

The Effect of Empowerment and Teamwork on Employee Productivity

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Ever since the relationship between employee and employer existed, the search for greater performance and productivity has been unrelenting. Superfluous to say, higher productivity, being a major contributing factor of higher profits will ensure the organization's existence and continuous success. Today, the tougher economic climate due to growing global competition, higher expectations from stakeholders and increasing speed of information have resulted in a work environment which demands more from employees than ever before. This research discusses and measures the effect of empowerment, both in macro (focus on organizational structures, policies, procedures, culture) and micro (psychological and intrinsic motivation individuals and teams) perspectives and the promotion of teamwork on employee productivity. Data pertaining to the demographical characteristics, understanding and perception of empowerment, teamwork and productivity was collected from 138 respondents. Using linear regression, the study found that there is a relationship between empowerment, both in the macro and micro perspective, and teamwork on productivity.

Key words: *empowerment, organizational structures, intrinsic motivation, teamwork, productivity.*

Introduction

Employee empowerment programs have been widely adopted in organizations around the world with the objective to improve organizational performance and increase productivity amongst employees. During the 1980's and 1990's, in the face of rising global competition, both elements of empowerment and teamwork have emerged as central management themes in the working environment and have been linked to increased levels of productivity. Since then, a growing number of researchers have indicated the positive effects of employee empowerment



to organizational commitment resulting in increasing productivity at work (Fernandez, Sergio & Moldogaziev, Tima, 2012). In Malaysia, the government has for more than a decade, pushed for empowerment practices in the public sector and its agencies as well as reducing bureaucracies and speeding up the process of decision making toward improving the government service delivery system (Mohd Yusof, 2006; Rugai & Hamilton-Ekeke, 2016).

Earlier analyses on employee empowerment revealed two distinct theoretical perspectives which emerged as managerial and psychological empowerment. From a managerial standpoint, employee empowerment is synonymous with how employees are designated with power and formal authority in organizations, how work is delegated and information shared with those who are under one's responsibility (Fernandez, Sergio & Moldogaziev, Tima, 2012). Discontent over such narrow and restrictive characterization steered the development of a more refined definition of empowerment as a multi-dimensional and multi-faceted approach to management which encompasses going beyond simply sharing authority and delegation to subordinates, a re-conceptualization of empowerment as a psychological concept (Fernandez, Sergio & Moldogaziev, Tima, 2012; Rozaimie, Huzaimah & Morni, 2016).

Ensuing research conducted on empowerment has revealed that empowerment theories over the years had developed both a macro perspective, which centers on organizational structures and policies and a micro perspective focusing on empowerment as intrinsic motivation (Seibert et al, 2004). Integrating both approaches to empowerment enables a better understanding of the processes, relationship and results of practicing empowerment and implementing teamwork in organizations (Seibert et al, 2004).

According to Blanchard, Carlos and Randolph (1995), the other contributing key organizational practice associated to empowerment is team accountability. Teamwork can be defined as the removal of barriers between and within functions to aid in cooperative and coordinated effort of a group, acting together as a team for a common purpose (Clodgo, 1995). Clodgo further suggested that while formal or structured teams do exist in organizations, it is not altogether necessary as a pre-requisite as natural work groups will inevitably be formed naturally in the workplace. Both types of teams are mobilized to work together towards a common goal.

Previous studies on the effects of empowerment and teamwork practices in organizations revealed many positive results on productivity. While this may be true for many organizations, the response is likely to vary depending on the employees' degree of perception and understanding of empowerment and inclination towards teamwork. Thus, the purpose of this study is to examine whether the intentional implementation of empowerment and teamwork will increase employee's productivity in Malaysia.

The findings of this research are intended to be collated as an instrument to influence top level management of companies to be more aware and consider that in the extension of empowerment and promotion of teamwork, they will be able to increase the performance and productivity of their employees.

Literature Review

Few studies were conducted on empowerment, teamwork and the impact on productivity. A study by Ahmadi, Freedom and Yaghub in 2011 on organizational factors such as quality of work life impact on manpower productivity of SMEs in Kurdistan indicated that empowerment and teamwork factors have positive effects on organizational productivity. Using a sample of professional engineers from the public and private sector, Langbein (2000) found that empowerment expands or reduces with disagreements amongst different level of employees. Another study by Kumar K S, Anil and Ravindranath, Badi (2012); Samaranayake, (2017) on an overview of employee empowerment, revolving around issues of power of control, and practices focused on creating an environment in fostering employee empowerment found that managers are expected to mentor their teams to prepare them to accept new responsibilities entrusted to them, both in managerial and psychological empowerment and ownership, which embodies trust.

