



MANAGEMENT STYLES, EMPLOYEE EMPOWERMENT AND JOB PERFORMANCE: A STUDY ON CORPORATE SECTOR

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Abstract

The present study was designed to investigate the relationship between management styles (autocratic, democratic, bureaucratic, laissez-faire and paternalistic), the various components of employee empowerment (autonomy, participation and responsibility) job performance (task and contextual). The study was conducted on middle level bank managers of public sector banks and Pearson coefficient correlation method and multiple regressions were used to evaluate the data. The sample included 100 male and female bank managers between the age group of 30-45 years with minimum 5 years of association with the organization. Lower and higher level managers were kept beyond the purview of the study. The pertinent scales to measure these aspects were administered to collect data. Findings revealed significant positive relationship between the aforesaid management styles, employee empowerment and job performance. Further analysis of regression revealed that all the predictor variables accounted for significant proportion of variance in the criterion variables. Bureaucratic management style contributed the most to task performance wherein responsibility dimension of employee empowerment contributed the most to contextual performance.

Keywords: Management Styles, Employee Empowerment, Job Performance.

Introduction

Management Styles, being the managerial techniques employed by managers to attain and accomplish the aims and objectives of the organization through planning, co-ordinating, leading and controlling the activities of the establishment is one of the important aspect of study in the present study. Management Style deals with the approach of a manager to direct people at work and exercise authority over subordinates in an attempt to attain organizational goals. (Quang, 2002; Hartzell, 2006) Management styles are the imperative aspect in the accomplishment of success of any enterprise. It is a multidimensional construct and an immensely crucial criterion that ascertains the success or failure of an organisation. (Kanyabi & Devi, 2011) The primary objective of management style is to upgrade the performance of employees in order to achieve the goals of the organisation. (Prasetya & Kato, 2011) In contemporary times, management styles are classified as autocratic, democratic, laissez faire, participative, paternalistic, persuasive, coaching, pacesetting, visionary and bureaucratic. (Effere, 2005) Some of the abovementioned management styles encourage empowering the employees to craft independent decisions. Therefore, employee empowerment is also an important variable to study in an organizational context.

Employee empowerment is a motivational modus operandi that is intended to raise performance through elevated levels of participation and self-determination of the employees. It is defined as “a transfer of power” from the employer to the employees. (Randolph, 1995) Empowered employees enhance performance essentially by discovering innovative ways of rectifying errors in production and delivery of service and redesigning work processes. Besides having the autonomy to operate, empowerment encompasses a higher degree of responsibility and accountability. (Blanchard, Carlos & Randolph, 1996) Empowerment aids people to enhance their self-confidence, deal with their powerlessness and helplessness, and have the fervour and intrinsic motivation to carry out their duties and responsibilities. (Blanchard, 2003) Researchers have defined empowerment in two ways: the situational approach and the psychological approach (Conger & Kanungo, 1988). Empowering employees facilitates organizations to be more adaptable and responsive and can bring about advancements in the performance of both the individual and the organizational. Hence, job performance is an imperative variable to study in an organizational perspective.

Job performance is the array of activities that are related with the aims of the organization (Ferris et al., 2010). Since the past several decades, it has been believed that employees are the building blocks of a corporation. Organizations should appoint appropriate personnel at the proper position to increase the outcome. (Munir et al., 2011) Job performance is the degree of calibre and quantity which an enterprise anticipates from each employee. It is the attainment of a certain task assessed against predetermined criterion of precision, wholeness, expenditure, and pace, the initiatives taken by the employees, their creativity in solving problems and the ingenuity in the manner they make use of their resources, time and energy. (Bon, 2012) Performance is a vital measure that is associated with the accomplishment and outcome of the establishment. (Yahaya et al., 2011) It is claimed that the performance of the employees determines the success and failure of an organization. Performance is divided into task and contextual performance. (Borman & Motowidlo, 1993) The present study focussed on both the aspects of performance.



