Empowerment Practices and Performance in Malaysia – An Empirical Study

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Abstract
This study focuses on the factors affecting the empowerment practices in education, information technology and telecommunication service sectors in Malaysia. A total of 305 employees were interviewed using a convenience sampling method and a set of well-structured questionnaire. Logistic Regression Models (LRMs) in four sets of variables and paired-sample t-test in one set of variables (orientation) were employed to test the data and analyze empowerment and related performance. The results appear as inspiring on certain factors which eventually propelled empowerment as a means of organizational performance. Based on statistical results, this study concludes that the higher education, information technology, and telecommunication service sectors in Malaysia used empowerment as a strategy to accelerate organizational performance. This advancement is in line with Malaysia’s national vision of 2020.

Keywords: Empowerment, Participative management, Focused freedom, Awareness, Orientation, Empowerment success-failure, Organizational performance

1. Introduction
Managers in the new millennium have been facing stern challenges in this cutting edge of technological advancement and the process of globalization. The entire globe is moving towards unprecedented challenges of changes resulting in some surprises of economic patterns of the countries. Free market competition, open-market economy, trade liberalization, cross-border mega-mergers and acquisitions, deregulation, satellite telecommunication, technological advancements, and growing global economic interdependence have brought countries closer than ever. Further, e-commerce, Internet revolution, regional power integration (such as, EU, NAFTA, and ASEAN etc.), common currencies (such as, Euro) and cross-cultural diversity in the workforce have continuously been changing the traditional business practices and leadership roles around the world. This study was based on Malaysian empowerment in higher education, IT and telecommunication service sectors in new economic and ecological realities. Basic objectives of this survey were (i) to determine the level of awareness of empowerment; (ii) to ascertain the orientation toward
empowerment; (iii) to examine the conditions of success or failures of empowerment; and (iv) to identify whether organizational performance has resulted from empowerment practices.

Empowerment concept is, to a great extent, more complicated and can not entirely be elucidated in a single ‘dimensional construct’ (Thomas and Velthouse, 1990; Ugboro, I. O., 2006). Practitioners observe empowerment as an instrument to support employees to imagine for themselves concerning the necessities of the work and to shift away from utterly doing what they are advised (Thorlakson and Murray, 1996; Laschinger, H. K. S. et al., 2004). Empowerment is looked upon a process by what citizens, institutions, and civilizations recapture power above their personal lives (Rappaport, 1984; Hage, A. M. et al, 2005). Minkler (1989) and Wolff, T. J. (1993) define empowerment as the method by which persons and societies achieve ‘mastery over their lives’. Rodwell (1996), Hage and Lorensen (2005) label empowerment as an ‘enabling process’ or an object occurs from a joint allocation of possessions and prospects which boost ‘decision making’ to accomplish change. Empowerment in self-help teams brings about the improvement of societal characteristics, internal muscles, and societal capital, as people contend with their general problems by collective understandings, emotional assistance and social scholarship (Gartner & Riessman, 1998; Mok, 2005; Parsons et al., 1998; Riessman et al., 1993; Simon, 1994; Solomon, 1976; Staples, 1984). Mainly the literature links empowerment with individual control (Rappaport, 1987). The Cornell University Empowerment Group (1989) and later, Wolff, T. J., (1993) depict that empowerment is a premeditated, continuing ‘process centered in the local community’, linking shared respect, serious reflection, care giving and team involvement in the course of which citizens lacking an identical distribution of treasured resources gets larger entrance to and manage over those resources.

Systematic research reports on empowerment and its real impact upon divergent formal and non-formal sectors in Malaysia do not exist. However, recently, due to wave of globalization concepts, free-world notions and facts of collective interdependence may have pushed some of the aggressive Asian nations to embrace changes and therefore, privatization, industrialization, de-bureaucratization, and public-private partnerships may have come up as strategic initiatives for them. It seems certainly true; Malaysia has been playing a catalyst role in these areas as one of the fastest growing nations in Asian continent.

2. Literature Review

Nicholls J. (1995) describes empowerment as a ‘state of mind and not a verb’. He interprets empowerment being a way of idea and manners rather than anything that is to be executed to any person or organization. Empowerment campaigners assert that worker empowerment facilitates firms to whip up support and allows staffs to take accountability for the service stumble upon (Barbee and Bott, 1991; Lashley, C., 1999). Klagge J. (1998) sees the literature in a way indicating the meaning of empowerment as to release improved ‘power and authority’ along with the relevant duties and expertise to employees. Hilton R. W. (2002) terms employee empowerment as the insight of reassuring and permitting employees to embark on proposals to advance operations, diminish costs, and develop the product and customer service quality. Some of the precedent leadership literature (e.g. Conger and Kanungo, 1987; Evans, 1990) explain ‘command and control’ forms of administration are likely to pin down the application of job autonomy by the subordinates (Hilton R. W., 2002). Empowerment seems to be a powerful management tool, which is used to exchange the shared vision that the organization expects to materialize into common goals. The reality is that empowerment could be utilized as an expression to explain diverse plans providing an expedient oratory, advocating that empowerment is hypothetically a fine object that fabricates a ‘win-win’ condition for workers and administrators. (Lashley, C., 1999, p-169). Tsai W (1998) argues that a shared vision represents the cohesive goals and ambitions of the organizational members. When members of the firms hold same insights about how mutual interactions take place, they could evade potential misapprehension in the process of their communications and have additional chances to swap their thought or wherewithal liberally. Wilkinson (1998) finds that the conventional forms of work organizations knock down into numerous obvious problems and the involvement of the workers was getting intensifying interest. Almost certainly that involvement process could effectively have necessitated the practice of empowerment (Wilkinson (1998). Margulies J. S., and Kleiner, B. H., (1995) argue that the perception of involvement and participation was practiced in the era of 1960s, trying to encourage common decision making and recognizing the growth of problems that the organization was stumbling upon. At this stage, according to them, “brainstorming” and other apparatus of participation procedure were used. Minett, S. and Ellis S (1997) state that inspiring self-growth of the staffs was appraised as vital to an anticipated change in the culture of the organizations, and the pledge to convert the organization into ‘learning organization’.

Sashkin, M. (1984) and Nykodym, N., et all. (1994) point out that staff empowerment or participative management is neither a novel nor straightforward management thought. Over 50 years of studies had proven that staff participation is a multifaceted administration tool, and when used appropriately, can be instrumental in civilization performance, efficiency and satisfaction of the job (Sashkin, M., 1984, Nykodym, N., et all, 1994). Burke (1986), Koh, J., and Lee M (2001), Conger and Kanungo (1988) and Likert (1967) recommend that empowerment is an inspirational (“motivational”) construct more willingly than a “leader-member relational construct”, accusing the literature, that
depicted empowerment as power allocation, or simply the “participative management techniques”. Keiffer, (1984) states that new participation structure developed by 1980s which was not apprehensive enough with the dual negotiation concepts and employee involvement was highlighted in broader context, like quality circles, group conference and profit distribution as part of the extensively restructured operational practices. Participation advanced the process of personal empowerment (Keiffer, 1984). The significance about these methods was that the managerial prerogative had not been challenged by these ideas (Ackers et al., 1992; Marchington et al., 1992; Wilkinson, 1998).

Hennestad, B.W. (1998), Wilson, (1996) and Ahanotu, N. Duru (1998) portray this atmosphere as: “inform-and-entrust” meaning that the staffs are accorded with maximally possible liberty to speak, disseminate “information and knowledge”, and earn knowledge in an organization, like the self-governed teams.

Peccci and Rosenthal (2001) suggest that involvement in official training and learning programs is, nonetheless, merely a means through which staffs may be able to get hold of relevant job expertise and incorporate norms and values of the pro-social clientele service. Kriemadis, T. and Papaioannou, A. (2006) point out that the necessity to support the premature phases of empowerment procedure with training to explicate the scope and implications of its exercise was of identical importance.

Nachshen, J. S. (2005) finds an approach of parent empowerment as a response variable is to study the effects of parent training agenda. Kreitner (1999) mentions that empowerment takes place when staffs are sufficiently trained, given all relevant information and the best possible instruments, completely engaged in key assessments, and lastly rewarded for their outputs. Empowerment needs momentous endeavor to realize the desirable managerial changes (Ransom, 1994, p.325; Klagge J., 1998); necessitates extensive venture in training that ‘may or may not pay off” (Kappelman and Prybutok, 1995, p.15; Klagge J., 1998); lead the firms to offer novel capabilities to every affiliate, management and member of staff alike (Staples, 1990, p.32; Klagge J., 1998); and involves the organization to build up and outline basis of new strength for management and workers alike (Staples, 1990, p.30; Klagge J., 1998). Richard, S. and et all (1998) argue that ‘compensation or rewards’ attached with enough grounding and training those individuals who experienced lack of familiarity with a team-setting or functioning as part of a team.

Heslin, P. A. (1999) discovers that in circumstances where employees acquire sufficient motivation, aptitude, wherewithal and self efficacy to fruitfully carry out their empowered role, the empowerment typically capitulate noteworthy performance and satisfaction which are beneficial to both the managers and their subordinates. Conger and Kanungo, (1988) and Lashley, C. (1999) term empowerment as a motivational construct and explain that empowerment is both individual and personal. They further view that facets of empowerment became the significant attribute of the scheme. Empowerment also has a tendency to move up the degree of interest of the employees, pleasure and inherent inspiration to incessantly advance how they execute their tasks (Block, 1987; Heslin, P. A., 1999). Ongori, H. (2007) cites the literature as it accentuated that employee empowerment will bring about superior productivity, recital, and satisfaction of the job and diminish staff turnover in the organizations. Researchers explained that the interest on empowerment had been extended as international contest that necessitated employee inventiveness and novelty (Drucker, P.F., 1998 and Ezzamel et al., 1996). Kaplan R. S. & Atkinson A. A, (1998) suggest that investing to boost the competencies and performance of staffs offers the podium for continuing scholarship and development, a prerequisite of genuine potential growth. Johnson (1992) and Hennestad B.W. (1998) explain that the empowerment concept represents not only the independence to act but the magnification of know-how and learning on which appropriate decision can be taken.

