio (2000), doing jobs with other employees with a satisfying method is the real definition of employee satisfaction. Furthermore, this research showed that a follower satisfaction of a leader, makes them more motivated and committed to attaining organizational and group goals.

One of the significant building blocks of any
organization is its employee performance. It is evident that the development of organizations will be done with the effort of all employees, not only one or two people. The purpose of performance as a key multi-dimensional construct is to achieve goals which are linked to organizational strategic goals (Mwita, 2000).

The leader's ability to encourage employees to do extra work, try harder, and make a desire in order to be successful, is defined as extra effort (Avolio and Bass, 2004). The importance of extra effort will be especially more noticeable when workforces are willing to do their job harder in times of crises and turbulence. As a result, identifying the possible candidates who might decide to make that extra effort can assist leaders in selecting the most effective abilities which will increase excellent performance. Then extra effort is the main concern of employee performance (Bass, 1985).

![FIG. 1 PROPOSED MODEL](image)

As a result, this study introduced a model to find out the relationship between employee empowerment and employee effectiveness. This model introduced serving others, coaching others, mentoring others and monitoring others as four employee empowerment factors. Employee effectiveness outcomes were introduced by employee’s satisfaction and employee’s performance regarding their extra efforts. Fig. 1, shows the proposed model of the study. Eight hypotheses are introduced as follow:

H1: There is a positive relationship between serving others and employee performance in Esfahan’s Hospital universities.

H2: There is a positive relationship between serving others and employee satisfaction in Esfahan’s Hospital universities.

H3: There is a positive relationship between monitoring others and employee performance in Esfahan’s Hospital universities.

H4: There is a positive relationship between monitoring others and employee satisfaction in Esfahan’s Hospital universities.

H5: There is a positive relationship between mentoring others and employee performance in Esfahan’s Hospital universities.

H6: There is a positive relationship between mentoring others and employee satisfaction in Esfahan’s Hospital universities.

H7: There is a positive relationship between coaching others and employee performance in Esfahan’s Hospital universities.

H8: There is a positive relationship between coaching others and employee satisfaction in Esfahan’s Hospital universities.

**Methodology**

The main purpose of this research was to identify the effect of employee empowerment on employee effectiveness and introduced some empowerment methods in order to get more employee effectiveness in university hospitals. Providing a model for this relationship can help these hospitals to use empowerment methods more effectively and moreover, it may be used by other hospitals. Quantitative method using questionnaire was deemed to be a good way to illustrate the relationship between employee empowerment and employee effectiveness. In addition, this study uses a post-hoc analysis (interview) to discuss about the hypothesis in the place of the study.

**Sampling**

This research was done in university hospitals in Iran, Esfahan (third largest city in Iran). Islamic Republic of Iran is located in Middle East, Asia. Iran is the 18th large country in the world with more than 75 million populations. Esfahan is between large cities that provide a large medical care in their hospitals. There are eleven university hospitals in Esfahan. The number of employees in these hospitals was estimated about 6000. Therefore, the sample size was calculated 361 people based on Krejcie and Morgan table. After collecting the questionnaires and outlier detection process, the usable questionnaires for analysis were 203 which represent a response rate of 56 percent.

**Measure**

The questionnaire were mainly adapted from previous studies, and modified. To prepare the questionnaire, this study used multifactor leadership questionnaire (Avolio and Bass, 2004), mentorship self-assessment survey (Moniz, 2008), servant leadership survey (Page and Wong, 2000) and coaching model of Kilburg (2001). Six items measuring the employee effectiveness were derived and modified from Avolio and Bass (2004) with focus on employee satisfaction and employee performance. Summary of construct, used by
questionnaire, is presented in Appendix I.

Data Analysis and Results

When the measures are less reliable or theory is tentative, it’s better to use two stage approach estimation (Hair \textit{et al.}, 2009). In view of the fact that some of the selected measures have not yet been established, a two-stage approach using Structural Equation Modelling (SEM) was used. The first stage was to access the measurement model to evaluate the quality of measurement items, and the second stage was to test the structural model and relationship between constructs.

Measurement Model

The measurement model with six constructs was evaluated using confirmatory factor analysis. The model fit indicators used for the model fit are normal chi-square (CMIN/df), goodness-of-fit index (GFI), adjusted goodness-of-fit (AGFI), comparative fit index (CFI), Tucker Lewis Index (TLI), and the root mean square error of approximation (RAMSEA). Serving others was the first tested variable (Fig. 2).

While all of the indices show an acceptable value as illustrated in Fig. 2, the factor loading value for SV5 is too less than acceptable range, therefore, this question was deleted from the model and the construct was tested again.

As illustrated in Fig. 3, the normal Chi-square value is 1.024 (less than 3). The RMSEA is also less than 0.8. These values show a good model fit. In addition, AGFI, GFI and CFI are more than 0.9. The values of factor loading are acceptable. Although SV3 is a slightly below the recommended value of 0.50, considering the good value of AVE at 0.52 (Table 2) and other good indices, these results show that all remained items in this construct could represent the serving others.