Studies suggest that the individual management style of managers does have a relationship with the performance of employees. Previous research advocates that management styles have both positive and negative association with job performance. A democratic manager maintains the morale of the staff high and hence, a constructive environment reigns in the organization. (Goleman, 2002) A significant relationship prevails between participative management style and employees' performance. (Maqsood, Bilal, Nazir, Baig, 2013) The autocratic manager employs excessive dominance on employees, does not sanction them to convey or share their ideas and doesn't permit them to participate in decisions, which leads to low performance. (Popa, 2012) Laissez-faire management results in chaos and futility and the outcome of laissez-faire supervision usually seems to be negative resulting in low levels of performance. (Goodnight, 2004)

Employee empowerment has also been widely recognized as an essential contributor to organizational success with many researchers observing a direct relationship between the level of employee empowerment and employee performance. Research shows that firms that empower their employees experience enhanced morale and output (Duffy, 2004) as the capacity to produce a required outcome is enhanced by empowerment of an employee. (Demirci, 2010) This indicates that management must empower their employees so that they can be enthused, dedicated, gratified and aid the organization to achieve its objectives. (Dewettinck & Amejide 2011)

Methodology

Objectives

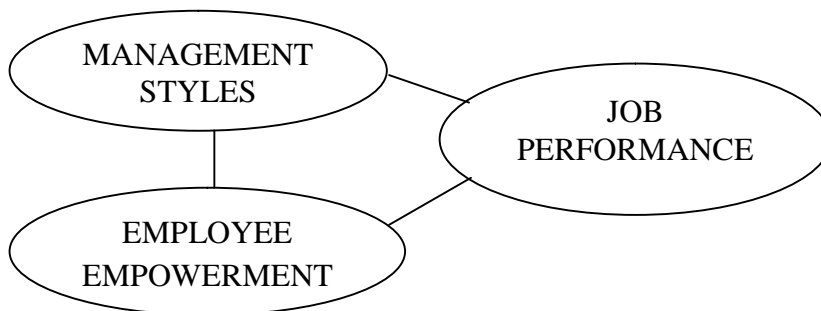
1. To study the relationship between Management Styles and Job Performance.
2. To investigate the relationship between Employee Empowerment and Job Performance.
3. To examine the relationship between Management Style and Employee Empowerment.
4. To explore the contribution of the predictor variables on criterion variable (Job Performance)

Hypotheses

- H1. There will be no significant relationship between Management Style and Job Performance in managers.
H2. There will be no significant relationship between Employee Empowerment and Job Performance in managers.
H3. There will be no significant relationship between Management Style and Employee Empowerment in managers
H4. The measure of management style of the study will not contribute significantly to predict Job Performance in managers.
H5. The measure of employee empowerment of the study will not contribute significantly to predict Job Performance in managers.

Research Design

Correlational Design was deployed for the present research.



Predictor variables: Management Styles and Employee Empowerment.

Criterion variable: Job Performance.

Sample

The study was conducted on middle level managers in public sector banks. The samples consisted of 100 male and female managers.

Criteria for Inclusion

1. Male and female managers working in public sector banks.
2. Males and females working as middle level managers.
3. Five years minimum work experience in the present organization.
4. Male and female managers in the age group of 30-45 years.

Criteria for Exclusion

1. Male and female managers working in private banks.



2. Males and females working as lower and higher level managers.
3. Male and female managers below the age of 30 years and above 45 years.

Tools Used

1. Management Styles Questionnaire (Raybould, 2014)
2. The Perception of Empowerment Instrument (Roller, 1998)
3. Employee Performance Scale (Borman & Motowildo, 1993)

Results

Table 1.1 Mean and Standard Deviation of Management Styles, Employee Empowerment and Job Performance (N=100)

Variables	Sub- dimensions	Mean	Standard Deviation
Management Styles	Autocratic	10.6400	1.9874
	Democratic	13.2800	0.7664
	Bureaucratic	9.3800	1.8355
	Laissez- faire	6.0700	2.2841
	Paternalistic	8.3300	2.0103
Employee Empowerment	Autonomy	14.5800	3.0885
	Participation	17.7400	2.2366
	Responsibility	17.3600	2.2853
Job Performance	Task	16.6100	2.6548
	Contextual	18.3600	1.9515

Results from the above table indicate the mean and standard deviation scores of all the management styles, the components of employee empowerment and job performance respectively.

