



An Investigation of the Relationship between Empowerment and Organizational and Professional Commitment among the Employees of Housing Bank in North Khorasan Province

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ABSTRACT

The aim of the present study is to investigate the relationship between empowerment and organizational and professional commitment among the employees of Housing Bank in the province of North Khorasan. This research study follows a correlational descriptive-survey design. The statistical population of the present study consists of all the staff at the branches of Housing Bank in North Khorasan and this population is comprised solely of 130 participants. No sampling was done due to the small number of employees at the branches of Housing Bank in the province of North Khorasan and 130 participants were studied altogether. The data of the present study were collected through the library and field method. For the variables of empowerment and organizational and professional commitment, the standard questionnaires developed by Spreitzer (1995), Alan and Meyer (1998) and Klayman and Henning (2000) were employed. Their reliability was calculated by Cronbach's alpha as 0.902, 0.892 and 0.842 respectively. The content validity of the study was approved by professors and experts. Moreover, to analyze the data of the present study, factor analysis was done in SPSS and structural equation modeling was used in LISREL 8.8 to examine the research hypotheses. The results indicate that there is a significant relationship between empowerment and organizational and professional commitment among the employees at Housing Bank in the province of North Khorasan.

Keyword:

Empowerment,
organizational
commitment,
professional
commitment

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1 – Introduction

Currently, the fundamental and deep distance between nations is understood in terms of knowledge and ignorance rather than poverty and wealth. The competitive power of nations depends on the quality of their human capital. The training and improvement of human resources can be considered as a solution for all communities in the knowledge-centered era. Manpower is the main source that sets the wheels of organizations in motion and the progress and sustainability of an organization depend on this particular ability (Organ, 2009). Recently, many efforts have been made to improve and rectify the organizations and these efforts often focus on issues such as the reduction of bureaucracy and hierarchies, the establishment of active groups and participation in decision-making at the lowest level of organizations. The creativity of organizations in the public sector and their inclination towards corporatization and decentralization has created a movement due to inflexibility in traditional structures. In this way, the role of employees and the need for their empowerment have been confirmed as the centerpiece of any effort made to reduce the size of the organization and improve the services provided for the customers and people. Empowerment is the shift from the hierarchical system of decision-making by the managers to the system of reduced hierarchical control and decision-making by the lower ranks. In their book entitled as "The Removal of Bureaucracy: Five Strategies to Remake the Government", Osborne and Gilbert (1997) suggested that the best way to reduce bureaucracy is the emphasis on customer's demand through employee empowerment rather than the demand of the management (Abdollahi et al., 2010).

2 – Statement of the problem

The main source of competitive advantage does not lie in technology; rather, it has its roots in the dedication, quality, commitment and ability of the labor force. The outcomes of the activity and creativity of the employees can be indicated as the most important sources of any organization and empowerment is the new incentive for this growing work environment. The rapid growth of technology has led to some changes in the nature of tasks and the use of computers, robots and fully automatic machines have replaced the routine jobs. This instrument has created significant changes in the type of skills needed by individuals and the members of organizations. It is obvious that employees should be empowered to cope with such a challenge as this means that they ought to grow in all directions. Empowerment is an important strategy for the development of various organizations in adapting to external changes and is considered as one of the main issues for organizations. In the present era, empowerment is similar to a tool by which the managers will be able to efficiently control the current organizations with such qualities as the diversity of penetration networks, growth, reliance on horizontal and network structures, the minimization of the distance between employees and managers, the reduction of organizational belonging and the use of information technology. By nurturing motivated and capable employees, empowerment enables the managers to act swiftly and appropriately in response to the dynamics of the competitive

environment and provide the grounds for the competitive advantage of their organizations (Dariani, 2010).

In the current state of the global economy, the various dimensions of globalization affect only those nations that can offer new products and services in accordance with customer needs. The interaction and cooperation of the employees involve the mutual understanding of these characteristics. The paucity or low level of commitment is followed by negative consequences for the employees and organization such as turnover, absenteeism, unwillingness to stay in organization. Organizational commitment leads to productivity because the increase in commitment upgrades individual adaptability to the organization, the emergence of personal creativity and the efficient use of human resources that in turn causes the boost of productivity. Some managers believe that they can promote fairness and increase the level of employees' engagement only through the allocation of financial rewards, while it should be noted that the fair treatment of staff leads to their satisfaction, a sense of equality and the increase in job satisfaction (Abbas Zadegan, 2014).