The notion of conducting this study primarily prompts upon the focus of empirical findings from a leading culture study contributed by Hofstede (1980). The author, however, rated Malaysia as the highest in power distance (PD) scale. That nearly indicated an environment of non-empowerment as opposed to individualistic societies. Today, about decades after Hofstede’s study, a considerable lack of empirical studies prompted us to test the empowerment hypothesis for Malaysia. Empowerment had well been studied in the U.S. and some of the western countries while very little research was conducted in Asian region. Further, we considered some new aspects in assimilating ideas on our selected variables as Nachshen, J. S. (2005) predicted that “Areas for future study include empowerment as a predictor of relevant family variables or empowerment as an outcome of experimental manipulations”.

3. Materials and Methods

A convenience sampling procedure was used to collect data from 600 potential respondents drawn from Kuala Lumpur, Johor Bahru, Melaka, and Penang. Only 305 respondents returned the filled-in questionnaires, which constitute 51% of the questionnaires distributed. They were contacted either in person or by telephone, postal and/or e-mails and requested to participate in the study.

3.1 Scale developments

For this study, four specific scales (instruments) were developed, e.g., (i) Empowerment Awareness (11-items); (ii) Empowerment Orientation (11-items); (iii) Empowerment Success-Failure (13-tens); and (iv) Empowerment Related to Performance (5-items). Statistical Package for the Social Sciences (SPSS) software was used to test and analyze data.
and develop logistic regression models. Moderating variable asks the question whether the respondents were empowered. Other statements/questions were rated on 5-point Likert Scales (5 = Strongly Agree to 1= Strongly Disagree).

3.2 Test of data reliability and validity of the data

Nunnaly (1978) points out 0.7 to be a satisfactory reliability coefficient but lesser thresholds are occasionally used in the literature (Nunnaly, 1978; Reynaldo J. and Santos A., 1999). In our survey, 11-item scale for empowerment awareness scale results a Cronbach’s alpha of 0.774, 11-item scale for empowerment orientation: 0.895, 13-item scale for empowerment success or failure: 0.774 and 5-item scale for empowerment leading to performance: 0.826. Researchers may judge ‘content validity, criterion validity, or construct validity’ (McTavish, D. G., 1997; Peter, J. P., 1981, Malhotra, N. K.,1999). While conferring the validity of a theory, Lacity and Jansen (1994), Chong Ho Yu, (2006-online) defines validity as building general sense, and being persuasive and seeming right to the reader. A similar criterion of validity was used in this study.

3.3 Hypotheses of the study

Spreitzer, G. M. (1996, p-501) proposes that her expectation is that expounding these associations (variables relationships with empowerment) will persuade further managerial scholars to set out on extensive research dealing with the empowerment dynamics in the place of work. The author (Spreitzer, G. M., 1996, p-501) further adds that these research results will make direction to practitioners as they attempt to generate empowered organizations. In Malaysian public sector, a relevant study was conducted by Lunjew, M. D., et al (1994) where worker participation was evident to be optimistically associated with job satisfaction and performance of the job. However, in Malaysia, it seemed hard to find a direct empirical study on empowerment in general, and in these three sectors in particular, since it has been a new concept and probably would have been under a test model. Therefore, due to lack of sufficient and direct empirical evidence on empowerment (except very little evidences), the selection of particular independent variables was based on available literature and personal observations from which the following hypotheses were drawn:

3.3.1 Empowerment Awareness

People are unacquainted with their factual character (Watson, 1985:46; Myatt, A. 1992). This absence of attentiveness may generate discord between the psyche, body and soul’ or between the individual and the globe. Such dissimilarity may boost wariness, misery, sickness and ailment (Watson, 1985:56; Myatt, A. 1992). Awareness falls between ‘supply and implementation’ that has been overlooked till today. Managers practice divergent echelon of awareness from each other. Consequently, one may anticipate that conditional on certain contextual and personal distinctiveness; dissimilar subgroups of managers are susceptible to a variety of concepts in dissimilar ways (Rossem, A. V., and Veen, K. V., 2009).

Top management people are also human being and since not all leaders should be presumed to be charismatic or transformational, few of them may potentially lack adequate awareness of the requirements suitable for the perceived empowering conditions. This study considered four basic dimensions of empowerment awareness, for instance, (1) managerial prerogative; (2) empowered psychology; (3) participative behavior; and (4) management’s empowerment expertise.

An outlook is often articulated by the line managers arguing that empowering subordinates will cause in loosing managing power. In veracity, empowerment as a service tactic and is concerned with both loyalty and organizing employees (Lashley, C., 1999). It serves further in a change in the ‘locus of control’ (Friedman, 1977; Lashley, C., 1999). Effectively worker empowerment raises [apex management’s] power at the same time as producing the sense of shrinking it (Robbins, 1983, p. 67; Lashley, C., 1999). In fact, empowerment creates respectful positions for the management members due to their sacrifice of powers to satisfy the hearts and minds of the employees that creates simultaneous independent thinking of solutions to the problems that everyone keeps busy to engage his/her own neurological power, build togetherness, search value-added solutions and nurture accountability for their organization’s missions. These positive values underpin the value chain of the organization and indeed create stakeholders’ greater interests in the form of added revenues, extended wealth and firm’s reputation toward creating a truly sustainable impression management. Above all, a powerful position of the corporation manages a sustainable competence that further makes the management people strategically powerful. So, if fear works to preserve managerial prerogatives, management power, indeed, will remain undernourished and the agenda of empowerment will remain unfulfilled. The lesson here is that any negative psychology would have detrimental effects on empowerment.

There are quite a few factors that may put off staff empowerment in firms, such as dejected standing of the management, distrust in management, scaring of losing employment and workers not eager to take accountability for their own actions (Ongori, H., and Shunda, J.P.W., 2008). Spreitzer and Quinn (2001) and Conger and Kanungo (1988, p.476) argue that lack of empowering actions may be theorized as practices that utterly promote dependence, rebuff self-eloquence, and engross the use of dictatorial management modes and pessimistic types of exploitation. Labonte
Employee empowerment model proposed by Mallak & Kurstedt (1996) contends that worker empowerment has been developed based on the ‘concept of participative management’ (Ongori, H., and Shunda, J.P.W., 2008). Thus, participative management is defined as the process of empowering employees to assume greater control of the workplace (Randolph W. A., 1995).

Eylon, D., and Au, K. Y. (1996, p-17) notes that in spite of extensive accord that empowerment is a useful goal, there is slight perceptive of what does it mean, how it evident itself, and how its processes can be grown. Zimmerman (1990) deviates from the job level and argues that to attain empowerment, diverse contextual fundamentals, such as ecological pressures, managerial factors, and ‘social, cultural, and political contexts’, are required to be judged (Zimmerman, 1990; Eylon, D., and Au, K. Y. 1996). Spreitzer and Quinn, (2001) recognize five rationales for the malfunction of most efforts to squeeze empowerment: ambivalence (an emotion of uncertainty), ‘bureaucratic’ climate, divergences within the firm, individual time constrictions, and an elementary misapprehension of how empowerment can be realized (Whittington, J. L. and Evans, B., 2005).

Based on the above discussions and supports from the preceding works, the following hypothesis was established for this study:

Hypothesis.; Awareness is perceived to positively affect empowerment in the higher education, information technology and telecommunication sectors in Malaysia.

3.3.2 Empowerment Orientation

These different strataums of organization’s culture are upheld and conceded on through the process of socialization among workers. Since a firm’s culture is conceded on to new workers, it is pretty steady and rather defiant to change (Schein, 1985; Kwantes, C. T., Arbour, S., and Boglarsky, C. A., 2007). Hence the organizations face hurdles to incorporate new areas, skills and expertise which are the necessity of this information age to cater to the need to achieve sustainable competence. The speedy world economy needs that firms learn and adjust to change swiftly, and workers have a major role to demonstrate here (Lashley, C., 1999), ‘Organizational learning’ occurs to emerge when the members of the organization detect the incongruity between genuine and projected results, and put forward their efforts to rectify the mistakes or disputes underlying conjectures. They search for advancing actions through enhanced ‘knowledge and understanding’ (Hong, 1999; Othman, R. and Hashim, N. A., 2004).

Heslin, P. A. (1999) argues, whereas empowerment may elevate ‘the self-efficacy, productivity and satisfaction’ of the employees, it is not an instant process or excuse to slice center management. Rather, it calls for ‘a reinvestment of managerial resources’ from watching and controlling employees, to earning knowledge as how to efficiently lead and motivate them (Heslin, P. A., 1999). The term ‘motivation’ means to the psychosomatic procedure that provides behavior intention and route (Kreitner, R., 1999). Creation of appropriate motivation depends on the organizational leaders as how they value and recompense their employees, care for their psychosomatic feelings, reduce perceptual gaps in positive directions, and trim down their emotional stress.