The results of the study by Tangen & Stefan, (2002) indicated that clear definition of productivity within a company is crucial as it helps employees understand company goals and undertake necessary action to improve productivity and assists in decision making (empowerment). Employee empowerment is more than a theory and buzzword as stated by Ginnogo, 1997. His study shows how leading companies improve the performance of employees and managers, as well as customer satisfaction, costs, competitiveness and the bottom line, by giving individuals and team the power to act.

The study by Mills, Peter K and Ungson, Gerardo (2003) shows that the process of empowerment can be effectively implemented with the presence of organizational structure and development of trusting relationships, all of which are variables and prerequisites of increased productivity. The results of the study conducted by Spreitzer et al (1999) suggest an interaction between empowerment and effective teams, resulting in higher commitment and improved productivity in employees. Subsequent studies conducted by Seibert et al, 2004 reiterated that work unit or team empowerment climate is positively related to performance outcome. This was further reinforced by Fleschner (2001) who affirms that “team success operationalized means increased employee participation, improved quality of product and services, improved productivity, improves customer satisfaction, improved employee skill and greater buy in to decisions, higher morale and effective use of diverse talents and viewpoints”, all of which contributes to higher performance and productivity.

Methodology

Data pertaining to the demographical characteristics, understanding and perception of empowerment, teamwork and productivity was obtained through Human Resource Department of respective companies. Based on the research questions, two hypotheses are developed for this study. This study focusses on two independent variables, empowerment and teamwork and the effect to productivity.

Self-administered and structured questionnaires were distributed to all levels of employees regardless of age, positions, gender and level of education. Out of 220 questionnaires disseminated, a total of 138 were completed and returned. The data was processed and analyzed by using Statistical Package for Social Science (SPSS) software. The study was conducted in the natural environment of the organization with minimal interference on the normal flow of events by researcher.

Descriptive analysis was adopted to examine respondents' profile. Responses to the respective items on the questionnaires by means of the Likert Rating Scale classified as interval scale were analyzed according to Alreck and Settle's (1995) parametric test. To determine the relationship between dependent and independent variables, the Simple Linear Regression was applied. Pearson Correlation was used to determine the positive effect of each independent variable to the dependent variable.

Analysis

Demographic Analysis

Results from the questionnaires illustrates the demographic characteristics of the respondents of the study based on frequency and percentage. The variables analyzed are based on age, gender, number of years in the current position and the highest level of education achieved. As shown in Table 1, respondents' profile according to age are quite evenly spread with the majority from the group with age between 20 to 30 years old. Of the distribution according to gender, 58% were female and 42% were male. In term of the length of services, 34.8% of the respondents were employed between 1-5 years followed by 29% who joined the company 16 years and above. On the job level, majority of the respondents were from Supervisory / Executive / Manager level and Clerical / Secretarial position. Of the educational background, almost 36.2% or 50 respondents identified themselves as degree holders, 28.3% were diploma graduates 2.9% were equipped with master's degree and 32.6% had other qualifications.

Table 1: Respondents' Profile

DEMOGRAPHIC PROFILE	FREQUENCY	PERCENT (%)
Gender		
Male	58	42
Female	80	58
Age		
21-35	17	12.3
26-30	26	18.8
31-35	18	13.0
36-40	20	14.5
41-45	22	15.9
45-50	15	10.9
51 and above	20	14.5
EDUCATIONAL LEVEL		
Diploma	39	28.3
Degree	50	36.2
Master	4	2.9
Others	45	32.6
CURRENT POSITION		
Non- Clerical	16	11.6
Clerical and Secretarial	57	41.3
Supervisory/Executive/Manager	57	41.3
Senior Management	8	5.8
NUMBER OF YEARS IN CURRENT POSITION		
Less than one year	2	15.9
1-5 years	48	34.8
6-10 years	12	8.7
11-15 years	16	11.6
16 years and above	40	29

Source: Survey Data

Reliability Analysis

Cronbach's alpha is used to determine reliability based on the internal consistency, that is, how closely related set of items are as a group. Cronbach alpha will generally increase as the

intercorrelations among test items increase. Table 2 below shows the reliability results for operational values.