Professional commitment is a degree of commitment in which the display of individuals' tasks affects their self-esteem. Work is a vital part of life for people who have professional commitment. This means that the concept of work and workers is meaningful to the staff and these items have been greatly emphasized by the organizations. Positive participation in the process of decision-making has increased the contact between organizational commitment and professional commitment leading to a high level of satisfaction and acceptance (Lodahl and Kejner, 2011). In this particular area, further studies are required because the variables of empowerment, organizational commitment, and professional commitment are among the most important organizational variables and the crucial consideration of these variables can improve the efficiency and efficacy of the organization and also because studies have neglected the branches of the Housing Bank in North Khorasan Province.

3 – Theoretical foundations

Empowerment

Vatten and Cameroon (1998) have defined empowerment as enhancement of individuals which means that they should be helped to boost their self-confidence and overcome the sense of weakness and frustration. After the revision of relevant studies, Thomas and Velthouse (1990) argued that empowerment is a multilevel concept and its nature cannot be explained by a single concept. In a broad sense, they have defined empowerment as the enhancement of the intrinsic motivation for work that is manifested in four areas of competence, self-determination, meaning and impact and reflects the orientation of the individual for his or her career role (Thomas and Velthouse, 1990).

Competence refers to the extent to which one can do a job skillfully. Self-determination indicates the individuals' perception of independence to initiate, organize and plan occupational activities. Meaning refers to the individual understanding of the value of occupational objectives or intentions which are judged in relation to personal norms and ideals. The impact indicates the individual perception of being able to influence the strategies of executing or applying the results of the profession (Husseini, 2013). In

relationships and interactions that have high qualities, the administrators are expected to be able to create opportunities to experience professional control and mastery, provide services as the role model and lend verbal support to members with whom they have positive relations as this allows the feelings of empowerment and self-efficacy to be conveyed to the staff (Schyns et al., 2014).

Organizational Commitment

Commitment has been defined in different terms and views. Porter et al. (1974) defined commitment as the identification of personal identity with regard to a specific organization and the degree of involvement with the organization (Porter et al., 1974). Organizational commitment is described by Allen and Meyer (1991) as a psychological state that determines the relationship of an individual with the organization and reduces the possibility of leaving the organization (Allen and Meyer, 1991). According to Silverthorne (2004), organizational commitment is indeed a kind of attitude towards the profession which is clearly associated with the participation of the staff and their willingness to remain in the relevant organization which affects their professional performance (Silverthorne, 2004). Morrows et al. (2009) suggest that regulatory support that may be the result of the quality of Leader-Member exchange is positively associated with organizational commitment (Morrows et al., 2009).

Professional Commitment

The theory of professional commitment has been defined by Lachman and Aranya (1986) as the clarity of identity with regard to the profession and professional attachment. Aranya et al. have described professional commitment by three characteristics:

- A – The acceptance and belief into the goals and professional values.
- B – The desire to make great efforts on the basis of one’s own beliefs.
- C – The desire to keep the members in the profession (Aranya et al., 1981).

Professional commitment

After the advent of professional commitment, the research that was done in the field of organizational behavior moved increasingly towards this concept. In the definition of professional commitment, Blue (1999) described the involvement of a person with a group of people in an organization with the same profession. Generally, it can be said that professional commitment points to the determination of one’s identity with appeal to one’s profession which includes commitment to a profession and its involvement and the acceptance of professional goals and ethics (Lachman&Aranya, 1986). Similar to organizational commitment, professional commitment is related to many variables. Some of these variables include the turnover intention, job satisfaction, job stress and productivity (Gunz et al., 1994)

4 – Research hypotheses and conceptual model

According to the literature and the results of previous research, the research hypotheses are formulated as follows: The first hypothesis: There is a significant relationship between empowerment and organizational commitment among the employees of Housing Bank in North Khorasan Province.

The second hypothesis: There is a significant relationship between empowerment and professional commitment among

the employees of Housing Bank in North Khorasan Province.