Empowerment has been measured as an act: the act of conceding authority to the individual(s) being empowered. It is considered as a process: the process resulting in the experience of power (by the employees). It is also well thought-out as a psychological status that evident itself as cognitions that may well be measured (Menon, 2001, p. 157; Dimitriadis, Z. S., 2005). Kreitner (1999) states, by being individually and ‘meaningfully’ engaged, over and further than just doing allocated responsibilities; people are turned into more motivated and industrious. Empowerment does not only focus on autonomy (or liberty) to act, but also having upper extent of duty and answerability. This designates that authority must empower their staffs so that they will be inspired, faithful, pleased and aid the organization in realizing goals and curtail the workers’ intent to quit (Honold, 1997, Ongori, H., and Shunda, J.P.W., 2008; Lashley, C. (1999). Kriemadis, T. and Papaioannou, A. (2006) state that the managers and the firms should empower and facilitate employees to carry out their work in momentous ways. The authors further argue that empowerment has been portrayed as a way to allow employees to formulate decisions and as an individualistic fact where persons acquire accountability for their own actions (Kriemadis, T. and Papaioannou, A., 2006). When individuals come into a process of freedom, fighting for their humankind, they also presume accountability ‘for the reconstitution of which they are part’ (Hage, A. M., and Lorensen, 1989) discovers the political features of empowerment and suggests some concerns on the subject of its widespread usage in the 1990’s. He endorses that empowerment is a gracious word, but the actuality of political and economic power allocation does not capitulate ‘win-win scenarios’ (Labonte, 1989; Wolff, T. J., 1993). Measuring empowerment practices focuses on administrative behavior that proceeds to empower workers. Such conducts comprise of fostering an optimistic environmental emotion, satisfying and cheering in perceptible and private ways, conveying buoyancy, nurturing scheme and accountability, and structuring on accomplishment (Conger, 1989; DuBrin, 1998; Niehoff, B. P. et al., 2001). Eventually, the triumph of a scrupulous scheme will be reliant, in the first illustration on the empowered being given the power and liberty to craft decisions that they judge to be precious, momentous and essential (Lashley, C., 1999).
Hypothesis 3: Input success is perceived to positively affect empowerment in the higher education, information technology and telecommunication sectors in Malaysia.

3.3.3 Input Success of Empowerment

Teachers had a propensity to become further empowered when they were skilled as researchers (Hollingsworth, 1992; Edwards J. L. et al., 2002) and they developed into counselor (Butler et al., 1989; Edwards J. L. et al., 2002). A further survey (Curley, 1990) instituted the fact that when supervisors were qualified ‘as coaches’, they improved in individual empowerment since they were having the ability to develop their personal performance and assist others in taking the same actions (Curley, 1990, Edwards J. L. et al., 2002). Future capabilities and competence of the employees in line with organizational goals largely depend on how employee feedback is received by the management to decide upon the appropriate needs of training. The term ‘focused freedom’ implies that empowerment appears to be recognized and there is no barrier that the employees feel hesitations in juggling their independent lives by innovating newer means of organizational strategies and techniques. The varieties of definitions and empowerment notions should be interpreted in the context of ‘focused freedom’; actually a knowledge organization – which smooth the progress of all the members’ learning and incessantly renovate itself (Pedler et al., 1998, Schonberger, 1990; Pearson, G., 1992; Hennestad B.W., 1998). Lashley, C. (1999) argues that eventually, the achievement of painstaking scheme will be dependent, in the foremost example, on the empowered people being given the power and liberty to craft decisions that they themselves judge to be precious, noteworthy and vital.

As an input, training must be designed based on receiving feedback from the employees as this can unearth the practical necessity of the areas in which adequate competence must be generated to fulfill the vision and mission of the organization. ‘Freedom’ must be focused in a way that the members of the management and employees are behaving positively without hesitation and with polygonal interests, mutual respects and collective harmony. Based on the aforementioned discourse, the following hypothesis was developed:

Hypothesis 4: Orientation is perceived to positively affect empowerment in the higher education, information technology and telecommunication sectors in Malaysia.

3.3.4 Organizational Performance

When empowerment occurs, the institution would experience lesser labor turnover (Cook, 1994; Lashley, 1999), there will be soaring employee confidence and staffs would take accountability for their own recital and its development (Barry, 1993; Lashley, 1999). Workers’ intrinsic expertise and aptitudes will be instrumental for the firm (Ripley and Ripley, 1993; Lashley, 1999) in order to create further contented consumers (Johns, 1993; Lashley, 1999) and larger earnings (Plunkett and Fournier, 1991; Lashley, 1999). Competitive advantage can be accomplished by the guidance of an empowered labor force (Moye and Henkin, 2006; Onori, H., and Shunda, J.P.W., 2008). The worker empowerment literature places of interest that empowered employees will bring about attaining a competitive benefit (Conger and Kanungo, 1988; Forrester, 2000; Quinn and Spreitzer, 1997; Sundbo, 1999; Onori, 2009). Hilton R. W. (2002) termed staff empowerment as the insight of reassuring and permitting employees to embark on proposals to advance operations, diminish costs, and develop the product and customer service quality. Conger and Kanungo (1988, p.476) and Eylon, D., and Bamberger, P., (2000) agree that ‘dismantling acts’ may be depicted as practices that utterly promote ‘dependency’, rebuff ‘self-expression’, and engross the exercise of dictatorial management manner and pessimistic types of exploitations. Underprivileged personnel fitness (Sashkin, 1982) and an enlarged possibility of workplace insanity and aggression (May, 1972) as well, time and again, consequence from ‘dismantling’ (Heslin, P. A., 1999). On the reverse side of the band, ‘un-empowerment’ covers the anxiety, disappointment, and ‘hopelessness’ (Koegel, Brookman, and Koegel, 2003; Nachshen, J. S., 2005).

Empowerment as a strategic management tool serves as a vibrant tonic to overcome all the negative cognitions or attributes resulting in ‘lack of frustration’. This condition further fosters bunch of proactive human qualities, such as, dignity, respects, integrity, competence, empathy, hopefulness, tolerance, patience, work-motivation, hard-working efforts, collaboration, togetherness, cooperation, collective efficacy, and support. ‘Lack of frustration’ outcome of empowerment needs concrete ‘empowered psychology’ of the management leaders both by heart and by appearance so that the employees may feel intrinsically that their leaders do not maintain dual-standards, which means, keeping authoritarian philosophy in mind in one hand and encouraging empowerment on the other. This may be one of the most critical reasons of the failed empowerment strategy experienced by some firms. In search for superior output, firms invest extensive capital in choosing ‘high quality’ people (Schmitt & Chan, 1998; Wright & Bonett, 2007). Managerial leaders have long acknowledged the significance of preserving little echelons of ‘turnover’ so as to encourage
sky-scraping ranks of performance and to keep away from the costs related with employing and training fresh personnel (Abelson and Baysinger, 1984; Harvey, P. et al., 2008). Literature evident that worker empowerment leads to enhanced output, performance, work satisfaction and decreased staff turnover in firms (Ongori, H., 2007). Finally the current study launched the following hypothesis based on these observations:

Hypothesis4: Empowerment is perceived to positively affect the organizational performance in the higher education, information technology and telecommunication sectors in Malaysia.

4. Results

4.1 General profiles of the respondents

Out of total 305 data sets as obtained from 305 respondents, 169 sets of data or 55.4% were collected from education sector, 72 sets of data or 23% from information technology (IT) sector, and 64 sets of data or 21% extracted from telecommunication sector. A total 48 or 15.7% were collected from Kuala Lumpur area, 114 or 37.4% from Melaka, 94 or 30.8% from Johor Bahru and 49 or 16.1% from Penang. Out of 305 sets of respondents’ data, 161 or 52.8% respondents were male and 144 or 47.2% were female. Malaysia is a multi-ethnic cultural nation having three divergent races. The country possesses a national solidarity based on the concrete association among the multi-ethnic cultural patterns and religious diversity. With this end in view, respondents’ ethnicity was considered to identify the work compositions of the respondents’ organizations. Out of the total respondents 305, a total of 199 or 65.25% represents ethnic Malay people, 72 or 23.61% represents Chinese, 34 or 11.14% represents Indian employees. Diploma/Bachelors Degree and Postgraduate Degrees were considered as higher education, which constitutes a total of 252 respondents representing 82.62% (43.93+38.69 respectively). Table: 1 shows that 40 or 13.11% of the total respondents had over 10 years of practical job experience. 91 or 29.84% had 6-10 years experience, 158 or 51.80% had 1-5 years experience, while only 16 employees or 5.25% had less than 1 year overall job experience.

4.2 Estimated logistic regression model for determining factors influencing empowerment practices and related performance in three industries

In fact, the logistic regression model (LRM) is a special type of the general log-linear model, and consequently it became progressively more important as an excellent framework for the analysis of categorical data (Klecka and Lewis-Beck, 1980). King J. E. (2003) writes: “logistic regression is a more general analytic technique and permits greater diversity in variable scaling than traditional approaches”.

4.3 Empowerment awareness model

Based on estimated Logistic Regression models (as a part is depicted in Table: 2), the following mathematical relationships were developed:

\[ \ln \frac{P_i}{1 - P_i} = -35.951 + 0.613 (X_4) - 0.309 (X_8) + 0.623 (X_{14}) + 1.055 (X_{18}) + 0.899 (X_{19}) + 0.975 (X_{20}) \]

\[ \begin{array}{c}
-3.9974 \\
(1.8920) \\
(-1.7657) \\
(2.1263) \\
(3.8514) \\
(2.7577) \\
(2.1861)
\end{array} \]

Since the observations were made on individual employees and not on groups, the logistic regression model was estimated using a maximum-likelihood estimation procedure.

It is observed from Table 2 that two demographic variables and four independent variables are statistically significant. Out of two demographic variables, education (X_4) and current job experience (X_8) are significantly affecting empowerment. The output of Logistic Regression reveals that empowerment and education are positively correlated. It simply means that the respondents with higher level of education felt greater empowerment in their workplace compared to those with lower level of education. In fact, employees with higher level of education are usually more knowledgeable, matured and skilled and are placed in positions enabling them to administer and exercise their duties with greater flexibilities and hence the study has produced a logical evidence of these effects. This evidence is so appreciative in the sense that the model has generated a very low standard error (0.324) and a considerable level of significance (P<0.10) for both the dependent and independent variables. So, higher education heightens empowerment among employees and is considered as vital for realizing a greater empowerment in the corporate workplaces. The ‘current experience’(X_8) was considered as a demographic variable with a view to observing its relationship with empowerment, which is the dependent variable in the model. The model, however, created an interesting result in that both variables are negatively correlated. Such a finding reveals that employees with lower working experience enjoyed a greater empowerment in relation to their highly experienced counterparts. In fact, the most respondents (a total of 158) in the study were having work experiences from 1 to 5 years while 91 respondents had work experiences from 6 to 10 years.
years. Only 40 respondents had work experiences of over 10 years. Assuming that having longer work experience of an employee does not mean s/he is holding a higher position in an organization, the above finding could be justified in the way that the young employees with lower work experiences had enjoyed greater empowerment in their workplaces. This may have happened due to the fact that the young employees were given greater empowerment and work flexibility by their senior and highly experienced counterparts, reflecting good leadership. The above result is reasonably acceptable as the standard error for this two-variable correlation is found to be very low (0.175) with a 90% confidence level (P<0.10).