Table 2: Reliability Results for Operational Variables

Variables	Number of Items	Cronbach's Alpha
Empowerment	16	0.898
Teamwork	9	0.838
Productivity	15	0.754

From Table 2 above, the empowerment factor was measured against 16 items. The alpha coefficient of 0.898 infers that the items have relatively high internal consistency and is thereby considered good in its reliability. Meanwhile, the teamwork factor was measured against 9 items with Cronbach's alpha of 0.838 which denotes good internal consistency and acceptable reliability. The Cronbach alpha for productivity factor is 0.754 measured against 15 items is acceptable.

Correlation Analysis

To test the relationship of the variables, parametric test was used to conduct the analysis as recommended by Alreck and Settle (1995). The simple linear regression analysis was used to determine the relationship between dependent variable (productivity) and independent variables (empowerment and teamwork). Then, Pearson Correlation, R was used to determine the positive effect of each independent variable to the dependent variable.

Results from the statistical analysis of the study are illustrated in Tables 3 (a), (b), (c) and (d) below. First, simple linear regression we conducted between empowerment and productivity. Based on the results of regression analysis in Table 3 (a) below, value of R at 0.573 shows a correlation exist between independent variable (empowerment) and dependent variable (productivity). The correlation between the variables are considered moderate. The value of R squared 0.328 predicts that 32.8% of variation in dependent variable, productivity is attributable by independent variable, empowerment.

Table 3 (a): Simple Linear Regression for Empowerment and Productivity

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.573	0.328	0.323	0.32517

The results of regression analysis in Table 3 (b) below shows that the hypothesis is accepted at $t\text{-value} = 8.148$, $p < 0.000$. Therefore, this infers that empowerment will result in productivity. An increase in empowerment will cause an increase in productivity.

Table 3 (b): Coefficients for Empowerment and Productivity Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.794	0.183		9.809	0.000
	Empowerment	0.436	0.054	0.573	8.148	0.000

a. Dependent Variable: ATC

Another regression was conducted between teamwork and productivity. The results of regression analysis in Table 3 (c) below indicates value of the R at 0.511 which shows a correlation between independent variable (teamwork) and dependent variable (productivity). The value of R squared 0.261 predicts that the variation of the independent variable (teamwork), explains approximately 26.1% of the total variation in the dependent variable (productivity).

Table 3 (c): Simple Linear Regression for Teamwork and Productivity

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.511	0.261	0.255	0.34107

The results of regression analysis in Table 3 (d) below shows that the hypothesis is accepted at t-value = 6.925, $p < 0.000$. Therefore, this infers that teamwork will result in productivity. An increase in teamwork will cause an increase in productivity.

Table 3 (d): Coefficients for Teamwork and Productivity Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.776	0.217		8.178	0.000
	Teamwork	0.414	0.060	0.511	6.925	0.000

Conclusion

Given the increasingly persistent attention being placed on employee productivity, this study was conducted with the principal objective of determining the effect of empowerment and teamwork on employee productivity. The finding results demonstrate that there is indeed a relationship between empowerment, both in the macro and micro perspectives and teamwork on productivity. The outcome supports earlier comparable studies by Spreitzer et al (1999) and Fleschner (2001).



The implication of the findings is that human resources of companies in Malaysia have all the right qualities for intentional institutionalization of empowerment and team practices, given the conducive environment for its implementation. The study results show positive and moderate indications of substantiated hypotheses on both independent variables, empowerment and teamwork on dependent variable productivity seeks to be an instrument to influence the top level management of companies in Malaysia: to be mindful of and to be sufficiently interested in considering the process of organizational change; to include determinants of organizational empowerment in its macro (structural) and micro (psychological) perspective as well as support and encourage team environment development towards improved performance and increased productivity in employees of all levels within organizations.

Like other studies, this study too has its limitations. Respondents may have reservations and even certain limitations in understanding and interpretation as well as evaluation of the variables. For instance, senior personnel may take a different view, apathetic in nature to the suggestion of change in their area of work, responses received may not be totally reflective of the actual situation faced. Future studies are recommended to address the limitations inherent in this initial study which should be extended to explore the gestalt of empowerment and teamwork. It is also recommended that future research should examine a broader set of consequences of empowerment, both macro and micro aspects of teamwork practices. Broader conceptualizations of managerial effectiveness, including superior assessments or performance appraisals should also be explored.

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