

**IMPACT OF EMPLOYEE EMPOWERMENT ON ORGANIZATION
PERFORMANCE: EVIDENCE FROM QUOTED BOTTLING
COMPANIES IN KADUNA**

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Abstract

This study was conducted with the broad objective of determining the impact of employee empowerment on organizational performance of quoted bottling companies in Nigeria, with a particular reference to quoted bottling companies in Kaduna metropolis. It exploits data through the use of a structured questionnaire administered to 242 employees across the three organizations under study out of which 225 were retrieved and found useful. The study adopts both descriptive and quantitative method of analysis. The study employed survey design, descriptive statistics and regression analysis. The study found that the variable in the regression model was statistically significant in determining the impact of employee empowerment on organizational performance in Nigeria. It concludes with far reaching recommendation which include involvement of employees in decision making and to enhance organizational performance.

Keywords: Employees, Empowerment, Involvement, Organizations, Performance.

INTRODUCTION

One of the most important components of human resource management that results to the attainment of organizational goals and objectives is employee empowerment. An efficient and effective employee is a strategic asset to an organization that helps to increase productivity,

improve quality and profitability of products and services of organizations in a competitive business environment. In a productivity-inclined organization, management tends to avoid the culture of command, control and monitoring of employees and move towards synergetic capabilities of employees that ensures greater responsibility of individuals and groups of individuals in an organization.

In other to remain competitive in today's business environment, organizations have been forced to review some of their management practices relating to management and leadership. Hence, empowerment is perceived as a solution to highly regulated work place where creativity was stifled and workers were alienated, showing discontent both as individual and collectively. The presence of empowerment tools in an organization enables employees to be more proactive and self sufficient in assisting organizations to achieve their goals. Among the many advantages of empowerment, Conger and Kanungo (1988) and Thomas and Velthouse (1990) opined that empowerment delegates authority to an organization's lowest level in order to make competent decisions and as Spreitzer (1995) added, it increases intrinsic motivation of the employees and upturn individual performance. Although empowerment gives the employees authority and makes them competent and confident to deliver their best in other to increase service quality, employees in different organizations hardly enjoy autonomy and the power necessary to perform certain tasks, which cause severe consequence for the organization.

Empowering employee to take critical decision on matters of interest have the tendency to enhance performance of an organization. According to Zeitharnl, Bitner and Grembler (2009), it is a company responsibility to give employees the tool needed to make decisions using their common sense to enable them solves problems of every day task without involving their managers. Through this, employee empowerment is important to the organizational change process as it fulfills the individual's need for a sense of control.

In the case of decision making, most organizations do not consider it "accommodating" to involve lower-level employee in the management of an organization's affairs. As noted by Degago (2014), the purpose of empowerment is not only to ensure that effective decisions are made by the right employees but to provide a mechanism by which responsibility for those decisions is vested on individuals and teams. Absence of team performance is detrimental to the attainment of the goals and objectives of an organization in terms of performance. In most cases, decisions are at the top management levels which often cascade the employee. This hierarchical decision making that prevail in most organizations in Nigeria provides little or no power at all to employee which results in low expectations to feel important. This form of a "duty structure" in which powers are concentrated at the top of the pyramid and flows to lower levels provides no opportunity for optimal use of intellectual resources and creativity of employees. As a consequence, there is little or no self-determination, lack of mastery of work schedules, meaningless work and dishonesty by the employee to work towards the attainment of organization's goals and objectives to result to organization's performance. It is based on this premise that the study seek to identify the problem that delineate organizations activity to empower employees.

The broad objective of the study is to examine the impact of employee empowerment on organizational performance.

- I. identify the impact of decision making as a means of achieving employees empowerment and increase organizational performance in Nigeria.

Based on the research objective the study hypothesis that Decision making has no significant impact on organizational performance of quoted Bottling companies in Nigeria

Employee empowerment is one of the most important tools used by modern organization to achieve organizational performance. The study would be useful to modern businesses and corporate firms will find this study useful and take advantage of the outcome of this study as guidelines for the development of employee- employer relationship in order to increase organizational performance. Secondly, the study would be useful to organizations that are interested in adopting the dimensions of employee empowerment to increase organizational performance. Lastly, the study would add to existing knowledge on the impact of employee empowerment on organizational performance and serve as a guide for further research.