The estimated equation also shows that independent variable 'managerial prerogative (X_{14})', empowered psychology (X_{18}), participative behavior (X_{19}), and management’s empowerment expertise, (X 20) have significant relations with empowerment. Independent variable X_{14} is statistically significant (P<0.05), which postulates that the employers do not have the fear of loosing power if power is being delegated to the employees for the creation of empowered culture. Independent variable X_{18} stands for ‘empowered psychology’ which was found to be statistically significant (P<0.01) meaning that the management held firm belief of their standpoint that empowering people meant to them as empowering their own organization. This ideology fosters empowering culture being devoted to produce excellent outcomes. Independent variable, namely ‘participative behavior’ (X_{19}) was found to be significantly (P<0.01) affecting empowerment, which validates the management’s preference to exercise decision making process by ensuring enterprise-wide participative management. Independent variable X_{20} indicated ‘management’s expertise of empowerment’ as recognized by the respondents and this variable was also found to be significantly (P<0.05) influencing empowerment. In other words, the quality or expertise of Malaysian management may have significantly attributed to the process of empowerment. While pointing out benefits of empowerment, Crawford, (1995) hints “increased abilities to achieve full personal potential”.

The Table 2 shows an excellent picture on advanced statistical results. The Cox & Snell R^2 is 0.563 and Nagelkerke R^2 = 0.753. The Nagelkerke R^2 depicts that 75% of the variation in the outcome (dependant) variable has been explained by this logistic regression model. Further, Wald statistics in the Table 2 shows positive and higher figures as Chan, Y. H. (2004) suggests that the contribution of every variable importance is reflected by the Wald statistics. He further argued that the larger the value, the greater the importance. Further, King J. E. (2003) suggests that stepwise methods produce outcome in the same faulty df and values of the probability, while the majority researchers act like if their anticipated probabilities were perfect. He further noted that “this dynamic should especially be considered” when taking to mean significance tests for precise model stricture, for instance the Wald’s test (King J. E. (2003). Among other tests in this model, Hosmer and Lemeshow (H & L) Test shows a Chi-Square value of 11.327 at 0.184 significance level, and we know a tested result of non-significance in the H & L Test predicts an appropriate goodness-of-fit, although we may not have been able to conclude from this test that our model explains much of the variance in the outcome. However, the result seems to have been satisfactory. As a surrogate to H & L test above, we also conducted Omnibus Test of Model Coefficients which showed results at Step: Chi-Square ($\chi^2$) = 148.574 at df 11 and significance P=0.000; Block: $\chi^2$ = 148.574 at df 11 and P=0.000; and Model: $\chi^2$=173.183 at df 20 and P=0.000. These results show a strong and collective capacity of the predictors (independent) in our model to envisage or predict the response (outcome) variable. Therefore, it may be concluded that the variables that were considered above adequately fit into the model.

Based on all the above test results, a sufficient conditionality is prevalent in the empowerment awareness model and therefore, first hypothesis (Hypo1) of this study is considered to be correct. This model can, therefore, conclude that these three components of the service sector of Malaysian economy produced awareness that was linked to employee empowerment.

4.4 Empowerment orientation model

Based on Logistic Regression results (as a part is depicted in Table: 3), the following mathematical relationships were developed:

$$
\ln \frac{P_i}{1-P_i} =
-42.575 + 0.840 (X_2) + 0.960 (X_4) + 1.361 (X_7) + 0.930 (X_{21}) + 0.986 (X_{23}) + 1.671 (X_{26})
$$

(-4.8363) (-2.8475) (1.8972) (2.3547) (1.9914) (1.7359) (2.8761)

+$ 3.785 (X_{28}) + 1.243 (X_{31})

(4.0568) (2.3277)

Since the observations were made on individual employees and not on groups, the logistic regression model was estimated using a maximum-likelihood estimation procedure.

“Table 3 about here”
From the Table 3, we observe that five independent variables are statistically significant along with three demographic variables. The estimated equation shows that out of the predicted independent variables, new expertise and experience (X21), organizational learning (X25), employee motivation (X26), application of effective empowerment tools (X28), and consistency between plan and execution (X31) have all significant relations with empowerment (the dependent variable). The table further shows that out of the demographic variables, Area (X2), Education (X4), and Employees’ Ethnic Groups (X7) were having statistical significance with the dependent variable meaning that these factors significantly attributed to the process of empowerment.

The variable of area (X2) as an independent dummy was considered in the Logistic Regression model to see if empowerment practices of employees vary among four surveyed states. The model has produced a negative correlation value which is highly significant (P<0.01). The coding for four states was given individually e.g., 1 for Kuala Lumpur, 2 for Johor Bahru, 3 for Melaka and 4 for Penang. With such individual coding given for area variable, it can be stated that the employees in Kuala Lumpur have had enjoyed greater empowerment than their counterparts in other three states, Johor Bahru employees enjoyed greater empowerment than their counterparts in Melaka and Penang and the employees in Penang had experienced the least empowerment in their workplace. While developed a Logistic Regression model for examining empowerment awareness among employees, the independent variable of education (X4) was considered to examine whether it influenced the dependent variable of empowerment. The correlation was then found positive. This study again considered both variables in the empowerment orientation model and found that the level of education (X4) of the surveyed employees was positively influencing their empowerment orientation. Such correlation was found to be considerably significant at P<0.1 level. So, again, higher level of education is one of the important keys to realize a greater empowerment among corporate employees. An independent variable, namely ethnic group (X7) was also considered in this model for observing whether it had any meaningful influence on empowerment. The result, however, was found not to be very interesting as the model generated a positive coefficient value for the variable with a medium level of statistical significance (P<0.05). The facts are that a vast majority of the respondents (>65%) of this study were the ethnic Malays and that the Chinese and Indian respondents together made up only about 35% of those interviewed. Since the variation in sample size with regards to ethnic combination was high obtaining a positive coefficient, which is favoring firstly the Indian and secondly the Chinese respondents with respect to empowerment, is not really meaningful and representative in this study.

Independent variable, namely new expertise and experience (X21) was found as statistically significant (P<0.05) which means that the employers of the respondents’ organizations were involved in outsourcing new expertise and experience for potential innovation that attributed to the process of empowerment. Independent variable X25, (organizational learning) was found to have statistical significance at P<0.10 level. This means that the respondents’ organizations were very much prone to learning organizational characteristics. Continuous learning thus created a sense of self-worth, self-conscious minds, and self-ownership that significantly contributed to the process of empowerment. Independent variable X26 (employee motivation) showed a significance at 0.004 or (P<0.01) in relation to empowerment. This means the motivational efforts of the respondents’ organizations was successful and largely contributed to the process of empowerment. Independent variable X28 (application of effective empowerment tools) was proven to be strongly and significantly (P<0.01) associated with empowerment. The statement indicates that the employees had experienced with effective empowerment techniques as applied by the management resulting in the change of their traditional ways of doing things and their conventional behavioral traits. This situational and consequential change in traditional lifestyles ensured the process of empowerment. Independent variable X31 (consistency between plan and execution) is found to have been strongly and significantly (P<0.05) associated with empowerment. Most of the respondents agreed with the statement that indicated flawlessness between the objectives of empowerment and the implementation of empowerment and such consistency had obviously attributed to empowerment (outcome variable).

Paired-sample t test was also performed to see whether other variables have individual relations with the dependent variable (Empowerment). The tests results had all been positive. Finally results of the above model (Table 3) shows the Cox & Snell R² = 0.664 and Nagelkerke R² = 0.887. The Nagelkerke R² illustrates that almost 89% of “the variation in the outcome (dependant) variable has been explained by this logistic regression model. Further, Wald statistics in the Table 3 shows positive and higher figures as consistent with Chan, Y. H. (2004) and the test was considered based on the suggestion of King J. E. (2003) as mentioned earlier.

Among other tests in this model, Hosmer and Lemeshow Test shows significance at P>0.1 level (Chi-Square: 0.935 at df/8). A tested result of non-significance in the H & L Test predicts an appropriate goodness-of-fit, though it cannot be concluded from this test that the model explains much of the variance in the outcome. As a proxy to H & L test above, Omnibus Test of Model Coefficients was conducted, which showed results at Step: Chi-Square (χ²) =227.779 at df/19 and significance P =0.000; Block: χ² = 227.779 at df/19 and P 0.000; and Model: χ² = 227.779 at df/19 and P = 0.000. These results demonstrate a well-built and shared capacity of the predictors (independents) in the model to predict the response (outcome) variable. Therefore, a conclusion can be drawn that the variables under consideration are adequately fit into the model. Based on all the above test results, it can be revealed that a sufficient conditionality is prevalent in the
empowerment orientation model and therefore, 2nd hypothesis (Hypo2) of this study is considered to be correct. This model can, therefore, conclude that these three emerging service sectors in Malaysia embraced the orientation of empowerment. Therefore, empowerment orientation model in this study seems to have been successful and on the basis of empowerment practices, the orientation techniques of Malaysian employers worked well toward empowerment.

