

Evaluating the Relationship of Human Resource Psychological Empowerment with Privatization (Empirical Study)

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Abstract

This study is aimed to examine the relationship between privatization and empowerment of employees in hospitals of Mazandaran University of Medical Sciences. The effects of indicators of "managerial strategies", "self-usefulness sources" and "organizational conditions" have been measured on the psychological empowerment as intervening variables of it. In order to analyze the data, correlation-descriptive method using factor analysis by the methods of main factors and path analysis; and recommendations would be provided to increase the employees' empowerment in hospitals of Mazandaran University of Medical Sciences and also other sectors of university. The questionnaire has been used for measuring the factors of privatization and empowerment. Using multi-phase random sampling method, 400 employees out of 7500 ones of hospitals of Mazandaran University of Medical Sciences were selected as the sample of the study. The results showed that there was a significant positive relationship between privatization and empowerment. Moreover, there was a significant positive relationship between intervening factors (organizational condition, managerial strategies) and empowerment (except the factor of self-usefulness sources).

Keywords: Psychological Empowerment, Privatization, Self-Usefulness Sources, Managerial Strategies, Organizational Condition.

Introduction

The term empowerment refers to a form of innovation and participation of people which has been common since 1980s (Wilkinson, 1988: 40). Psychological empowerment enables organizations through training motivated and capable managers to react properly dealing with the dynamism of competitive environment (Liden & Sparrow, 2000: 407).

According to Schwartz (1992), the definition of privatization for countries with concentrated economy is much beyond the ownership transmission and regulations; and it means creating a new market-based system and consequently change and development of different economic dimensions.

The hospitals of Mazandaran University of Medical Sciences are mostly governmental and have pyramid shapes; i.e. there are up-down relationships in these hospitals and according to the variety of tasks, there is a slow rate of implementing the decisions made. It means that this organization is not able to act agile in many conditions, especially in critical situations. Skilled and qualified employees are required in the organizations to provide good services for the patients and better implementation of the tasks in treatment sector.

Mazandaran University of Medical Sciences must take a serious look on the structure and abilities of the staff in order to survive, compete and improve in treatment; and this aim will be possible through employees' empowerment. But, since some of the hospitals belong to private sector and some of them are governmental, it seems that the kind of ownership affects on employees' empowerment. So, in this research, the relationship between privatization and psychological empowerment of employees will be evaluated considering intervening factors.

Literature Review of the Research

1) Empowerment

Though empowerment is not a new subject, many organizations are interested in the process of implementing it, because they believe that employees are effective in achieving the organizational objectives.

The use of the term "Empowerment" in management refers to industrial democracy and involving personnel in decision making process, under different titles such as team-making, participation, and Total Quality Management. Latest change in this case was called "Employee Empowerment"(Samipour et al:2011:269).

Empowerment Approaches

The approaches of empowerment are divided into two parts: organic (psychological, motivational) and mechanical. The aim of mechanical approach is empowering the employees through power resignation to the lower levels; Foy (1997), Blanchard et al. (1996) and Schoell (1993) are some experts in this approach. The aim of organic approach in motivational dimension is to increase the attitudes of the employees through self-usefulness and in psychological dimension is to increase the internal attitudes of the employees through the feel for competency, meaningfulness, self-organization and effectiveness.

Models of Empowerment

There are different models of empowerment some of which are presented below:

According to Baruch define empowerment by the existence of four components:

1. Choice - providing employees with genuine job enrichment and opportunities to have not only their voice heard, but giving them real power for control and influence over work processes.
2. Competence - enabling the people to be confident in their capacity to make these choices. Enhancing their self efficacy as a pre-condition to make decisions and stand for them.
3. Meaningfulness - valuing the work being done by the empowered people.
4. Impact - letting the people have actual influence over what is going on in the organization, ensuring their decisions make a difference (Baruch, 1998:82-87).

According to Dee et al: Empowerment appears to reinforce a range of requisites for effective employee functioning, including:

1. autonomy (freedom to do the work);
2. knowledge (tools to do the work);
3. importance (a sense of personal impact); and
4. Feedback (information about how people are doing),(Dee et al, 2003:259).

Model of Konger & Kanungo : They have mentioned the control factors of empowerment as managerial strategies (confidence making, leadership style, making groups, link with the results, the independency, collaborative atmosphere, Delegation of authority, information), organizational condition (goal setting, reward system, performance evaluation, resources, organizational structure, education) and self-usefulness sources (successful job experience, standardization, support, emotional promotion),(Konger & Kanungo,1988:473).