As Fig. 4 shows, all the indices for monitoring variable have acceptable values. The Average Variance Extracted is at 0.44, which is slightly below the recommended value of 0.50 (Table 2). Nevertheless, these results showed that the four items could represent monitoring.

Fig. 5 shows that all the indices for mentoring variable have acceptable values. In addition, the standardized factor loadings for all items are more than 0.50 and Average Variance Extracted is 0.5 (Table 2). Hence, there is a good correlation between the items and construct.

Fig. 6 shows that the model fit for coaching variable is
excellent with p-value = 0.178, χ²/df = 1.72, GFI = 0.990, AGFI = 0.952, TLI = 0.964, CFI = 0.988 and RMSEA = 0.063. The standardized factor loadings for the four items in the developing team work have the acceptable values. The Average Variance Extracted is high at 0.58. Therefore, the results show that all items in this construct are well correlated to coaching others.

The results show that all items in this construct are well correlated to coaching others.

As Fig. 7 shows, all values (Chi-square, RMSEA, CFI, AGFI, GFI and TLI) are in the acceptable range and AVE is in the acceptable range for employee satisfaction variable. Loading factors are in the range of 0.61 to 0.81. These results showed that the three items adequately characterize the employee satisfaction. Last dependent variable is employee performance with three items (Fig. 8).

The results of model fit indices all show the perfect values. The standardized factor loadings for the items are high at the range of 0.53 to 0.78 and the Average Variance Extracted is 0.52 (Table 2). Therefore, these three items were kept to structural analysis.

<table>
<thead>
<tr>
<th>Constructs</th>
<th>AVE=(summation of squared factor loadings)/ (summation of squared factor loadings)+ (summation of error variances)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serving</td>
<td>AVE=1.59/(1.59+1.45)=0.52</td>
</tr>
<tr>
<td>Monitoring</td>
<td>AVE= 1.62/(1.62+2.03)=0.44</td>
</tr>
<tr>
<td>Mentoring</td>
<td>AVE=2.15/(2.15+2.13)=0.50</td>
</tr>
<tr>
<td>Coaching</td>
<td>AVE=2.28/(2.28+1.64)=0.58</td>
</tr>
<tr>
<td>Employees Satisfaction</td>
<td>AVE=1.66/ (1.66+1.33)= 0.55</td>
</tr>
<tr>
<td>Employees Performance</td>
<td>AVE= 1.45/(1.45+1.32)=0.52</td>
</tr>
</tbody>
</table>

Fig. 9 shows the measurement model which is used for the last model fit. As illustrated in the Fig. 8, the value more than 0.8 for GFI and AGFI would be good for model fit (Chin and Todd, 1995). CFI and TLI also need to have the values of more than 0.9. In addition, both RMSEA below 0.08 and CIMIN below 3 show a good model fit (Ghasemi, 2010).

However, as p-value is required to be larger than 0.05, it depends on the number of variables which are indicated in the model, and in many cases it may not reach the needed level (Hair et al., 2009). Therefore,
good values of other indicators can show a good model fit (Hair et al., 2009).

Table 2 shows the values of Cronbach Alpha for constructs in final measurement model, as well as the Cronbach Alpha value of all items in the model. All constructs have Cronbach Alpha values more than 0.7, which indicates good reliability.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Number of Items</th>
<th>Total Number</th>
<th>Cronbach's Alpha Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serving others</td>
<td>4</td>
<td>203</td>
<td>0.705</td>
</tr>
<tr>
<td>Inspiring shared vision</td>
<td>4</td>
<td>203</td>
<td>0.703</td>
</tr>
<tr>
<td>Monitoring others</td>
<td>4</td>
<td>203</td>
<td>0.791</td>
</tr>
<tr>
<td>Mentoring others</td>
<td>5</td>
<td>203</td>
<td>0.799</td>
</tr>
<tr>
<td>Coaching others</td>
<td>5</td>
<td>203</td>
<td>0.722</td>
</tr>
<tr>
<td>Employee performance</td>
<td>3</td>
<td>203</td>
<td>0.722</td>
</tr>
<tr>
<td>Employee satisfaction</td>
<td>3</td>
<td>203</td>
<td>0.778</td>
</tr>
<tr>
<td>All variables (Final</td>
<td>23</td>
<td>203</td>
<td>0.794</td>
</tr>
<tr>
<td>Measurement Model)</td>
<td></td>
<td></td>
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</tbody>
</table>

**Structural Model**

Based on the result of confirmatory factor analysis, the structural model was stable, regarding the final measurement model and modification. Fig. 10 shows the structural model. Each construct of employees’ empowerment is expected to improve the employees’ effectiveness. The results of regression analysis are shown in Table 3.