4.5 Empowerment input success-failure model

Based on Logistic Regression results (as a part is depicted in Table: 4), the following mathematical relationships were developed:

\[
\text{Ln} \frac{P}{1-P} = -34.915 + 0.600(X_4) - 0.297(X_8) + 0.990(X_{33}) + 0.906(X_{36})
\]

\[-3.7985 \quad (1.9048) \quad (-1.6409) \quad (2.7809) \quad (2.6569)\]

From the Table 4, it is revealed that two independent variables and two demographic variables were found to be significantly associated with empowerment. Demographic variable “education” (X4) was significant at P<0.10 level. Once again, the level of education as an independent variable is proven to affect the empowerment input success positively among corporate employees. This observation is found to be significant at P<0.10 level with a low standard error of 0.315. In fact, the coefficient sign of the variable of education as regressed against empowerment is found to be consistent throughout the analysis. The interpretation of this result is that people having higher education would be more capable of being empowered. This indicates a strong relation of education with empowerment process in these three emerging service sectors in Malaysia. Higher education provides greater skills, stronger sense of maturity, and critical understanding and analytical capabilities of the people, which can work well on exercising empowerment and producing outcomes. Demographic variable “current experience” (X8) shows a statistically significant (P<0.10) relationship with empowerment. This indicates that employees who had been working long duration (in years) with their current employers, they felt more empowered than those who stayed for shorter duration. The variables of both current experience and empowerment were already considered in the empowerment awareness model. Both variables were again considered in the empowerment input success model. The results, however, do not differ at all from the ones we obtained from the empowerment awareness model.

Independent variable X13 (Training Feedback) produced a p-value of 0.005 (P<0.01), showing a strong relationship with empowerment (the response variable). It indicates that obtaining feedback on employee training from the employees appears to be a criterion to make the training programs consistent with the employees and the organizational needs that could have positively contributed to the empowerment process. Independent variable X36 (Focused Freedom) describes: “We enjoyed our freedom of speech, dignity and status” which is highly significant at P<0.01 level. Employees in Malaysia felt that they had appropriate environment to exercise their freedom of speech and their perceived dignity and status had reflected that ‘focused freedom’. This liberal perception was nurtured well and that attributed to the empowerment process.

Other demographic and independent variables in the category of “success-failure” rating were statistically insignificant or nearly-significant. However, none of the failure variables had been significant in the tests, meaning that the process of empowerment had been succeeded.

Further, revealing from the logistic regression results of the “success-failure” model (Table 4), it shows that in terms of Cox & Snell R² (0.523) and Nagelkerke R² (0.700). The Nagelkerke R² portrays that 70% of the variation in the outcome (dependant) variable has been explained by this logistic regression model. Wald statistics in the Table 4 show positive and higher figures which are consistent with the arguments of Chan, Y. H. (2004) and King J. E. (2003) as mentioned earlier. Among other tests in this model, Hosmer and Lemeshow Test shows a statistical significance at P=0.317 level (Chi-Square: 9.307). Based on the previous assumption and as a substitute to H & L test, Omnibus Test of Model Coefficients was also employed, which showed results at Step: Chi-Square (\( \chi^2 \)) =130.242 at df 13 and significance P=0.000; Block: \( \chi^2=130.242 \) at df 13 and P = 0.000; and Model: \( \chi^2=154.851 \) at df 22 and P = 0.000. These results demonstrate a well-developed and pooled competence of some of the predictors (independent) in the model to predict the response (outcome) variable. Therefore, it may be concluded that these success variables deemed to have been fitted into the model. On the basis of the foregoing results, a satisfactory conditionality appears to have been prevalent in the empowerment success model while none of the failure predictions became correct. Therefore, the 3rd hypothesis (Hypo3) that considered “Input success” to affect empowerment significantly has been accepted. This model can consequently, accept the 3rd hypothesis that concludes that these three emerging service sectors in Malaysia exercised successful drives (inputs) that significantly attributed to the process of empowerment.
4.6 Empowerment related to performance model

Based on Logistic Regression results (as a part is depicted in Table: 5), the following mathematical relationships were developed:

\[
\ln \frac{P}{1-P} = -34.263 + 0.897 (X_3) + 1.437 (X_{45}) + 0.747 (X_{46}) + 0.787 (X_{47}) + 1.048 (X_{48}) + 1.065 (X_{49})
\]

(-3.4182) (1.8195) (4.0940) (2.3056) (2.4748) (2.9274) (2.9420)

The Empowerment Related to Performance Model (as depicted in Table 5) appears to be the most exciting one out of four models as all of its important or key dependent variables were proven to be statistically and significantly associated with empowerment (moderating variable) which represent the fact that empowerment had been practiced well that resulted in expected organizational performance. Dependent variable \(X_{45}\) (empowered productivity to enhanced profit); \(X_{46}\) (competitive advantage); \(X_{47}\) (cost savings); \(X_{48}\) (lack of frustration); and \(X_{49}\) (employee retention) – all are statistically significant at different levels, meaning most of the respondents agreed with these questions which contributed to the process of empowerment that finally resulted in related performance.

A dummy independent variable of gender was included in the Logistic Regression model to examine whether the level of empowerment to organizational performance differs significantly for the cause of gender diversity. The results, however, are found to have been interesting as the female employees are proven to be worthy for the organizations in realizing a greater empowerment in corporate environment. This also means that the female employees have had enjoyed greater empowerment than their male counterparts. The positive correlation value for both variables is also found to be significant at \(P<0.1\) level.

Dependent variable \(X_{45}\) (empowered productivity to enhanced profit) was found as statistically significant at \(P<0.001\) level. The statistical evidence reflects the fact that empowerment intensified employee productivity that attributed to enhanced profit or financial performance. Dependent variable \(X_{46}\) (competitive advantage), showed a statistically significant (\(P<.05\)) relation with empowerment. This means that empowerment not only enhanced performance but also enabled the organization to have sustainable competitive advantage. Dependent variable \(X_{47}\) (cost savings) was proven to be statistically significant at \(P<.05\) level. The result has confirmed a prevailing culture of empowerment which was significantly conducive to cost savings in the respondents’ organizations. Dependent variable \(X_{48}\) (lack of frustration) was proven to have strong statistical relationship (\(P<0.01\)) with empowerment that eventually reflected inspirational work attitudes, meaning that empowerment practices had created employee enthusiasm in getting the jobs done.

Dependent variable \(X_{49}\) (employee retention) was found significantly (\(P<0.01\)) associated with empowerment. This means, empowered employees had been retained in the organization which was also consistent with the finding of another outcome variable, namely, ‘lack of frustration’. When employees do not hold frustrations in their mindsets, they truly enjoy their workplace with proactive attitudes and behavior and that they used to show strong loyalty and pure commitment to their organizations and hence, the organization in reciprocal role is being able to retain their employees. Employee retention and loyalty is proven crucial for steady growth and developments of any organization.

Overall, logistic regression model has produced excellent results both in terms of Cox & Snell \(R^2\) (0.545) and Nagelkerke \(R^2\) (0.729). The Nagelkerke \(R^2\) describes that almost 73% of the variation in the outcome variable has been explained by this logistic regression model. Wald statistics in the Table 5 shows positive and higher figures which are consistent with Chan, Y. H. (2004). In addition, Hosmer and Lemeshow Test shows a significance at \(P=0.245\) level (Chi-Square \(\chi^2\) = 10.301 at \(df\) 8). Viewing the limitation of Hosmer and Lemeshow Test, Omnibus Test of Model Coefficients was also employed, showing results at Step: Chi-Square \(\chi^2\) =140.105 at \(df\) 5 and significance \(P=0.000\); Block: \(\chi^2\) = 140.105 at \(df\) 8 and \(P = 0.000\); and Model: \(\chi^2\) =164.714 at \(df\) 14 and \(P = 0.000\). These results show a strong and combined power of the predictors (independent) in the model to foresee the response (outcome) variable. Therefore, it can be concluded that the variables under consideration are adequately fit into the model. Based on all the above test results, a sufficient conditionality is prevalent in the empowerment related to performance model and therefore, the 4th hypothesis of this study that presumed ‘empowerment would affect organizational performance’ has been accepted. This model can accept the 4th hypothesis and conclude that the management of these three service sectors in Malaysia applied empowerment strategies and subsequently produced relevant organizational performance.

5. Discussion

In many instances, past research on empowerment evident those psychologically positive behaviors were significantly associated with empowerment. One of the most primitive advocates of empowerment, Kanter (1977) in her influential book, ‘Men and Women of the Corporation’ states that organizational characteristics settle on the matter of empowerment (Kanter, 1977; Laschinger et al., 2004). Recognizing a variety of empowerment instruments, over and above reviewing what ideas would work better, would be merit investigating someday (Hechanova, Ma. M, et al., 2006,
Empowerment is a compound interactive method that absorbs the performance of growing and rising authority to the subordinates (Melhem, 2004; Ongori, H., and Shunda, J.P.W., 2008). Indisputable empowerment necessitates a transformation in the frame of mind of power to figures. This transfer needs the formation of bosses who hold the bravery to renounce power and put their belief upon empowered populace to act with the correct thing (Spreitzer and Quinn, 2001; Whittington, J. L. and Evans, B., 2005). Independent variable \( X_{18} \) indicates empowered psychology which was found to be statistically significant (\( P<0.01 \)) sensing a management’s ideology or belief that if they empower their subordinates that could be meant to them as empowering their own organization. This superior philosophy promoted an empowering culture that largely contributed to the empowerment process. The notion of empowerment, originates from the assumption of ‘participative management’ and worker involvement, upholds the thought that managers distribute decision-making practices and authority with subordinates to boost performance (Wagner, 1994; Martin, C. A., and Bush, A. J., 2006). Independent variable ‘participative behavior’ \( X_{19} \) was found strongly significant (\( P<0.01 \)) with empowerment, providing the fact the management’s fondness to get the employees involved in the participation of decision making process was successful which effectively contributed to empowerment. It was assumed in this research that respondents’ perceived understanding and evaluation on management’s empowerment expertise deemed to have been important factor which could affect empowerment. Reason behind such an assumption was that any ambiguity in management’s deliberation of empowerment process due to lack of appropriate empowerment skills could negatively affect the process of empowerment and in fact, the workforce would not be empowered. As expected the independent variable namely ‘Management’s Empowerment Expertise’ \( X_{20} \) was found to have been positively significant and associated with empowerment (\( P<0.05 \)), indicating the fact the managements of the respondents’ organization held excellent understanding and abilities on the process of empowerment.