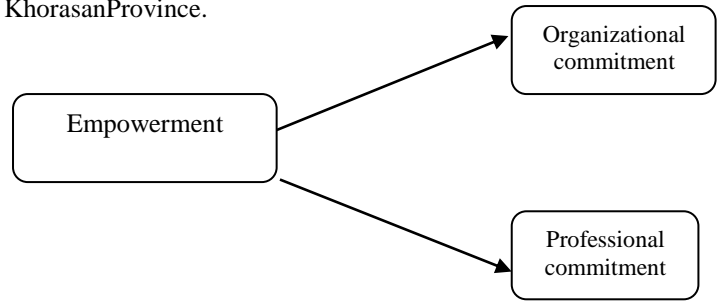


Figure 1 – The recommended research model

5 – Research methodology

The present study is considered applied research in terms of its objective and is correlative and descriptive in terms of the method used for data collection. The statistical population of the present study consists of all the staff at the branches of Housing Bank in North Khorasan and this population is comprised of 130 participants. No sampling was done and 130 participants were studied altogether due to the small number of employees at the branches of Housing Bank in the province of North Khorasan. A questionnaire will be used in order to collect the data required for calculating the research variables. Spreitzer standard questionnaire (1995) will be used to measure empowerment and Allen and Meyer (1998) standard questionnaire will be employed to measure the organizational commitment while Klayman and Henning (2000) standard questionnaire will be used to assess the professional commitment. Furthermore, content validity was considered to assess the validity of the questionnaire. Despite the fact that the questionnaires employed in this research were standardized and used in many studies, the content validity of these questionnaires was confirmed again by the academic and organizational experts and the study enjoys a suitable validity in this regard. Furthermore, to measure the reliability of questionnaires in this study, the reliability coefficient of the questionnaires was calculated after inserting the data through SPSS. In terms of reliability, Cronbach's alpha was 0.902 for the questions of empowerment and the same value was 0.892 for the questions of organizational commitment and 0.842 for professional commitment. These numbers indicate that the questionnaires had a suitable reliability. As for data analysis in the present study, factor analysis was done in SPSS and structural equation modeling was used with the help of LISREL 8.8 to examine and analyze the research hypotheses.

6 – Research findings

The demographic features of the statistical sample show that 58.3 percent of respondents were male and 41.7 percent were female. In terms of education, 9.1 percent of respondents had a high school diploma, 27.4 percent held an Associate’s degree, 48.7 percent had a Bachelor’s degree and 14.8 percent held a Master’s degree or higher university degrees. In terms of age variations, 25.7% had less than 25 years of age, 37.8% were between 25 and 35, 22.6% were between 36 and 45 years and 13.9% were 45 or older.

6 – 1 – Factor analysis

As for factor analysis, we must first know whether the available data can be used for analysis or not. There are several methods to do this, including the calculation of KMO whose value always ranges between 0 and 1. On the other

hand, Bartlett’s test was used to check the appropriateness of as the basis of analysis does not equal zero. data and make sure that the matrix of the correlations used

Table 1 – KMO and Bartlett’s test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.884
Bartlett's Test of Sphericity	Approx. Chi-Square	5440.902
	df	153
	Sig.	.000

With regard to KMO value (above 0.7) and the significance value of Bartlett’s test ($\text{sig} < 0.05$), it can be asserted that the data are suitable for factor analysis and the required conditions are met.

Table 2 – Initial commonalities

	Initial	Extraction
EP1	1.000	.881
EP2	1.000	.920
EP3	1.000	.892
EP4	1.000	.719
EP5	1.000	.725
AC	1.000	.986

CC	1.000	.981
NC	1.000	.980
PC1	1.000	.927
PC2	1.000	.829
PC3	1.000	.859
PC4	1.000	.642
PC5	1.000	.821
Extraction Method: Principal Component Analysis.		

The above table indicates the appropriateness of all the questions in the process of factor analysis because the number of the commonalities is above 0.5 for the questions.

