Faculty of Cognitive Sciences and Human Development

THE RELATIONSHIP BETWEEN PSYCHOLOGICAL EMPOWERMENT AND
ORGANIZATIONAL COMMITMENT AMONG EMPLOYEES IN SERVICE
SECTOR (FOOD AND BEVERAGE) IN KUCHING, SARAWAK

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THE RELATIONSHIP BETWEEN PSYCHOLOGICAL EMPOWERMENT AND ORGANIZATIONAL COMMITMENT AMONG EMPLOYEES IN SERVICE SECTOR (FOOD AND BEVERAGE) IN KUCHING, SARAWAK

DAMATIA JASNIL ANAK KULING

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The project entitled 'The relationship between psychological empowerment and organizational commitment among employees in service sector (food and beverage) in Kuching, Sarawak' was prepared by Damatia Jasnil anak Kuling and submitted to the Faculty of Cognitive Sciences and Human Development in partial fulfillment of the requirements for a Bachelor of Science with Honours (Human Resource Development)

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25/08/2020

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ABSTRACT

This study aims to determine the relationship between psychological empowerment which consisted of four dimensions; meaning, competence, self-determination and impact and organizational commitment. This study is a quantitative and conducted among 142 employees in food and beverage service sector at Vivacity Megamall, Kuching by using simple random sampling and the sample was determined by using Krejcie and Morgan (1970) table. The data obtained was analysed by using IBM Statistical Package for Social Science SPSS version 22.0. Descriptive statistic used to analyse demographic information of respondents followed by Pearson correlation and multiple regression. The result of Pearson correlation shows that there is positive relationship between meaning with $r = 0.561$ and $p<0.05$, competence with $r = 0.386$ and $p<0.05$, self-determination with $r = 0.329$ and $p<0.05$ and impact with $r = 0.299$ and $p<0.05$ towards organizational commitment. On the hands, multiple regressions resulting that meaning is the dominant dimension among psychological empowerment towards organizational commitment with F (4,137) = 18.755, p<0.05, R= 0.595, $R^2 = 0.353$. This indicates that 35.3% of change in organizational commitment is due to the change of the predictor which is meaning. Based on the findings, recommendations were made for human resource practitioners, organization and future researcher. Human resource practitioner should encourage more employee's involvement in the management system, implement mentoring program and hire person that fit to the job, person-job-fit (PJF). The organization is encouraged to cultivate empowerment culture and to recognise the achievement of employee while future researchers should explore on behavioural dimension of empowerment with organizational commitment.

Keywords: psychological empowerment, meaning, competence, self − determination, impact, organizational commitment, service sector

ABSTRAK

Kajian ini adalahh bertujuan untuk mengenal pasti hubungan diantara pengupayaan psikologi yang terdiri daripada empat dimensi; makna, kecekapan, tekad diri dan impak dan komitmen organisasi. Kajian ini adalah kajian kuantitatif dan telah dijalankan kepada 142 pekerja minuman dan makanan sektor servis di Vivacity Megamall, Kuching dengan menggunakan kaedah persampelan rawak mudah dan sampel telah dikenal pasti dengan mengunakan jadual Krejcie dan Morgan (1970). Data yang diperolehi dianalisis mengunakan "IBM Statistical Package for Social Science SPSS" versi 22.0. Statistik deskriptif digunakan untuk menganalisis maklumat demografi responden diikuti dengan ujian korelasi dan regresi berganda. Keputusan ujian korelasi menunjukkan terdapat hubungan positif antara makna dengan $r = 0.561$ dan $p<0.05$, kecekapan dengan $r = 0.386$ dan $p<0.05$, tekad diri dengan $r = 0.329$ dan $p<0.05$ dan impak dengan $r = 0.299$ dan $p<0.05$ terhadap komitmen organisasi. Berdasarkan dapatan kajian, cadangan kepada pengamal sumber manusia, organisasi dan penyelidik di masa hadapan telah diusulkan. Pengamal sumber manusia harus mendorong lebih banyak penglibatan pekerja dalam sistem pengurusan, melaksanakan program bimbingan dan mengupah individu yang sesuai dengan pekerjaan. Organisasi digalakkan untuk memupuk budaya pengupayaan dan menghargai pencapaian pekerja sementara penyelidik di masa hadapan harus meneroka dimensi pengupayaan tingkah laku dengan komitmen organisasi.