Considering accelerated technological changes and business strategies, this study assumed that new skills and experience could be one of the key factors to materialize empowerment. The reason behind such a conjecture is that managers who fail to impart new expertise and experience which is contrary to the traditional skill patterns, might also fail to attain empowerment success. Examples are: sophisticated computer software skills, data mining and administration skills, e-commerce skills, etc. As anticipated, the independent variable under empowerment orientation construct, namely ‘new expertise and experience’ \( X_{21} \) was found as significantly (\( P<0.05 \)) associated with empowerment, meaning that the employers of the respondents’ organizations were successful in outsourcing new expertise and experience for impending innovation process that effectively contributed to empowerment. A learning organization is a society that makes easy, the learning of all of its members and frequently renovates itself (Pedler et al., 1989; Othman, R. and Hashim, N. A., 2004). Firms need to be able to use the knowledge spawned from their learning to generate business worth and competing benefits (Tiwana, 2000; Othman, R. and Hashim, N. A., 2004). A learning
organization is a free place for discussions where people could express their assertions, perceptions, views, feelings, logical expressions and knowledge-based judgments freely. Discussions and cross-discussions enable them to pin-point troubles and make uniform decisions leading to transform the organization from a traditional stage into a powerful phase. Therefore, a free learning organizational culture is needed to foster empowerment. Independent variable X₂₅, (organizational learning) was found significantly (P<0.10) associated with empowerment (0.082). The result proves a fact that respondents’ organizations were responsive to learning organizational characteristics that fostered empowerment. Continuous learning thus created a sense of self-worth, self-conscious minds, and self-ownership that significantly contributed to the process of empowerment. Being a motivational construct the concept of empowerment ‘is both individual and personal’, it is concerning judgment, independence, authority, and power. Such motivational feature to empowerment turns out to be the essential characteristic of the scheme (Conger and Kanungo, 1988; Lashley, C. 1999). Independent variable X₂₆ (employee motivation) illustrates an empirical significance (P<0.01) in relation to the dependent variable (empowerment). This demonstrates a fact that the motivational efforts at the respondents’ organizations were thriving and that largely contributed to empowerment. There are evidences that management applied empowerment but the organization failed and could not reap up the benefits of empowerment. One of the possible grounds could be lack of application of effective empowerment tools. This study assumed an importance to gain an understanding from the respondents as whether their management applied effective empowerment tools. Independent variable X₂₈ (application of effective empowerment tools) was found as strongly and significantly (P<0.01) associated with empowerment. Respondents agreed that they had experienced with useful empowerment techniques from their management resulting in the change of their conventional conduct of doing things and their traditional attitudinal traits.

Spreitzer and Quinn (2001) recognize five causes of the malfunction of most endeavors to hold empowerment: ambivalence, authoritarian customs, disagreements within the firm, individual time constriction, and a basic misapprehension of how empowerment is attained (Spreitzer and Quinn, 2001; Whittington, J. L. and Evans, B., 2005). Our study perceived these and other diverse negative factors can create lack of consistencies between organizational plans and actions, which may serve as barrier to foster empowerment. Further, one of the popular measures in accounting is variance analysis through which managers understand how their outcomes deviated from the plans and based on that analysis they correct future measures, techniques and devise new plans to keep the corporation competitive. When consistency between plan and execution differs largely that might distort the framework of empowerment as empowerment needs accurate precision of plan and execution of that precision. This study presumed if a firm retains consistency between plan and execution, then it might positively affect empowerment. As with this expectation, the result shows that independent variable X₁₅ (consistency between plan and execution) was found to be strongly and significantly (P<0.05) associated with empowerment. Majority respondents agreed with the statement, as saying: “Objectives of empowerment have been matched with courses of action and therefore, we are successful in implementing empowerment in our organization”. This indicates aptness between the goals and realization of empowerment and such steadiness had perceptibly contributed to empowerment.

According to Spreitzer, G. M. (1996, p-498-499), training and growth plans are prone to have corresponding consequences on empowerment. For individuals ill-equipped to undertake additional or advanced echelons of accountability or powerless to practice larger amounts of (or more complex) data, empowering acts may really succumb to pessimistic outcomes (Pasmore and Fağans, 1992; Eylon, D., and Bamberger, P., 2000). In our study, training feedback was perceived to be more important than training itself. Human Resource Management of many firms imposes training on their employees without having feedback and appropriate need analysis. Such action disfigures the objective of training and employees who do not like such training feel frustrated. Imposing mandatory training upon employees acts as contrary to the principle of empowerment. As with our expectations, independent variable X₃₃ (Training Feedback) created a p-value of 0.005 (P<0.01), viewing a strong and significant relationship with empowerment. It designates that acquiring feedback on employee training deems a criterion to make the training programs reliable with the employees and the organizational needs that positively contributed to empowerment. Empowered employees hold a sense of individual control jointly with the freedom to utilize that authority (van Oudshoorn and Thomas, 1993) and a sense of individual efficacy and self willpower (Alpander, 1991). If people recognized that their supervisor values them and offers them with proper power and influence in their career, they will sense more convinced over their works (Kriemadis, T. and Papaioannou, A., 2006; Yoon et al., 2001; Babin and Boles, 1996). Meaning of empowerment seems like giving freedom for employees to do fruitfully what they feel like to do, more willingly than making them to act what managers desire them to do (Salazar, J., Hubbard, S. & Salazar, L., 2002). Independent variable X₃₆ (Focused Freedom) was found to have been highly significant at P<0.01 level. Employees in the aforesaid sectors in Malaysia internalized a fact that they perceived to have gained a suitable atmosphere to apply their freedom of speech, dignity and status. This free-thinking perception was cultivated well and that contributed to the process of empowerment.

Organizational performance from the financial point of view can be interpreted in divergent ways and out of the empirically tested variables available in the literature, productivity, profit or financial performance, competitive advantage and cost savings gained considerable attention. Employees who are empowered are almost certainly to be
further productive, variable, and supportive (Stone, 1992), and they sight themselves as more successful in their job and are appraised as more efficient by their colleagues (Quinn & Spreitzer; 1997; Beomcheol, P. K. and George, R. T., 2005, p. 469). Past researchers propose that empowered people are additionally prolific, more fulfilled, and more inventive, and that they craft ‘higher-quality’ goods and services than ‘non-empowered’ people (Sashkin, 1982, 1984; Kanter, 1983; Greenberger & Stasser, 1991; Spreitzer, 1992; Whetten & Cameron, 1998). Our study also claims that empowerment creates productivity and business profits Dependent variable X45 (empowered productivity to enhanced profit) was found as significantly (P<0.001) associated with empowerment, reflecting that empowerment strengthen employee productivity which contributed to improved profit or financial performance. Empowered labor force will bring about accomplishing ‘a competitive advantage’ (Moye and Henkin, 2006; Ongori, H., and Shunda, J.P.W., 2008). One of the dependent variables of organizational performance, X46 (competitive advantage) demonstrates a statistically significant relation with empowerment at P<0.05 level. This establishes a fact that empowerment facilitates the organization with a competitive advantage. Empowered workers will generate swift decisions and proposals that will perk up speedy services delivery in their specialty of operations and will save lots of cash and time in their organization (Flohr and Host, 2000; Ongori, H., and Shunda, J.P.W., 2008). Dependent variable X47 (cost savings) was found as significantly (P<0.05) associated with empowerment. This result points out that the respondents’ organizations nurtured empowerment well that significantly contributed to save the costs of the organizations. This finding is also consistent with other outcome variables which were resultant from empowerment, such as, improved productivity to enhance profit and competitive advantage.

Absence of staff empowerment in numerous firms is well thought-out as a foremost foundation of managerial ‘stress and conflicts’ (Ongori, H., and Shunda, J.P.W., 2008). Likewise, ‘it has been clear that disempowerment proceeds and a ‘sense of powerlessness’ are connected with inferior ranks of performance (Ashforth, 1989; Eylon, D., and Bamberger, P., 2000) and work satisfaction (Blaunder, 1964; Hochschild, 1983; Eylon, D., and Bamberger, P., 2000). Dependent variable X48 (lack of frustration) was found to be significantly (P<0.01) associated with empowerment or that, in due course, replicated an enthusiastic work role behavior meaning that empowerment practices had created good psychological sense of the employees who were able to remove job tensions and untoward anxiety. Such state of minds of the employees is helpful in creating organizational commitment and loyalty which support positive opportunities and work ethics and attach them with the organization for long time. ‘Empowerment’ itself is psychological, structural, as well as philosophical or ideological and very sensitive to occupy the hearts and minds of the employees. Pleasant hearts nurture healthy psychologies which in turn, provide enormous human energy and support for work motivation, dynamism and extraordinary performance. Study on the association of empowerment to commitment of the organizations, turnover intention (conversely employee retention), and organizational citizenship and so on, may additionally clarify the impacts of empowerment on firms (Hechanova, Ma. M., et al., 2006, p-78). If staffs judge they are being unjustly cared by the firm or by their manager, they will probably think that the social exchange has been dishonored. If these staffs see that the price of lingering in the association be more important than the benefits, they will depart from the relationship (Blakely, G. L., Andrews, M. C., and Moorman, R. H., 2005). Empowerment creates organizational justice and positively ensures employee retention. Literature holds evidence emphasizing that worker empowerment will bring about enhanced productivity, recital, work satisfaction and lessen staff turnover in firms (Ongori, H., 2007). Reduced staff turnover ensures employee retention. In our study, a dependent variable X49 (employee retention) was found to be significantly (P<0.01) associated with empowerment, indicating a fact that empowered employees had been retained in the organizations. Employee retention takes place when employees sense good in mind and feel free from frustration that eventually creates employee commitment and loyalty to the organization and as a result they do not keep interest to relocate from their current job.