2) Privatization

Global trend towards reducing all forms of government intervention began in the 1980s and influenced especially on public companies. Ideological foundations of this approach were derived from the belief of conservative government of the United States, Britain and other European countries in the inefficiency of economy of big government, and efforts to restrict the activities of the government. These policies have been applied in developing countries as economic adjustment often recommended by the World Bank and IMF. Unlike the differences in ideas regarding how to use this approach in different countries, shifting public companies to private sector, decrease in the size of public bureaucracy and assigning the affairs to private sector have been pursued by many developing countries, including Iran. In short, each government moves to privatization in order to achieve its goal (goals).

Model of Gary: This model has been established on five factors of concentration, participation, commitment, and environment and evaluation system. Privatization affects the organizational concentration. The measure of employees' participation is effective on the degree of privatization.

High organizational commitment influences on implementation of organizational change of privatization and determining the role of each member in this implementation. Competitive and dynamic affects the implementation of privatization. There must be a powerful evaluating system in the organization to precisely evaluate the changes derived from implementing privatization and the advantages and disadvantages (Gary, 2000: 2-29).

Model of Parker & Harding: This model was presented in 2003, especially for health sector. It has two main dimensions of official and financial which, themselves, are divided into different factors:

A- Financial Dimension: (1) Remained credit funds: The remaining funds which are considered for the implementation of a series of activities in an organization are known as remained credit funds. A remained credit fund in an organization reflects the degree of strengthening and promoting fiscal responsibility regarding the ability to maintain savings and deposits, and also responsibility in the face of losses and financial debts. (2) Referring to the market: The organization ought to refer to the human resource market and capital market in order to supply capital and human resource and also investment on different economic sectors and maintain its activities.

B- Official Dimension: the right for decision making: it means having the authority for making decisions. (1) Social responsibility: Obligation to respond and satisfy the expectations of external stakeholder groups including customers, suppliers, distributors, environment preservatives and the people located in the service/producing units, with maintaining the benefit of domestic stakeholders, including owners, shareholders and employees. (2) Accountability: accountability is the base of performance evaluation, assessment and reporting; and must be used as a criterion for evaluating performance, assessment and reporting in public and private organizations. In the conceptual model of this research, the so-called model has been used for privatization (Parker & Harding, 2003: 211-219).

Hypotheses of the Research

Main Hypothesis: There is a relationship between privatization and psychological empowerment of employees in hospitals of Mazandaran University of Medical Sciences.

First Hypothesis: There is a relationship between managerial strategies and the dimensions of psychological empowerment (feel for competency, meaningfulness, self-organization and effectiveness) of the employees of hospitals of Mazandaran University of Medical Sciences.

Second Hypothesis: There is a relationship between organizational conditions and the dimensions of psychological empowerment (feel for competency, meaningfulness, self-organization and effectiveness) of the employees of hospitals of Mazandaran University of Medical Sciences.

Third Hypothesis: There is a relationship between self-usefulness resources and the dimensions of psychological empowerment (feel for competency, meaningfulness, self-organization and effectiveness) of the employees of hospitals of Mazandaran University of Medical Sciences.

Variable Definition

Empowerment: Whitmore mentions empowerment as a process which affects the experiences of people by social and individual change and empower them for acting effectively in organizations and institutions (Whitmore, 1988: 51).

Psychological Empowerment: It is defined based on the realizations of employees on their role in the organization and means increase in internal motivation of employees regarding their tasks containing five dimensions of competency, meaningfulness, self-organization and effectiveness and trust (Liden & Sparrow, 2000: 408).

Competency: competency or self-usefulness refers to the belief of individual in owning required abilities for doing the activities related to his tasks (Robbins, 1993: 680).

Self-Organization: The feel of having the right in starting and organizing one's activities (Deci et al., 1989: 143).

Meaningfulness: Worth fullness of long-term or short-term objectives of the job and their correspondence with individual's values and criteria (Thomas & Welthouse, 1990: 677).

Effectiveness: The degree in which the individual can affect the strategic, official and operational outcomes and consequences of the job (Spritzer, 1995: 1443).

Organizational Condition: Rewarding system, goal setting, performance evaluation, organizational structure and employees' training, as the conditions (factors), must be designed such that they could provide the employees' empowerment (Hardy, et al., 1998: 451-452).

Methodology of Research: This research is an applied descriptive correlation. Data analysis was done through factor analysis by the methods of main factors and path analysis using Lisrel 8.5 software.

Population of the Research: The population of this research includes the managers and employees of hospitals of Mazandaran University of Medical Sciences in two public and privatized sectors, with totally 7500 individuals.