Kata Kunci: pengupayaan psikologi, makna, kecekapan, tekad diri, impak, komitment organisasi, sektor servis

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CHAPTER ONE

INTRODUCTION

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1.1 Background of study

Organizational commitment is a concept in perceiving the vigour and stability of employees' devotion toward the organization. Organizational commitment studies are part of the organizational behaviour, succeeding the Hawthorne studies. The development of the concept of organizational commitment was first initiated by Becker (1960) in the early era, followed by Mowday et al. (1979) in the middle era and Meyer and Allen (1984) in the third era. Widely used organizational commitment's model was from Meyer and Allen, which are composed of affective commitment, normative commitment and continuance commitment (Meyer & Allen, 1993 as cited in Aydogdu & Asikgil, 2011). In this study, organizational commitment concept viewed as whole apart from measuring each element in it (Cohen, 2007). This is because employees have difficulties in understanding the meaning of each items presented in measuring affective commitment, normative commitment and continuance commitment. Other than that, the normative commitment and affective commitment have a strong relationship with each other shows uncertainty and instability in the conceptualization of the commitment.

Meanwhile, the independent variable will be psychological empowerment. According to Conger and Kanungo (1998), psychological empowerment increases the effectiveness of work as it is perceived as motivational tool where power and control of internal work act as the stimuli to individual. The study on psychological empowerment was first initiated by Conger and Kanungo (1988) and followed by Thomas and Velthouse (1990). Well-known

psychological empowerment framework was by Spreitzer (1995) which consist of four dimensions namely meaning, competence, self-determination and impact.

At the present time, there are several studies found that associating the psychological empowerment and organizational commitment in the Malaysian and international context. In the international context, the latest known study relating organizational commitment and psychological empowerment as a single independent and dependent variable was conducted by Jomah (2017) among the academician in Saudi Arabia. Other than that, both psychological empowerment and organizational commitment has been associated with organizational learning culture (Joo & Shim, 2010); organizational justice, job satisfaction and organizational citizenship behaviour (Najafi, Noruzy, Azar, Nazari-Shirkouhi & Dalv, 2011); empowerment (GoudarzvandChegini & Kheradmand, 2013); employee empowerment and job satisfaction (Wadhwa &Verghese, 2015); job satisfaction (Theron, 2010; Aydogdu & Asikgil, 2011; Najafi, Noruzy, Azar, Nazari-Shirkouhi&Dalv, 2011; Wadhwa &Verghese, 2015; Jordan, Miglic, Todorovic & Maric, 2017); ethical leadership and job satisfaction (Qing, Asif, Hussain & Jameel, 2019).

Meanwhile, in the Malaysian context, the studies relating organizational commitment and psychological empowerment as a single independent and dependent variable were conducted by Choong, Wong & Lau (2011) among the private educational institutions and by Ambad & Bahron (2012) among the construction sector. Other than that, psychological empowerment and organizational commitment has been associated with organizational empowerment (Abdullah, Almadhoun & Ling, 2015); employee empowerment, teamwork and employee training (Jalal, 2016); job satisfaction (Ling, Ho, Othman, Kelana & Hee, 2019)

The research relating organizational commitment and psychological empowerment were majority conducted in quantitative method. But past research known that were conducted in Malaysia are very little and most of the studies were conducted at west Malaysia. Hence, the focus of this research will be on the east Malaysia specifically in Sarawak. Most research associating organizational commitment and psychological empowerment were conducted in other countries such as in Korea, Iran, South Africa and Saudi Arabia.

1.2 Problem statement

Organizational commitment has been conducted and it is often associated with job satisfaction rather than psychological empowerment as job satisfaction was viewed as proximal determinant of the organizational commitment (Yoon &Thye, 2002).This shows that the studies relating organizational commitment and psychological empowerment as a single independent and dependent variable receive minimum attention in Malaysia's context.

Moreover, not the entire dimension in the psychological empowerment influences the organizational commitment. It is depending on the nature of the organization. In conclusion, this gives a solid support that the research on organizational commitment associated with the psychological empowerment needed further consideration among researcher.