Logistic regression models in this study produced strong results on advanced statistics, such as, the Cox & Snell R² and Nagelkerke R². Empowerment awareness model shows Cox & Snell R² as 0.563 and Nagelkerke R² = 0.753; orientation model explains Cox & Snell R²= 0.664 and Nagelkerke R² = 0.887; success-failure model (in this case “input success” since no failure statements proved significance) demonstrates Cox & Snell R² (0.523) and Nagelkerke R² (0.700); and performance model confirms Cox & Snell R² (0.545) and Nagelkerke R² (0.729). These results sufficiently reveal the facts that the models meet the conditions of ‘goodness of fit’. As Plubin, B. and Techapunratanakul, N., (2006) mentioned that the pseudo R square reveals that the variation proportion in the outcome variable was influenced by the independent variables. The bigger the pseudo R square, the improved the model fitting is (Plubin1, B. and Techapunratanakul, N., 2006). In the bigger, we tested Hosmer and Lemeshow (H & L) Tests and as a surrogate to these tests, we also performed Omnibus Tests of Model Coefficients for all the above four models. By demonstrating these results, we have already explained a strong and shared capacity of the predictors (independent) in our model to envisage or predict the outcome (response) variables. Therefore, in all perspectives, it may be concluded that our variables are adequately fit into the models.

Based on foregoing analysis of results and discussions on the logistic regression models, it may be concluded here that Malaysia has gradually been embracing the outstanding Western management philosophy “empowerment” process to
enhance organizational performance. This study contained several arguable limitations. Firstly, we were arbitrarily selective in choosing the variables from the available literature even from theoretical studies. This research was focused on the experiment of new scales of empowerment variables based on past divergent literatures and personal observations and did not consider well-established empowerment scales. Secondly, a representational sample of 305 respondents may not be an appropriate projection of the views of the entire population, in addition to the exclusion of important stakeholders. For example, in higher education, data was collected only from staff, excluding students who were also the major stakeholders of this sector. Moreover, a non-parametric sample procedure (convenience sampling) was used, which should not have been precluded from the idea of biases. Empowerment practices in this study is said to be “moderate” as some of the scale-items that were established had eventually been dropped due to non-significance or near-significance status or for considerations surrounding the concept of ‘goodness-of-fit’ to the models. Notwithstanding the facts, the findings of this research could serve as a potential signal for the future researchers that “empowerment” as a powerful concept of human potential and performance, has truly been active in Malaysian corporate practices. It can therefore, be argued that despite the aforementioned broad limitations, this research serves as a practical evidence of Malaysian empowerment which is expected to encourage other researchers to apply broad concepts of empowerment to test the conditionality in different formal and non-formal sectors or sub-sectors and also in the divergent sets of environmental standpoints.

The result of this study is deviated, at least partially, from the finding of Chow I. H-S. (2005) who, by citing others, argued that the employees in the largely participatory firms seem to be more successful, in any case in the Western communities and on the contrary, the majority of Asian firms do not exercise participatory management culture (Redding S. G., and Richardson, S., 1986; Chow I. H-S., 2005) or merely saying, traditions of empowerment (Chow I. H-S., 2005).

A predominantly attractive matter with respect to this is whether performance and methods of human resource management that were planned or developed in the socio-cultural framework of north-American and/or West European nations perhaps evenly winning in institutions in essentially dissimilar socio-cultural surroundings, distinguished by diverse paces of economic growth (Mendonca and Kanungo, 1996, p. 65; Dimitriades, Z. S., 2005). The authors’ conjecture has perfectly been materialized in our study. A moderate result of empowerment in this study based on new scales suggests that even a society that is characterized by collectivism can successfully implement a best ideology of an individualistic society, or may be, vise versa. The important thing is the conceptual nourishments and willingness to adopt a beneficial or positive concept is important. We should not view a culture in a way that a particular society cannot accept divergent philosophies that had been practiced in other societies. Within the paradigm of cultural diversity, adoption of a well-regarded system or philosophy can be generalized in any society to withstand; provided their leaders have proactive roles to educate citizens and a mass enthusiasm is being created and cultivated to implement that. Malaysian firms in this study showed that sensible example.

Hofstede’s analysis of national culture on over 50 countries took place in 1967-1973 (with renewed analysis and interpretations by the researchers) which drew global attention. His analysis rated Malaysia as the highest in power distance (PD) scale that virtually indicated an environment of non-empowerment as opposed to individualistic societies. However, in the mean time, significant amount of time or over three decades have been elapsed and further lack of empirical study prompted the matter to justify whether Malaysia had adopted empowerment and if so adopted and practiced, whether the efforts had been succeeded or failed. Generally, however, there should be a basis on which it could be predicted that there might be possibility that Malaysia may have adopted empowerment. Observations revealed that facts that de-bureaucratization efforts of Malaysian government clearly indicate a desire to empowering people through privatization and establishments of partnership links between the private and public sectors. As Hofstede’s high power-distance country Malaysia effectively drew up de-bureaucratization policy based on private-public sector harmony and a better social relation, there may be likely possibility that the country would transform her authoritarian culture into effective empowerment and human capability-building efforts. Future research must draw ample evidences as to whether Malaysian firms had produced expected level of performance toward adopting empowerment culture and if so happens; it may have embraced a culture of low power-distance. Our survey certainly serves an evidence that empowerment is prevalent here as opposed to ‘high power distance’.

6. Conclusion

Workplace values in Malaysia postulates a truly admirable system which contain definitive values and which may well be conducive to back up the process of empowerment. Malaysian culture is enriched with trio-racial sophistication, symbolizing a collectivist society with multiple proactive qualities and Islamic principles, such as, respects, honor, dignity, decency, acceptance and harmony. However, in order to attain maximum achievable benefits from designing and implementing empowerment, Malaysian firms should have to focus significantly on certain fundamental perspectives. For example, (i) considerably relinquishing the authoritarian (domineering) way of treating the employees in workplaces; (ii) giving them respectful power and authority to make their own decisions; (iii) valuing their
individualistic talents, ideologies and philosophies; and (iv) training them to acquire innovative ways to nurture their talents, scholastic aptitudes, technological knowledge, entrepreneurship and leadership skills. Firms must realize that empowering people means to empower organizations, which in turn, empower its central leaders to further carry out matchless strategic options, renewed vision and mission which would likely influence the minds and abilities of its people to reinforce their sustained capabilities for ongoing and unprecedented future performance. This study signifies that an excellent scenario is forthcoming as philosophical changes are apparent due to moderate empowerment is taking place in the workplace here. It is expected that, empowering strategies in Malaysian service sector will gain strength in future in order to achieve heighten organizational performances. Future researchers must come forward to eliminate the systematic research lacking in empowerment area and produce learning outcomes for the business entrepreneurs, leaders and practitioners. This article shortly ends up with a powerful predisposition of “power nature” that was reflected in the potent writing of Denton, K. D. (1997) who stated: “Today’s competitive climate demands that everyone feel powerful, in control and be willing to help carry the organization toward peaks of greater competitiveness. This means redistributing power from the few to the many” (Denton, K. D., 1997).

References


Table 1. General profiles of the respondents

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Demographic Variables</th>
<th>No. of Respondents</th>
<th>%</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Sectors that the Respondents Represent</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Education</td>
<td>169</td>
<td>55.4</td>
<td>55.4</td>
</tr>
<tr>
<td></td>
<td>Information Technology (IT)</td>
<td>72</td>
<td>23.6</td>
<td>79.0</td>
</tr>
<tr>
<td></td>
<td>Telecommunications</td>
<td>64</td>
<td>21</td>
<td>100.0</td>
</tr>
<tr>
<td>2.</td>
<td>Gender of the Respondents</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>161</td>
<td>52.8</td>
<td>52.8</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>144</td>
<td>47.2</td>
<td>100.0</td>
</tr>
<tr>
<td>3.</td>
<td>Respondents’ (Malaysian) Ethnic Groups</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Malay</td>
<td>199</td>
<td>65.25</td>
<td>65.2</td>
</tr>
<tr>
<td></td>
<td>Chinese</td>
<td>72</td>
<td>23.61</td>
<td>88.8</td>
</tr>
<tr>
<td></td>
<td>Indian</td>
<td>34</td>
<td>11.14</td>
<td>100.0</td>
</tr>
<tr>
<td>4.</td>
<td>Respondents’ Education</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SRP/LCE; SPM/MCE</td>
<td>18</td>
<td>5.90</td>
<td>5.90</td>
</tr>
<tr>
<td></td>
<td>STPM/HSC</td>
<td>35</td>
<td>11.48</td>
<td>17.38</td>
</tr>
<tr>
<td></td>
<td>Diploma and/or Bachelors</td>
<td>134</td>
<td>43.93</td>
<td>61.31</td>
</tr>
<tr>
<td></td>
<td>Postgraduate Degrees</td>
<td>118</td>
<td>38.69</td>
<td>100.0</td>
</tr>
<tr>
<td>5.</td>
<td>Overall experience of the Respondents</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Less than 1 year</td>
<td>16</td>
<td>5.25</td>
<td>5.25</td>
</tr>
<tr>
<td></td>
<td>1 to 5 years</td>
<td>158</td>
<td>51.80</td>
<td>57.05</td>
</tr>
<tr>
<td></td>
<td>6 to 10 years</td>
<td>91</td>
<td>29.84</td>
<td>86.89</td>
</tr>
<tr>
<td></td>
<td>Over 10 years</td>
<td>40</td>
<td>13.11</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Table 2. Partial results of logistic regression analysis indicating awareness in higher education, information technology and telecommunication sectors in Malaysia ($p_i = 1$, if employees are empowered and $p_i = 0$, if they are not empowered)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Estimated Coefficient ($\beta$)</th>
<th>Standard Error</th>
<th>Wald Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant ($\alpha$)</td>
<td>-35.951 (-3.9974)$^{NS}$</td>
<td>8993.622</td>
<td>0.000</td>
</tr>
<tr>
<td>Education ($X_4$)</td>
<td>0.613 (1.8920)$^*$</td>
<td>0.324</td>
<td>3.575</td>
</tr>
<tr>
<td>Experience (Current Job) ($X_8$)</td>
<td>-0.309 (-1.7657)$^*$</td>
<td>0.175</td>
<td>3.107</td>
</tr>
<tr>
<td>Management does not feel that by delegating the power to the employees, they will loose considerable power (Managerial Prerogative) ($X_{14}$)</td>
<td>0.623 (2.1263)$^{**}$</td>
<td>0.293</td>
<td>4.517</td>
</tr>
<tr>
<td>Management Believes that Giving People Power May Extensively Increase Organizational Power (Empowerment Psychology) ($X_{18}$)</td>
<td>1.055 (3.8514)$^{**}$</td>
<td>0.370</td>
<td>8.112</td>
</tr>
<tr>
<td>Our management prefers enterprise-wide participation in the decision making process (Participative Behavior) ($X_{19}$)</td>
<td>0.899 (2.7577)$^{**}$</td>
<td>0.326</td>
<td>7.620</td>
</tr>
<tr>
<td>Management Shows Excellent Understanding and Abilities on Empowerment and its Process (Management’s Empowerment Expertise) ($X_{20}$)</td>
<td>0.975 (2.1861)$^{**}$</td>
<td>0.446</td>
<td>4.783</td>
</tr>
</tbody>
</table>