Table 1.2 Correlational Matrix showing relationship between Variables under study

Variables	Sub- dimensions	Management Styles					Employee Empowerment			Job Performance	
		Autoc	Bureau	Demo	Laiss-f	Patern	Auton	Parti	Respo	Task	Co nt
Management Styles	Autocratic	1									
	Bureaucratic	.465**	1								
	Democratic	-.222*	.074	1							
	Laissez faire	.535**	.335**	.538**	1						
	Paternalistic	.295**	.234**	.768**	.831**	1					
Employee Empowerment	Autonomy	.489**	.468**	.629**	.902**	.862**	1				
	Participation	.481**	.479**	.583**	.844**	.812**	.899**	1			
	Responsibility	.454**	.397**	.608**	.847**	.878**	.833**	.777**	1		
Job Performance	Task	.456**	.496**	.572**	.777**	.797**	.832**	.804**	.811**	1	
	Contextual	.404**	.337**	.658**	.853**	.855**	.867**	.839**	.863**	.747**	1

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

* Correlation is significant at the 0.05 level (2-tailed).



Results from the above table indicate correlation between all the variables under study. From the table, it is apparent that significant positive correlation has been found between the Management Styles, Employee Empowerment and Job Performance at .01 level.

Table 1.3 Multiple Linear Regression with Task Performance as Criterion Variable

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig F Change
1	.878 ^a	.772	.752	1.32307	.772	38.452	8	91	.000

Results from the above table reveal that 77.2% of the variance in the criterion variable (Task Performance) is accounted for by the predictor variables of the study.

Table.1.4 ANOVA^a

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	538.492	8	67.312	38.452	.000 ^b
	Residual	159.298	92	1.751		
	Total	697.790	100			

Results from the above table reveal that all the Management Styles and Employee Empowerment significantly predicts Task Performance.

Table 1.5 Bivariate Coefficient of Correlation

	Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
	(Constant)	-5.826	2.873		2.028	.046
Management Styles	Autocratic	.167	.140	.125	1.195	.235
	Bureaucratic	.602	.247	.174	2.439	.017
	Democratic	.201	.187	.139	1.077	.284
	Laissez- Faire	-.003	.165	-.003	.019	.985
	Paternalistic	.293	.214	.222	1.370	.174
Employee Empowerment	Autonomy	.116	.148	.134	.783	.436
	Participation	.153	.147	.129	1.037	.302
	Responsibility	.228	.150	.196	1.519	.132

a. Dependent Variable: Task Performance

From the above table it is apparent that out of all the predictor variables, Bureaucratic Style of management was found to be the strongest predictor.



Table 1.6 Multiple Linear Regression with Contextual Performance as Criterion Variable

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.919 ^a	.845	.831	.80130	.845	62.027	8	91	.000

Results from the above table reveal that 84.5% of the variance in the criterion variable (Contextual Performance) is accounted for by the predictor variables of the study.

Table 1.7 ANOVA^{a+}

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	318.611	8	39.826	62.027	.000 ^b
Residual	58.429	92	.642		
Total	377.040	100			

Results from the above table reveal that all the Management Styles and Employee Empowerment significantly predicts Contextual Performance. The value was found to be significant.

Table 1.8 Bivariate Coefficient of Correlation

	Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
	(Constant)	7.471	1.740		4.294	.000
Management Styles	Autocratic	.064	.085	.065	.760	.450
	Bureaucratic	-.179	.150	-.070	1.199	.234
	Democratic	.194	.113	.183	1.718	.089
	Laissez- faire	.113	.100	.132	1.130	.261
	Paternalistic	-.038	.129	-.039	.291	.771
Employee Empowerment	Autonomy	.100	.089	.158	1.117	.267
	Participation	.202	.089	.232	2.271	.026
	Responsibility	.308	.091	.361	3.385	.001

a. Dependent Variable: Contextual Performance

From the above table it is apparent that out of all the predictor variables, the sub-dimension Responsibility of Employee Empowerment was found to be the strongest predictor.