Table 3 – The explained variance

Factors	Special Value			Sum of squared factor loadings (after rotation)			Sum of squared factor loadings (after rotation)		
	Total	Variance ratio (Percentage)	Cumulative percentage	Total	Variance ratio (Percentage)	Cumulative percentage	Total	Variance ratio (Percentage)	Cumulative percentage
1	7.784	43.243	43.243	7.784	43.243	43.243	4.294	23.856	23.856
2	4.055	22.530	65.773	4.055	22.530	65.773	4.101	22.783	46.639
3	1.982	11.013	76.785	1.982	11.013	76.785	3.943	21.906	68.545
4	1.446	8.034	84.820	1.446	8.034	84.820	2.929	16.274	84.820
5	.521	2.894	87.714						
6	.445	2.473	90.187						
7	.375	2.082	92.269						
8	.345	1.918	94.187						
9	.235	1.303	95.490						
10	.181	1.008	96.498						
11	.172	.956	97.454						
12	.140	.776	98.230						
13	.099	.551	98.781						

Extraction Method: Principal Component Analysis.

The table illustrating the determined variance shows that these questions form three factors and these factors explain and cover approximately 84.820% of the variance. This indicates the acceptable validity. Then, the rotated factor matrix is shown. This matrix specifies the correlation between items (questions or variables) and the factor. In this

matrix, the factor loadings (factor scores) of each variable is larger than 0.5 and are set under the umbrella of the considered factor. Larger values of this coefficient show that the respective factor plays a major role in the total changes (variance).

Table 4 – Rotated Factor Matrix

	Component		
	1	2	3
EP1	.345	<u>.856</u>	.108
EP2	.369	<u>.867</u>	.113
EP3	.370	<u>.849</u>	.132
EP4	.064	<u>.839</u>	.067
EP5	.147	<u>.834</u>	.065
AC	.107	.133	<u>.914</u>
CC	.099	.122	<u>.921</u>
NC	.098	.121	<u>.923</u>
PC1	<u>.934</u>	.196	.101
PC2	<u>.874</u>	.248	.041
PC3	<u>.898</u>	.196	.083
PC4	<u>.766</u>	.217	.035
PC5	<u>.879</u>	.194	.104

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

With regard to table 5, the descriptive statistics of all research variables are shown in the following table in terms of statistical indexes.

6 – 2 – The descriptive statistics of the research variables

Table 5 – The descriptive statistics of the research variables

Variable	Sign	N	Minimum	Maximum	Mean		Std. Deviation	Variance
		Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic
Empowerment Organization commitment Professional commitment	EP	230	1.00	5.00	4.1339	.05606	.85026	.723
	OC	230	1.00	5.00	4.0391	.07371	1.11794	1.250
	PC	230	1.00	5.00	4.3183	.04395	.66655	.444

For example, as regards the variable of empowerment (EP), the minimum of the comments is 1.00, the maximum value of the feedback is 5.00, and the mean and standard deviation of comments are 4.1339 and 0.85026, respectively. In

addition, with regard to the level of significance as (sig <0.01) and (sig <0.05), the correlation between latent (hidden) variables is shown in the table below. For example, the correlation between the variable of empowerment (EP) and organizational commitment (OC) is 0.289.

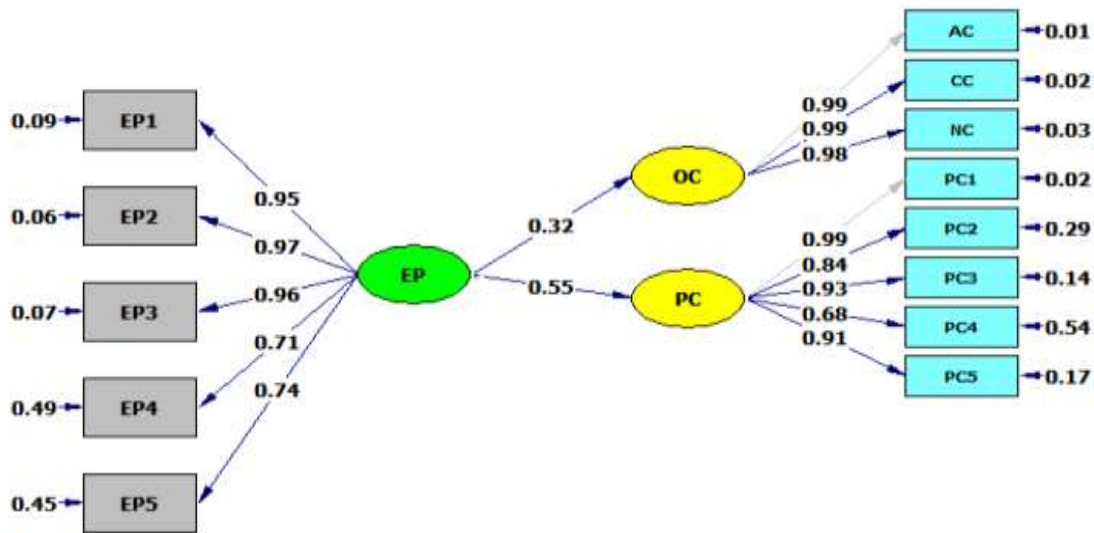
Table 6 – The correlation matrix between the research variables