Chi-square Statistic = 173.183
d.f. = 20
-2 Log Likelihood = 114.823
Cox & Snell $R^2 = 0.563$
Nagelkerke $R^2 = 0.753$
Hosmer and Lemeshow Chi-square = 11.327 at 0.184 level of significance.

Note:
1. Figures in parentheses are t-values of the logistic regression coefficients.
2. *** Indicate significant at 0.01 level.
3. ** Indicate significant at 0.05 level.
4. * Indicates significant at 0.10 level.
5. NS Indicates not significant at 0.05 level.
Table 3. Partial results of logistic regression analysis indicating orientation of empowerment in higher education, information technology and telecommunication sectors in Malaysia ($p_i = 1$, if employees are empowered and $p_i = 0$, if they are not empowered)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Estimated Coefficient ($\beta$)</th>
<th>Standard Error</th>
<th>Wald Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant ($\alpha$)</td>
<td>-42.575 (-4.8363)\textsuperscript{NS}</td>
<td>8803.248</td>
<td>0.000</td>
</tr>
<tr>
<td>Area ($X_2$)</td>
<td>-0.840 (-2.8475)\textsuperscript{***}</td>
<td>0.295</td>
<td>8.086</td>
</tr>
<tr>
<td>Education ($X_4$)</td>
<td>0.960 (1.8972) \textsuperscript{*}</td>
<td>0.506</td>
<td>3.603</td>
</tr>
<tr>
<td>Employees’ Ethnic Groups ($X_7$)</td>
<td>1.361 (2.3547) \textsuperscript{**}</td>
<td>0.578</td>
<td>5.546</td>
</tr>
<tr>
<td>Our management always tries to get new sources of expertise and experience (New Expertise and Experience) ($X_{21}$)</td>
<td>0.930 (1.9914) \textsuperscript{**}</td>
<td>0.467</td>
<td>3.961</td>
</tr>
<tr>
<td>Management views empowerment as a means to organizational experiments, continuous learning and developments (Organizational Learning) ($X_{25}$)</td>
<td>0.986 (1.7359) \textsuperscript{*}</td>
<td>0.568</td>
<td>3.020</td>
</tr>
<tr>
<td>While employees work independently, our management always provides feedback, encouragements and motivation which lead to heightened enthusiasm for innovation and learning (Employee Motivation) ($X_{26}$)</td>
<td>1.671 (2.8761) \textsuperscript{***}</td>
<td>0.581</td>
<td>8.281</td>
</tr>
<tr>
<td>Our management has changed our ways of doing things by empowerment techniques (Application of Effective Empowerment Tools) ($X_{28}$)</td>
<td>3.785 (4.0568) \textsuperscript{***}</td>
<td>0.247</td>
<td>0.154</td>
</tr>
<tr>
<td>Objectives of empowerment have been matched with courses of action and therefore, we are successful in implementing empowerment in our organization (Consistency between Plan and Execution) ($X_{31}$)</td>
<td>1.243 (2.3277) \textsuperscript{**}</td>
<td>0.326</td>
<td>7.620</td>
</tr>
</tbody>
</table>

Chi-square Statistic = 227.779  
d.f. = 19  
-2 Log Likelihood = 60.227  
Cox & Snell $R^2$ = 0.664  
Nagelkerke $R^2$ = 0.887  
Hosmer and Lemeshow Chi-square = 0.935 at 0.999 level of significance.

Note:
1. Figures in parentheses are t-values of the logistic regression coefficients.
2. \textsuperscript{***} Indicate significant at 0.01 level.
3. \textsuperscript{**} Indicate significant at 0.05 level.
4. \textsuperscript{*}Indicates significant at 0.10 level.
5. NS Indicates not significant at 0.05 level.
Table 4. Partial results of logistic regression analysis indicating the input success factors affecting empowerment in higher education, information technology and telecommunication sectors in Malaysia ($p_i = 1$, if employees are empowered and $p_i = 0$, if they are not empowered).

<table>
<thead>
<tr>
<th>Variable</th>
<th>Estimated Coefficient ($\beta$)</th>
<th>Standard Error</th>
<th>Wald Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant ($\alpha$)</td>
<td>-34.915 ($-3.7985)^{NS}$</td>
<td>9191.860</td>
<td>0.000</td>
</tr>
<tr>
<td>Education ($X_4$) (EDUCATION)</td>
<td>0.600 (1.9048)*</td>
<td>0.315</td>
<td>3.640</td>
</tr>
<tr>
<td>Current Experience ($X_8$) (CURRENTEXP)</td>
<td>-0.297 (-1.6409)*</td>
<td>0.181</td>
<td>2.692</td>
</tr>
<tr>
<td>Management always took our feedback to identify appropriate training needs (Training Feedback) ($X_{33}$)</td>
<td>0.990 (2.7809)**</td>
<td>0.356</td>
<td>7.714</td>
</tr>
<tr>
<td>We enjoyed our freedom of speech, dignity and status (Focused Freedom) ($X_{36}$)</td>
<td>0.906 (2.6569)**</td>
<td>0.341</td>
<td>7.076</td>
</tr>
</tbody>
</table>

Chi-square Statistic = 154.851

d.f. = 22

-2 Log Likelihood = 133.155

Cox & Snell $R^2 = 0.523$

Nagelkerke $R^2 = 0.700$

Hosmer and Lemeshow Chi-square = 9.307 at 0.317 level of significance.

Note:
1. Figures in parentheses are t-values of the logistic regression coefficients.
2. *** Indicate significant at 0.01 level.
3. ** Indicate significant at 0.05 level.
4. * Indicates significant at 0.10 level.
5. NS Indicates not significant at 0.05 level.
Table 5. Partial results of logistic regression analysis indicating empowerment related to organizational performance in higher education, information technology and telecommunication sectors in Malaysia (p_i = 1, if employees are empowered and p_i = 0, if they are not empowered).

<table>
<thead>
<tr>
<th>Variable</th>
<th>Estimated Coefficient (β)</th>
<th>Standard Error</th>
<th>Wald Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant (α)</td>
<td>-34.263 (-3.4182)&lt;sup&gt;NS&lt;/sup&gt;</td>
<td>10023.558</td>
<td>0.000</td>
</tr>
<tr>
<td>Gender (X_3) (GENDER)</td>
<td>0.897 (1.8195) *</td>
<td>0.493</td>
<td>3.314</td>
</tr>
<tr>
<td>Empowerment has enhanced our productivity and that results in continuous increase of our yearly profits (Empowered Productivity to Enhanced Profit) (X_45)</td>
<td>1.437 (4.0940)**</td>
<td>0.351</td>
<td>16.746</td>
</tr>
<tr>
<td>Because of empowerment, our organization holds accelerated performance and has captured sustainable competitive advantage (Competitive Advantage) (X_46)</td>
<td>0.747 (2.3056)**</td>
<td>0.324</td>
<td>5.305</td>
</tr>
<tr>
<td>We have savings of opportunity costs due to our empowered culture and resultant organizational Effectiveness (Cost Savings) (X_47)</td>
<td>0.787 (2.4748)**</td>
<td>0.318</td>
<td>6.117</td>
</tr>
<tr>
<td>We never feel frustrated as we realize that through empowerment and motivation, our job inspiration has been increased to a considerable extent (Lack of Frustration) (X_48)</td>
<td>1.048 (2.9274)**</td>
<td>0.358</td>
<td>8.555</td>
</tr>
<tr>
<td>Employee retention with loyalty could easily be achieved through empowerment (Employee Retention) (X_49)</td>
<td>1.065 (2.9420)**</td>
<td>0.362</td>
<td>8.642</td>
</tr>
</tbody>
</table>

Chi-square Statistic = 164.714  
d.f. = 14  
-2 Log Likelihood = 123.292  
Cox & Snell R^2 = 0.545  
Nagelkerke R^2 = 0.729  
Hosmer and Lemeshow Chi-square = 10.301 at 0.245 level of significance.

Note: Figures in parentheses are t-values of the logistic regression coefficients.

1. *** Indicate significant at 0.01 level.
2. ** Indicate significant at 0.05 level.
3. * Indicate significant at 0.10 level.
4. NS Indicates not significant at 0.05 level.
Appendix

Awareness
- Managerial Prerogative
- Empowered Psychology
- Participative Behavior
- Management’s Empowerment Expertise

Orientation
- New Expertise & Experience
- Organizational Learning
- Employee Motivation
- Application of Effective Empowerment Tools
- Consistency between Plan & Execution

Input Success
- Training Feedback
- Focused Freedom

Performance
- Empowered Productivity to Enhanced Profit
- Competitive Advantage
- Cost Savings
- Lack of Frustration
- Employee retention

Figure 1. Combined Model of Empowerment and Performance