Apart from that, there is little known research that associating organizational commitment and psychological empowerment conducted among service sector. Latest research was conducted among the private educational institutions (Choong, Wong & Lau, 2011) and construction sector (Ambad & Bahron, 2012). Therefore, the objective of this research is to identify whether psychological empowerment dimension gives significant relationship to the organizational commitment among employees in the service sector.

1.3 Research objectives

1.3.1 General objective

To identify the relationship between psychological empowerment and organizational commitment.

1.3.2 Specific objectives

1. To determine the relationship between meaning and the organizational commitment.

2. To determine the relationship between competence and the organizational commitment.

3.   To determine the relationship between self-determination and the organizational commitment.

4. To determine the relationship between impact and the organizational commitment.

5. To determine the dominant dimension among psychological empowerment.

1.4 Research hypotheses

Hypothesis 1: there is a significant relationship between meaning and the organizational commitment.

Hypothesis 2: there is a significant relationship between competence and the organizational commitment.

Hypothesis 3: there is a significant relationship between self-determination and the organizational commitment.

Hypothesis 4: there is a significant relationship between impact and the organizational commitment.

Hypothesis 5: there is a dominant dimension among psychological empowerment.

1.5 Conceptual framework

Figure 1

Conceptual Framework

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┌─────────────────────────────┐              ┌──────────────────────────────┐
│  Psychological empowerment   │              │                              │
│                              │              │                              │
│   • Meaning                  │─────────────▶│  Organizational commitment   │
│   • Competence               │              │                              │
│   • Impact                   │              │                              │
│   • Self determination       │              │                              │
└─────────────────────────────┘              └──────────────────────────────┘
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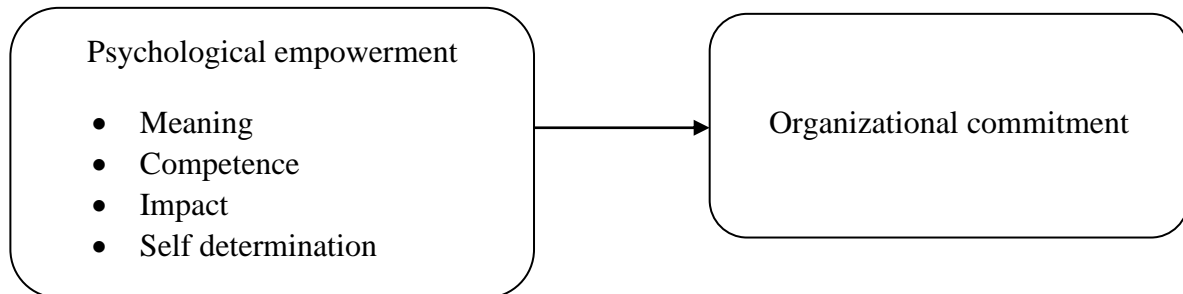
1.6 Definition of terms

1.6.1 Organizational commitment

Conceptual definition: Organizational commitment is the employees' condition of being committed to oblige on the goals of the organization and involves in the level of employees' recognition, participation and commitment (Mowday et al., 1982 as cited in Hanaysha 2016)

Operational definition: The loyalty of an individual to the organization is measured by three models of commitment which are the affective commitment, normative commitment and continuance commitment.

1.6.2 Psychological empowerment

Conceptual definition: A classification of psychological conditions that necessary for an individual to experience whether he or she is able to determine the relationship to his or her own work (Spreitzer, 2007).

Operational definition: Psychologically empowered employee is when they feel meaningfulness in their work, develop competency, self-determination and perceived their impact on the organization.

1.6.3 Dimension of psychological empowerment

i. **Meaning**

Conceptual definition: The sense of purposefulness or an individual connection to the goal of work (Spreitzer, 1995).

Operational definition: To what extent the work is perceived as meaningful.

ii. **Competence**

Conceptual definition: Individual's self-efficacy to work or an individual's belief in his or her capability to carry out work with skill (Gist, 1987; Bandura, 1989; Spreitzer, 2007 as cited in Ambad & Bahron, 2012).