Discussion

The study examined the relationship between management styles, employee empowerment and job performance. Cultivating an alliance between managers and employees to amalgamate them to operate as a single entity to achieve the targets is the foremost motto of the organization wherein employee empowerment is delegating a certain degree of autonomy and responsibility to the employees for decision-making regarding their specific organizational tasks and job performance is about achieving the outcomes, targets or benchmarks by the employees as per the expectations laid down by the organization. The first hypothesis stated that there was no relationship between management style and job performance in managers. Results confirm the positive relationship between the management styles and job performance significant at .01 level. This means that the management styles (autocratic, democratic, bureaucratic, laissez-faire and paternalistic) is positively associated with job performance (task and contextual). It can be inferred that managers exercising the aforesaid management styles will perform favourably at the tasks in hand and will be instrumental in shaping the social and psychological perspectives of the organization as well. This result is in congruence with researches which evidently confirmed that the management style of a manager plays a vital role in job performance. (Gruneberg, 1984; Henema & Gresham, 1999; Adair, 2002)

The second hypothesis was that there was no relationship between employee empowerment and job performance in managers. The results substantiate the positive relationship between employee empowerment and job performance (task and contextual) significant at .01 level. This denotes that employee empowerment (autonomy, participation and responsibility is positively associated with job performance (task and contextual). It can be deduced that empowered managers have absolute knowledge about their work in order that they can plan and schedule their work and are competent of recognizing and resolving any hindrances for their performance. This result is consistent with studies that reveal that links between employee empowerment and job performance is axiomatic. (Nick, Jack, Warren, Barbara, 1994; Balzer, 1997; Eylon & Bamberger, 2000; Liu & Fang, 2006) Empowerment also enhances the technical knowledge and capabilities of employees, enabling them to perform tasks more effectively. (Bowen & Lawler, 1992, 1995; Lawler, Mohrman & Ledford, 1995)

The third hypothesis was that there was no relationship between management style and employee empowerment in managers. The results validate the positive relationship between the management styles and employee empowerment significant at .01 level. This implies that management style (autocratic, bureaucratic, democratic, laissez-faire and paternalistic is positively related with employee empowerment (autonomy, participation and responsibility). It can be concluded that managers implementing the aforesaid management styles is closely related with the degree of employee empowerment. The abovementioned management styles encourage autonomy at work, participation in decision-making process and responsibility for the activities allocated to the employees, thus enhancing empowerment. Employees are convinced that they have the authority to discharge their duties to the best of their abilities. The result validates that empowerment is associated with management practices that integrate the sharing of knowledge and the decision-making power of employees. (Howard, 1998; Heller, 2000; Forrester, 2000; Lawler, Mohrman & Benson, 2001)

The fourth hypothesis was that the two measures (management style and employee empowerment) of the study do not contribute significantly to predict job performance in managers. Regression analysis was carried out; in which all the management styles (autocratic, democratic, bureaucratic, laissez-faire and paternalistic) and employee empowerment (autonomy, participation and responsibility) were the predictor variables and job performance (task performance) was the criterion variable. The analysis revealed that all the predictor variables accounted for significant proportion of variance (77.2%) in job performance, i.e. task performance (Table 4.3). The analysis also revealed that all the predictor variables accounted for significant proportion of variance (84.5%) in job performance (contextual performance) (Table 1.6).

The coefficient of bureaucratic management style was reported as 0.174 (Table 1.5). Therefore, for every unit increase in bureaucratic management style, a 0.174 unit increase in job performance (task performance) is predicted. Hence, bureaucratic management style emerged as the most significant predictor of task performance. This result corresponds with previous studies which state that bureaucratic management style and high performances may be simultaneously present in an organization. (Marsden, Cook, & Kalleberg 1996; Yang, 2003).

The coefficient of employee empowerment (responsibility) was reported as 0.361 (Table 1.8). Therefore, for every unit increase in employee empowerment (responsibility) a 0.361 unit increase in job performance (contextual performance) is predicted. Therefore, employee empowerment (responsibility) emerged as the most significant predictor of contextual performance. This result is supported by empirical evidence which states that employees are involved in the identification, discussion and agreement of personal objectives (in relation to the corporate plan) there is a higher desire to ensure that the tasks for which one is responsible are carried out efficiently and effectively. (Ralph, 1996)



Therefore, all the null hypotheses were not accepted as positive relationship between the variables was established. By and large, the results of the study corroborate the general findings that level of job performance is concurrent with the management style and extent of employee empowerment provided by the organization.

Conclusion

The findings of the study suggest that person with bureaucratic management style and feeling of responsibility will definitely enhance one's job performance (task and contextual). If the management of public sector banks are concerned with having a stable long-term workforce that promotes effective organizational goal accomplishment, then bureaucratic management and empowerment strategies incorporating the predictors of job performance should be implemented to endorse more competent personnel.

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