Sampling: According to incongruity of public and private sectors and different sector structures (treatment, official, service), stratified random sampling method was used and finally 400 employees of different units of the hospitals in two public and private sector were selected.

Results

Empowerment has a direct relationship with privatization, Also Management strategies variable indirectly through organizational conditions has to communicate With Empowerment .But Self-Efficiency Variable Failed to establish a relationship with empowerment.

The following table shows values of internal variables and external variables:

Type of effect	From	To	The Stimated	The Standard Value	Estimation Error	T Value	Significant Level
The effect of external variables on internal variables	Management strategies	Self-Efficiency	0.69	0.69	0.04	19.04	P<0.01
The effect of external variables on internal variables	Management strategies	Organizational Condition	0.78	0.78	0.03	25.36	P<0.01
The effect of external variables on internal variables	Management strategies	Empowerment	0.4	0.4	0.04	8.97	P<0.01
The effect of external variables on internal variables	Privatization	Self-Efficiency	0.17	0.17	0.04	4.78	P<0.05
The effect of external variables on internal variables	Privatization	Empowerment	0.28	0.28	0.04	8.05	P<0.01
The effect of internal variables on the dependent variable	Self-Efficiency	Empowerment	-0.41	-0.41	0.0762	-5.38	P<0.01
The effect of internal variables on the dependent variable	Organizational Condition	Empowerment	0.87	0.87	0.046	18.91	P<0.01

Table: Effect of exogenous variables on endogenous variables model

Main Hypothesis: Since the main hypothesis of research was confirmed, it can be resulted that all dimensions of privatization have relation with empowerment. It seems that in hospitals of Mazandaran University of Medical Sciences, according to the competitive environment and improving the abilities of the employees, private sector has been able to use the capacities of the empowered staff much better and more effective than public sector.

First Hypothesis: In the population of the research, the results also showed that the measure of trust of employees to their managers was very high; i.e. the staff rely on the competency, honesty and loyalty of their manager and feel themselves under the support of the manager. In the population, managers of the hospitals are trying to give employees more independence to enhance their capabilities which is more seen in treatment sector as medicines provide nurses with more independency according to their professional competence for treatment and care. Delegation of authority in hospitals of Mazandaran University of Medical Sciences can have a main role, but sometimes, due to the bureaucratic structure, the managers are faced with the obstacles such as: lack of suitable person for delegation, being time and energy consuming, unwillingness to accept responsibility, lack of competency of people for delegation of authority and the fear of managers of their position.

Second Hypothesis: The results also have confirmed the second hypothesis. It means that the factors related to organizational condition (rewarding system, goal setting, performance evaluation, resources, organizational structure and education) have led to increase the psychological empowerment in hospitals of Mazandaran University of Medical Sciences. According to the organizational nature of hospitals of Mazandaran University of Medical Sciences (being public and bureaucratic and also network structure in private sector), some tasks and missions have been done as networks maintaining the pyramid structure. In Mazandaran hospitals (public and private), education is important and one of the principles of progress in their job is taking part in technical and professional training courses.

Third Hypothesis: The results also showed that the third hypothesis, the relation between self-usefulness resources and empowerment, was not confirmed. Probably, one of the reasons is lack of implementation of complete organizational pattern-making according to the method of treatment and competition in this area; another reason can also be the variable of emotional promotion and expressing negative feelings derived from cultural reasons in population regarding demographic characteristics. Furthermore, employees do not face any special problem regarding managerial support, but existence of inadequate job regulations have caused lack of self-usefulness support of the staff. This problem is common in hospitals according to their difficult and delicate job. Some other factors may affect on increasing these problems which have not been studied in this research. So, it is recommended to other researchers to study on other factors.

Conclusion

According to the results of the analysis, the first hypothesis of the research, i.e. the positive significant relation between managerial strategies (including delegation of authority, collaborative atmosphere, the independency, making groups, link with the results, information) and empowerment, was confirmed. In hospitals, link with the results is seen obviously in the roles of medicine, nurse and other employees in treating the patients; the employees expect their managers to connect with their results to feel more effective in the organization. In hospitals of Mazandaran University of Medical Sciences, according to the rapid environmental changes, the requirements of patients and organization in consistency with these changes are responded through making work teams. Performance evaluation is done by different methods in the studied population: manager's idea, holding professional committee of employees' evaluation based on determined objectives, survey of clients. In the studied population, the hospitals have the required resources due to the nature of the tasks and sensitivity of timely implementation of functions and programs.

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Resource

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