Literature Review

Asgarsani, Duostdar and Rostumi (2013) noted that the concept of employee empowerment pre-dates the industrial revolution an era characterized by employees or craftsmen producing goods that are entirely under the control of management. Since the early 1920s, Taylor's opinion of breaking tasks into smaller units to be undertaken by employee, deciding how best to accomplish the task resulted in high productivity in an organization. Prior to Taylor's "intervention", the dominant organizational practices were downsizing, externalizations of jobs, flattering of organizational levels – all of which resulted to declining work force loyalty, commitment, satisfaction and over all organizational performance. These trends in employee – organization's relationship necessitated a closer look at the human resource architecture, leading to a consensus among scholars and practitioners that the growth and development as well as the competitive structure of an organization depends largely on human resource empowerment.

The decision making component of the proxy variables is that which provides the employee the ability to participate in the day-to-day running of the organization. According to Yong and Choi (2009), Peter etal (2002) points out that decision making overlaps autonomy because critical to analysis of decision making is an analysis of team performance through which autonomous decision making are central to team performance. According to Kariuku (2014) firms are organized around teams, highly formalized but decision making were at the top in organizations. Empowerment is let go off right to take certain decisions, on the other hand some managers may perhaps feel vulnerable by a loss of authority or a lesser capacity to control (McCrimmon 2010). A range of factors contribute to efficient empowerment. The business

culture for instance has to shore up the procedure of empowerment; it will not work when a manager feel vulnerable. Managers that are recognize with their capacity to resolve problems and take decisions may perhaps be unable to find a most important basis of their identity and work satisfaction that if they over empower workforce. Cultures that shore up empowerment support mangers to be catalysts, facilitators, coaches" enablers and developers of others rather than simply decision making powers.

Theoretical Framework

The study adopted Kanter's Theory of Structural Empowerment. Kanter's (1977) theory of structural empowerment is a good framework to explain concepts related to negative workplace behaviors, such as turnover. Kanter (1977) asserted that the structure of the work environment is an important correlate of employee attitude and behaviors in organizations and that perceived access to power and opportunity structures relate to the behaviors and attitudes of employees in organizations. Kanter suggested that individuals display different behaviors depending on whether certain structural supports (power and opportunity) were in place. The first component, opportunity, refers to growth, mobility, and the chance to increase knowledge and skills. The second component, structure of power, refers to the ability to access and mobilize resources, information, and support from one's position in the organization to get the job done successfully (Kanter, 1977). Access to resources refers to the ability to acquire necessary materials, supplies, money, and personnel needed to meet organizational goals. Information relates to the data, technical knowledge, and expertise required performing one's job. Support refers to guidance and feedback received from subordinates, peers, and supervisors to enhance effectiveness (Kanter, 1977; Laschinger, 1996). The study adopts the Kanter's theory of structural empowerment because the theory provides the structures that are essential to implement the dimensions of empowerment which are geared towards increase in organizational performance.

Empirical Review of Related Studies

A number of efforts and application on increasing creativity and innovativeness of employee towards the attainment of organizational performance have been dealt with lately in business and management literature particularly empirical. The general contention was that there exist, positive relationship between employee empowerment and organizational performance.

Spreitzer (1995), in her study on the "psychological empowerment in the work place: Dimensions, measurement, and validation" used descriptive analytical method and found the dimension of empowerment (meaning, competence, self determination and impact) affects psychological empowerment. She surveyed 393 managers who were randomly selected from diverse work units found that empowered employee have little ambiguity about their role in the organization. She provided evidence that employee empowerment is a significant predictor of innovation because empowerment positively impact on employees which induce their ability to innovate towards organizational performance.

Martin and Hans (2001) in their study "Employee work quality and success of innovative project" used data from a large scale survey among companies in the Netherlands and found

positive relationship between workplace innovation on the one hand and quantitative and qualitative organizational performance and commitment of employee on the other hand, showed that the importance of employees work to success of innovations through collaborative efforts and work quality enhances performance. They specified six facets of employees work quality to include communication, coordination's, and balance of member contribution, mutual support, effort and cohesion as factors that significantly enhance organizational performance.

Fiter, Angel, Martinez and Mauela (2005) in their study of a University's Research and Development unit found a positive impact of employee empowerment on organizational performance and organizational attitudes. They concluded that perceived work based social support positively moderated the impact of employee empowerment on employee productivity, whereas, work based organizational support moderated its effect on customer services. They also stated that perceived fairness and employee gender's diversity were positively related to the job satisfaction.