Table 3 shows that the model needs modification to be used for the further analysis. The relationships between variables which have the value more than 0.05 are not significant and must be deleted from the model. It is better to delete the parameters step by step. With the step by step method, it is possible that one of the variables remains in the model. The deleted relationships were MO-EP, MO-ES and CO-ES.

Following these three continuing steps of modifications, all remaining relationships have significant regression weight. Fig. 11 shows the final structural model.

**Post-Hoc Analysis**

After analyzing the data and finding the final model, three unstructured interviews were done with professionals in research centres of hospitals to find out their viewpoints about the unsupported hypotheses and the possible solution was demonstrated based on their vision. It was mainly explained that whenever employees could not understand the benefits and the goals of empowerments’ plans, they may not be satisfied by such plans especially in formal plans of monitoring and coaching.

**Conclusion**

There are many studies that support the positive effect of empowerment on employee performance (Kirkman and Rosen, 1999; Spreitzer, 1995; Spreitzer et al., 1997) and employee satisfaction (Laschinger et al., 2001; Seibert et al., 2004) but the literature shows that there is lack of studies in health organizations. Four parts of empowerment were proposed including serving, mentoring, monitoring and coaching others which is a new consideration in the field. In addition, regarding the vast need for the research in the field of empowerment and effectiveness in Iran’s hospitals, the main aim of this research was to identify and
understand the relationship between employees’ empowerment and employees’ effectiveness.

The results of quantitative study showed that serving and mentoring others have a positive effect on both employee performance and satisfaction while coaching others only has effect on employee performance. Monitoring others did not show any relationships with employee effectiveness. Therefore, hypotheses 3, 4 and 8 were not supported and others were supported.

The results of post-hoc analysis illustrated that inspiring a vision which illustrates the benefits of empowerment and clarifies the goals of empowerment plans can help changing the vision of employees to the empowerment plans and getting more employee effectiveness regarding empowering others.

**Recommendations**

The following recommendations may be useful to create other research areas, and may have benefits for both the researchers and the organizations. Further researches are recommended to extend the bounds of the current study into additional geographical populations, choosing more organizations or different types of organizations in order to test the results of the model.

It is recommended that other researchers find and test the different types of empowerment, and also other types of employee effectiveness such as employee commitment or employee engagement. Different organizational cultures or various organizational structures may moderate the relationship between empowerment and effectiveness. Therefore, the moderator effects are also recommended to be proposed and tested.

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### Appendix I

#### Summary of Construct Using By Questionnaire

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Related Items</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Serving Employee</strong></td>
<td>My leader(s) consistently increase their invested time and energy in helping me to overcome my weaknesses and improve my potentials.&lt;br&gt;My leader(s) consistently appreciate and validate me for my contributions.&lt;br&gt;My leader(s) focus on developing better ways of serving employees and making them successful.&lt;br&gt;My leader(S) gets satisfaction by helping me to be succeeded.&lt;br&gt;My leader(s) Treat with employees by dignity.</td>
</tr>
<tr>
<td><strong>Monitoring Employee</strong></td>
<td>My leader(s) focus on irregularities, mistakes, exceptions and deviations from standards.&lt;br&gt;My leader(s) concentrate on employee’s failures and complaints.&lt;br&gt;My leader(s) keep track of all mistakes.&lt;br&gt;My leader(s) take proactive actions rather than waiting for events to happen.</td>
</tr>
<tr>
<td><strong>Mentoring Employee</strong></td>
<td>My mentor(s) and supervisor collaborate to assist in my development.&lt;br&gt;There are rewards for applying knowledge/skills in the workplace.&lt;br&gt;My organization openly supports successful mentoring relationships.&lt;br&gt;My mentor(s) helps me define and achieve career goals.&lt;br&gt;My mentor(s) helps me define and achieve personal goals.</td>
</tr>
<tr>
<td><strong>Coaching Employee</strong></td>
<td>My coach(s) provides formal feedback for my efforts.&lt;br&gt;The purpose of coaching and its goals are completely clear and carefully determined by coach(s).&lt;br&gt;My coach(s) use many formal coaching techniques (e.g., assessment, role-playing).&lt;br&gt;My coach(s) provide an effective coaching relationship by characteristics included empathy, positive regard, authenticity and genuineness.&lt;br&gt;My coach(s) are commitment to my development.</td>
</tr>
<tr>
<td><strong>Employee performance</strong></td>
<td>I work with increasing sense of succeeds.&lt;br&gt;I have an enthusiasm to try harder.&lt;br&gt;I work more than my leader’s expectation.</td>
</tr>
<tr>
<td><strong>Employee Satisfaction</strong></td>
<td>I am satisfied with the methods that my leaders used.&lt;br&gt;I work in a satisfy way in the organization.&lt;br&gt;I am committed to achieve organizational and group goals.</td>
</tr>
</tbody>
</table>