Operational definition: Individual believes that he or she can do the jobs or works given by superiors.

iii. **Self-determination**

Conceptual definition: A sense of freedom or autonomy on how individuals do their own work (Spreitzer, 1995; Thomas &Velthouse, 1990 as cited in Choong, Wong, & Lau, 2011).

Operational definition: Individual's control over what they are doing, able to make decisions independently and take responsibilities.

iv. **Impact**

Conceptual definition: The degree to which an employee can affect the plan, management or operating outcomes at work (Conger & Kunango, 1988 as cited in Gautam & Bhandari Ghimire, 2017).

Operational definition: Individual believes that they able to give impact to their organization through their task or jobs will have a better performance.

1.7 Significance of study

A decade of researching, researchers that studying the organizational commitment has not had a clear vision of the nature and the development of organizational commitment. Thus, this study intended to have a better understanding on the relationship between psychological empowerment and organizational commitment. This research broadens the number of researches on the organizational commitment associated with psychological empowerment as a single independent and dependent variable especially in the context of Malaysia. Hence, this study redounds to the benefit of the organization taking into account that organizational commitment plays crucial role to keep the organization survive along with the fast-changing environment in Malaysia. This research served as a guide on how the practice of psychological empowerment in the organization effects the commitment of the employee as today the workforce conquer majority by the Gen Y, well known as millennial. Therefore, the organization development practitioner or the behavioural scientist consultant shall have different strategic in approaching these generation. Hence, this research further extends on which component of psychological empowerment have significant relationship with the organizational commitment specifically in the service sector in Malaysia. Optimistically, the aim of this study is to emphasize on the practice of empowerment that will create a positive work environment and increase the sense of attachment of the employees to the organization which indirectly enhance not only the productivity of the employees but the organization as a whole.

1.8 Limitation of study

The conclusions derived from the findings will need to consider several limitations. Firstly, the sample size used in this research is insufficient for statistical measurement. A larger sample size needed to generalize the service sector population in Malaysia. Since this research is a quantitative research thus, the future researcher should consider in- depth

research associating the organizational commitment and psychological empowerment by using the qualitative approach to make the data more dense and rigid. Finally, researcher has limited time to collect the data from the big group of respondents.

1.9 Summary

This chapter briefly discuss on the relationship between the psychological empowerment and organizational commitment among service sectors employees. Moreover, it is explained in depth on the conceptual framework, definition of term, significance of study and the limitation of study.

CHAPTER TWO

LITERATURE REVIEW

2.1 The concept of organizational commitment

Nowadays, employees' commitment is crucial to ensure the organization able to survive in the environment that is full of uncertainty, globalize and digital generation. Committed employees are assets to the organization. Leaders in contemporary organizations are responsible for engaging, nurturing and perpetuating talents that important to the competitive advantages in their industries (Aguirre, Post, & Hewlett, 2009; Alvino, 2014; Clifton, 2014; Dychtwald, Erickson, & Morison, 2013; Pangarkar & Kirkwood, 2013 as cited in Mercurio, 2015). Alvino (2014) stated that employer who fails to engage and retain their employees will lose billions. Thus, the role of organization development (OD) and human resource development (HRD) practitioners and scholars in generating new ideas and approaches to strengthen the employee commitment towards organization is vital.

There are numerous of studies conducted in a few decades ago that are focusing on the concept of organizational commitment. Organizational commitment studies are the continuity of the Hawthorne studies on job satisfaction and performance. The earliest studies regarding organizational commitment was by Becker (1960). Becker viewed organizational commitment as one-dimensional which is mainly focusing on the employees' loyalty and recognition within the organization. The research followed by Mowday et al. (1979) which highlights the theory of attitudinal commitment explaining on how events contribute to the commitment. Then, Price and Mueller (1986) with the theory of behavioural commitment, study on the behaviour and stated that once the behaviour exhibited, it tends to be repeated simultaneously with the changes of attitudes.

The researchers begin to develop the one-dimensional approach to multidimensional models. The well-known approach in organizational commitment literature was by Meyer and Allen (1991). This approach has been widely used by contemporary researchers and Meyer and Allen's three component models of commitment which are the affective commitment, normative commitment and continuance commitment (Meyer & Allen, 1993 as cited in Aydogdu & Asikgil, 2011).