		EP	OC	PC
EP	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	230		
OC	Pearson Correlation	.289**	1	
	Sig. (2-tailed)	.000		
	N	230	230	
PC	Pearson Correlation	.517**	.228**	1
	Sig. (2-tailed)	.000	.000	
	N	230	230	230

** Correlation is significant at the 0.01 level (2-tailed).

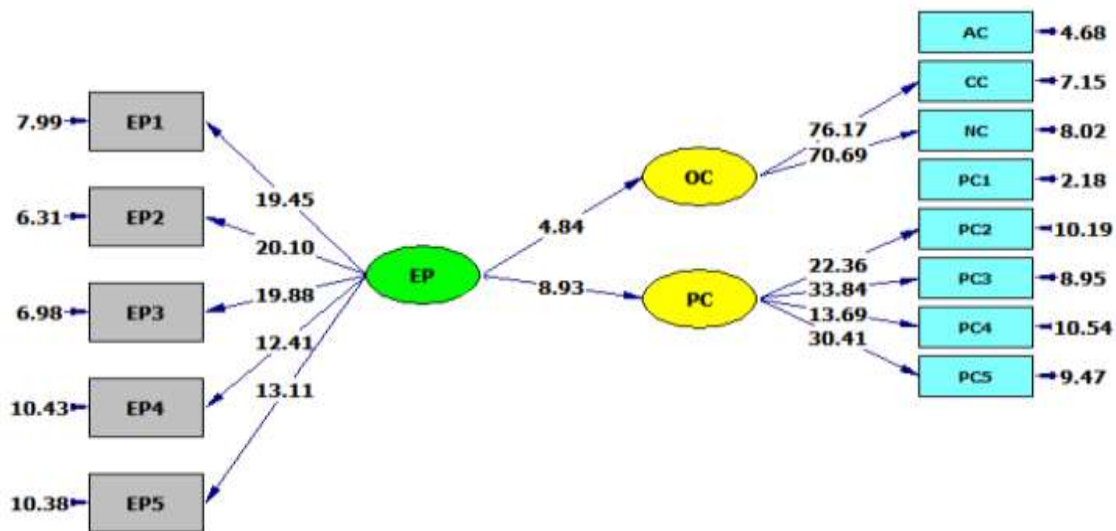
6 – 3 – The test of research hypotheses

In this section, we use LISREL software to examine the test of research hypotheses.



Chi-Square=383.29, df=132, P-value=0.00000, RMSEA=0.078

Figure 2 – Research structural model in the standard state



Chi-Square=383.29, df=132, P-value=0.00000, RMSEA=0.078

Figure 3 – Research structural model in the significant state
 The maximum likelihood method was used for the estimation of the model. Additionally, the ratio of chi-square to its degree of freedom $\frac{\chi^2}{df}$, comparative fit index (CFI), goodness of fit index (GFI), adjusted goodness of fit

index (AGFI), normed fit index (NFI), non-normed fit index (NNFI), and the root mean square error of approximation (RMSEA) were used to examine the goodness of fit for the model.