Ibua (2014) in her study on "The influence of institutional factors and job-related attitudes in relationship between employee empowerment and performance of public universities in Kenya" used descriptive method and noted that employees in public universities do not feel that they are involved in decision making.

Abubakar (2014) studied the impact of employee empowerment on job satisfaction in First Bank Plc, Nigeria. The study covered nine branches out of the fifteen branches in Kaduna state. The sample size consist of all the staff in the various branches with the exception of contract (in source) staff. The study used primary and secondary data, questionnaires were distributed to two hundreds staff across the branches of First bank and fifteen were not returned. Multiple regression analysis was used to analyze the data. The study found out that employee empowerment has positive and significant impact on job satisfaction.

Kariuku and Murimi (2015) Studied employee Empowerment and organization performance of Tata Chemicals Magadi Ltd, Kenya. The study examined the linked between four dimensions of empowerment (autonomy, decision making, information sharing and training) and organizational performance using gender, age , and tenure as control variables, only gender has a significant contribution on organizational performance and all the models had a positive influence on organizational performance, The result of the multiple regression analysis on employees empowerment and performance revealed that training and information sharing had moderate contribution towards employee empowerment. Autonomy and decision making had no significant contribution on organizational performance.

DATA PRESENTATION

A total of 242 questionnaires were distributed in line with the sample size determined on chapter three, and distributed on a pro rata basis according to number of employees per organization. 233 questionnaires were returned. Data screening was carried out on the 233 questionnaires retrieved and only 225 representing (92.97%) were found useful because they were most reasonably filled. Thus, the analysis carried out was based on the 225 questionnaires considered most reasonably filled.

The table below shows the demographic characteristics of the respondents.

Table 4.1: Demographic Characteristics of the Respondents

A / N	S / N	C h a r a c t e r i s t i c s	Frequency	Percent
A	a .	<u>Number of years in the organization</u>		
	1.2.	1 – 5 Years	77	34.22
	2.3.	6 – 10 Years	62	27.56
	3.4.	11 – 15 Years	36	16.00
	4.	16 – 20 Years	27	12.00
	5 .	20 years and above	23	10.22
		T o t a l	2 2 5	1 0 0 . 0 0
B	b .	<u>Gender of the Respondents</u>		
	12	Male	176	78.22
	2	Female	49	21.78
		T o t a l	2 2 5	1 0 0 . 0 0
C	c .	<u>Age of the Respondents</u>		
	1.2.	Below 20 years	49	1.78
	2.3.	20 – 30 years	98	48.56
	3.	40 – 49 years	95	42.22
	4 .	5 0 – 5 9 a n d a b o v e	2 8	1 2 . 4 4
		T o t a l	2 2 5	1 0 0 . 0 0
D	d .	<u>Qualification of the Respondents</u>		
	1.2.	SSCEDiploma	205	4.44
	2.3.	Diploma NCE	52	23.11
	3.4.	Degree / HND	45	20.00
	4.5.	Master’s Degree and above	87	38.67
	5.	Master’s Degree and above	31	13.78
		T o t a l	2 2 5	1 0 0 . 0 0

Source: Field work survey report, 2017

Table 4.1 above shows the demographic characteristics of the respondents as captured in section one of the questionnaire. In Panel A of the table, employees working experience were revealed. Employees who have worked for between 1 – 5 years were 77; representing 34.22 percent and they constitute the bulk of the respondents. Those who have worked for between 6 – 10 years were 62 representing 27.56 percent. 36 of the respondents representing 16.00 percent have worked for between 11 – 15 years while 27 of them, representing 12.00 percent have worked for between 16 – 20 years. Those who have put in 20 years and above in service were 23, representing 10.22 percent. This has revealed that the bulk of the respondent had worked less than 5 years.

Panel B represents the gender characteristics of the respondents. 176 of them, representing 78.22 percent were male; while 49 representing 21.78 percent were females. This shows that male respondents were more in number as compared to the female counterparts, probably due to cultural or religious reason.

The age characteristics of the respondents were captured in Panel C of the questionnaire. It shows that out of 225 respondents, 98 of them representing 43.56 percent were between the age brackets 20 – 39 years while 95 of them, representing 42.22 percent were within the age bracket 40 – 49 years. 28 of them representing 12.44 percent were between 50 years and above while only 4 of the respondents, representing 1.78 percent were below 20 years. This section have revealed that majority of the respondents were within the economically most active age group of between 20 – 49 years.