In 2001, Zangaro suggest additional type to the three (3) components which is the alienated commitment. It describes as an individual that feel they have little or no control or not making any impact in the organization have high probability to leave their jobs. This contributes to low level of performance. Referring to the Simon Sinek's interview in 2017 from an episode of Inside Quest, claimed that if millennial failed to make any impact to the organization they worked for, the tendency for them to leave the jobs is high and lead to turnover. This talk proves that Zangaro's additional component is relevance to the present day where most employees are millennial. But, the Meyer and Allen's three component models of commitment which are the affective commitment, normative commitment and continuance commitment are commonly used by the researchers. Hence, this study will be using the three component which are the affective commitment, normative commitment and continuance commitment only.

2.2 The elements of organizational commitment

2.2.1 Affective commitment

Affective commitment is an emotional attachment that the employees create to their jobs and the organization. The employees that enjoy their jobs and responsibilities in the organization found out that they are attached with the organization which indirectly leads to the increasing of their job satisfaction. Affective commitment refers to the sense of belonging

and attachment to the organization and it has been associated to an individual quality, the structures of organization and work involvement (Hartman, 2000 as cited in Aydogdu &Asikgil, 2011). For example; reward, guidance, role clarity and skill variation. In particular, affective commitment is when the employee's values are compatible with the organization's mission and vision and these employees are likely to remain with the company and vice versa. Affective commitment portrays by employees that stay in the organization that driven by their own desire to stay or simply because the employee "want to".

2.2.2 Normative commitment

Normative commitment refers to the employees' responsibilities towards his or her jobs makes him or her to stay loyal to the organization. Allen and Meyer (1997) as cited in Goudarzvand Chegini & Kheradmand (2013) stated that normative commitment is the obligation to remain in the organization and feel that they are doing a good job. People that have high normative commitment feel like they are forced to stay in the organization or in other words, they are "ought to" stay in the organization.

2.2.3 Continuance commitment

Continuance commitment refers to when the employees aforethought the pros and cons of leaving the organization. Different with affective commitment, continuance commitment is the commitment that the employees' possess due to the economic benefits that being offered by the organization and the employee forced to stay within the organization as they are afraid of facing any negative consequences if they leave the organization. For instances, the employee afraid to lose the retirement plans, relationship with colleagues or medical benefit offered by the organization. Employees with high degree of continuance commitment are likely to stay in the organization just simply because they "have to" stay in the organization. In order for the organization to keep their employees engaged and boosting the morale of employees, employer need to give more recognitions and attention to them.

In this study, organizational commitment measured as one apart from splitting three different types (Cohen, 2007). This is due to difficulties of employees in understanding the meaning of each items presented in measuring affective commitment, normative commitment and continuance commitment. Hence, the formulation of commitment should be given further consideration and time. Other than that, the normative commitment and affective commitment have a strong relationship with each other in meta-analysis and dimensionality. It shows uncertainty and instability in the conceptualization of the commitment. Thus, normative commitment and affective commitment needs further refinement.

2.3 The concept of psychological empowerment

Conger and Kanungo (1988) describe the psychological empowerment as motivational idea of self-efficacy. In opposition, Thomas and Velthouse (1990) stated that psychological empowerment is multidimensional and that cannot be supported by a single concept. Thomas and Velthouse proposed that psychological empowerment comprised of four (4) main components which are the choice, meaningfulness, competence and impact at which the Conger and Kanungo's idea of self-efficacy improved to competence. In the 1995, Spreitzer make improvement on the two elements of psychological empowerment. Spreitzer renamed choice to self-determination and meaningfulness to meaning. Spreitzer's psychological empowerment framework is extensively utilized by contemporary researchers.

In this study, psychological empowerment concept is used as independent variable in this research. Psychological empowerment consists of four (4) main components which are the meaning, impact, competence and self-determination (Spreitzer, 1995). In 1995, Spreitzer make improvement on the two elements of psychological empowerment from previous scholars, Thomas and Velthouse (1990). Spreitzer renamed choice to self-determination and meaningfulness to meaning.