Table 7 – The results derived from the investigation of the goodness of fit for the research structural model

Result	Value	Acceptable Range	Fit index
Suitable	2.90	<3	The ratio of chi-square to the degree of freedom $\frac{\chi^2}{df}$
Suitable	0.93	>0.9	Comparative fit index (CFI)
Suitable	0.95	>0.9	Goodness of fit index (GFI)
Suitable	0.93	>0.9	Adjusted goodness of fit index (AGFI)
Suitable	0.96	>0.9	Normed fit index (NFI)
Suitable	0.94	>0.9	Non-normed fit index (NNFI)
Suitable	0.078	<0.08	The root mean square error of approximation (RMSEA)

The results derived from the investigation of the goodness of fit for the research structural model as shown in table 7 indicate the fitness of the model as RMSEA value which is less than 0.08 points to the acceptable goodness of fit for the structural model. Moreover, the values of the CFI, GFI, AGFI, NFI, NNFI are all higher than 0.90.

According to Figures 2 and 3, it can be said that the standardized coefficient (i.e. path coefficient) between two variables (empowerment and organizational commitment) is $\beta = 0.32$. The significant coefficient (t statistic) between these two variables was $t=4.84$ (more than 1.96 absolute value) which shows that this relationship is significant. Therefore, it can be concluded that there is a significant relationship between empowerment and organizational commitment and, thus, the first hypothesis will be confirmed. In addition, the standardized coefficient (path coefficient) between two variables (empowerment and professional commitment) is $\beta = 0.55$ and the significant coefficient (t statistic) between these two variables is $t=8.93$ (more than 1.96 absolute value) that shows that this relationship is significant. Thus, it can be concluded that there is a significant relationship between empowerment and professional commitment. Therefore, the second hypothesis will be confirmed.

7 – Conclusion

The present study examined the relationship between empowerment and organizational and professional commitment among employees at Housing Bank in North Khorasan Province. In this context, two hypotheses were formulated and examined which will be discussed in what follows.

In explaining the first hypothesis, it can be said that there is a significant relationship between empowerment and organizational commitment among the employees of Housing Bank in North Khorasan Province. Therefore, increased empowerment will lead to individuals' commitment in an organization and profession. Since employees' commitment to the organization is caused by

their perception, the relationship between empowerment and organizational commitment will not be positive if they feel that the organization has no commitment. Therefore, in order to increase the organizational commitment among the employees of Housing Bank in North Khorasan Province, the managerial attention should focus on every aspect of empowerment. In this way, the role of management is undeniable in implementing empowerment programs. In addition to self-empowerment, the manager's task is to provide the conditions in which the employees can also engage in self-empowerment. The knowledge gained from this research helps the managers and organizational administrators to consider certain programs to promote organizational commitment through empowerment in their own organization. As organizations seek to promote their performance with less consumption of resources, they should concentrate on the behaviors that encourage the empowerment of employees.

In explaining the second hypothesis, it can be said that there is a significant relationship between empowerment and professional commitment among the employees of Housing Bank in North Khorasan Province. This means that the employees' positive and enhanced perception of their work value and the homogeneity of their mental standards or what they do or whether they have the ability to influence the strategic, administrative or operational consequences and their confidence that they will be treated fairly and equally can trigger higher levels of professional commitment among them. Although organizational and professional commitments seem to be different in their sense and definition, there are several similarities between them. In explaining this finding, it can be said that as empowerment is usually coupled with authority and delegated powers, it will lead to the freedom of action and the delegation of discretionary power can improve the individuals' attitude towards work so that they fairly assume their work to be theirs and their commitment to their professional work increases in this way. Therefore, with regard to the research results, the following suggestions can be advanced in relation to some practical areas:

- The clarity of organizational goals and policies, the professional tasks and responsibilities of the staff and the homogeneity of ideals and standards pertaining to the task which is being done can contribute to an increase in the meaningfulness of the job and employees' organizational commitment.
- On part of the organization, providing the resources helps the employees to perform their duties and makes them feel that the organization cares about them and thus the sense of usefulness is reinforced among them.
- Managers must express the feeling of personal attention to their employees and help each employee to feel that he or she is important to the manager. Bank managers should pay specific attention to the opinions of their employees separately.
- As for the branches of Housing Bank in North Khorasan Province, it is recommended that managers trust the capabilities of the staff, take their views into account, help them take part in making the decisions relating to the job and pay attention to their practical capabilities to have the necessary competence and capacity for the successful accomplishment of their work in the process of the recruitment and selection. This ought to be done to enhance the professional commitment of employees that is an effective factor in increasing the effectiveness, efficiency, productivity and employee contributions and the reduction of delays and the absence of employees.

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