On educational qualification, 10 of the respondents representing 4.44 percent were holders of Senior Secondary School Certificate (SSCE) while 52 of them, representing 23.11 percent were holders of Diploma Certificate. 45 of them, representing 20.00 percent were holders of NCE (National Certificate in Education) while 87 of them, representing 38.67 percent were holders of Degree / HND Certificates. 31 of them, representing 13.82 percent were holders of Masters degree. Findings of this panel shows that majority of the respondents were holders of First Degree / HND Certificates.

Regression Results of the Impact of Employee Empowerment on Organizational Performance

The table below shows the regression analysis of the impact of employee empowerment on organizational performance of Bottling companies in Kaduna metropolis. The regression output was performed with the aid of SPSS version 20.0. The dependent variable was organizational performance while the regressors of the model (independent variable) was decision – making.

Table 4.2: Impact of Employee Empowerment on Organizational Performance e in Nigeria

	Unstandardized coefficient		standardized coefficient	T	Significant
M o d e l	B	Std error			
C o n s t a n t	-0.435	0.101		-4.305	0.000
D e c i s i o n - m a k i n g	0.400	0.055	0.231	7.328	0.000
R-Square = 0.804		Durbin – Watson Statistics = 2.04			
Adjusted R ² = 0.802		F – Statistics = 685.22			

Source: Own computation using SPSS 20.0

Discussion of Results

The regression estimates as presented in table 4.2 above was carried out in line with the empirical specification of the model. The results are performed at 5 percent level of significance to show the relationships between the components of employee empowerment as its affect organizational performance in Nigeria. The results were plausible in that the coefficient of determination (R²) which measures the goodness of fit of the model was statistically high at

0.804. Its shows that about 80 percent of the total variance on the dependent variable (organizational performance) was explained for, by the independent variable. It means that only less than 20 percent could not be explained – making the regression equation, a good fit of the total variations in the model, and that explanatory variable can be adjusted with only about 0.802 (80 percent). Equally significant is the value of the Durbin – Watson statistics of 2.04 which shows that autocorrelation was not a problem in the model. The value of the F – Statistics which measures the overall significance of the model was equally statistically significantly high at 685.23 while the value of the t – statistics, corresponding to each of the coefficients were equally statistically significantly high to show the strength of the independent variables on the dependent variables.

On the whole, the regression estimates shows that the value of the constant parameter was -0.435 signifying that of the independent variable was absent (or zero), there will be genitive organizational performance by about 44 percent. This is quite a very bad omen for an organization – implying that organizations should constantly strive to empower their employees in order to ensure the realization of organizational goals.

In the results, it was revealed that organizational performance would increase by about 40 percent (0.400) for every one unit change in the decision – making holding all other variables constant. This means that organizations should constantly allow their employees to make critical decisions that could spur its growth and development.

Test of Hypotheses.

H₀₁: Decision making has no significant impact on organizational performance of quoted Bottling companies in Kaduna Metropolis.

The assumption underlying this variable is that decision making has no positive relationship with organizational performance. As stated above, it is hypothesized that decision making has no significant impact on organizational performance. Using the conventional t-value of 1.960 at 5 percent level of significance for a t-statistic corresponding to decision making is 7.328. since the value of the t-calculated is greater than t-tabulated, the study reject the null hypothesis that decision making has no significant impact on organizational performance of quoted Bottling companies in Kaduna Metropolis. This means that the alternative hypothesis is accepted in line with the studies of Kariuku and Murimi (2015) and Idua (2014) in the literature. The implication of this finding is that a highly formalized decision making environment for employee to have self-determination is critical in improving the performance of an organization.

CONCLUSION AND RECOMMENDATION

In an attempt to achieve the goals of performance, organizations constantly need to empower its employee. The core empowerment needs are necessary to organizations to be competitive in a changing global world. With the advent of globalization, organizations keep devising various ways to empower their employees to guarantee optimum performance. In addition, organizations should strive to recruit young and economically most active segment of its population irrespective of gender, race or color. Based on the findings of this study, the study recommends

that organizations should include employees in the decision making process, so that they can put in their best towards the achievement of organizational objectives.

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