

THE IMPACT OF WORK REDESIGN AND PSYCHOLOGICAL EMPOWERMENT ON ORGANIZATIONAL COMMITMENT UNDER A CHANGING ENVIRONMENT

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ABSTRACT

The major purpose of this research is to establish a framework that explains how to use work redesign and psychological empowerment to strengthen employee commitment to an organization under changing conditions. A questionnaire survey of 213 employees at three of Taiwan's state-owned enterprises under privatization or reorganization was conducted. The hypotheses test results support the significant influence of work redesign has on employee organizational commitment. Psychological empowerment plays as an intermediating role between work redesign and organizational commitment. The testing evidence also shows that work redesign perceived by employees that have external locus of control has a more significant positive impact on organizational commitment.

INTRODUCTION AND RESEARCH HYPOTHESES

Personnel management (both in public and private organizations) emphasizes on people's commitment to organizations. Highly committed employees identify with the organization's goals and values, expend extra effort in work, and are proud of their membership in the organization [9]. In an environment undergoing change, such as during the privatization of state-owned enterprises, employee commitment to the organization is easily disrupted because privatization is often linked to downsizing [2]. It is imperative for both public and private organizations to realize how to maintain employee commitment under changing situations. Based on Hackman and Oldham's job characteristics model, work redesign is defined as the change of five core dimensions of job characteristics, which include skill variety, task identity, task significance, autonomy, and feedback. Good work performance results from an employee's inner motivation which can be encouraged from work responsibility, meaning, and feedback [5].

Spreitzer [11] modified Thomas and Velthouse's concept and defined that empowerment reflects a personal sense of control in the workplace as manifested in four beliefs about the person-work environment relationship: (1) meaning, (2) competence, (3) self-determination, and (4) impact. Meaning reflects a sense of purpose or personal connection to the work. Competence indicates that individuals believe they have the skills and abilities necessary to perform their work well. Self-determination reflects a sense of freedom about how individuals do their own work. Impact describes a belief that individuals can influence the system in which they are embedded [6]. They argued that the four dimensions of empowerment could help people feel more in control and increase their propensity to respond more actively. They also claimed that work redesign has positive impacts on employee psychological empowerment under a changing environment [6]. Therefore, it is hypothesized that work redesign will enhance people's perception of their psychological empowerment.

H1: Employee work redesign has a positive impact on psychological empowerment under a changing environment.

Organizational commitment defined as the psychological attachment of workers to their organization [3]. Brockner and colleagues [1] found that the extent to which jobs had been enriched after downsizing was a significant predictor of survivor commitment to the organization. Empirical studies have supported a positive relationship between empowerment and loyalty or commitment [7]. Therefore, we conclude the

following hypotheses:

H2: Employee work redesign has a positive impact on organizational commitment under a changing environment.

H3: Employee psychological empowerment has a positive impact on organizational commitment under a changing environment.

H4: Employee psychological empowerment has an intermediating role between work redesign and organizational commitment under a changing environment.

According to Spector's research [10], 5% to 25% of the variance of personal work behavior can be explained by locus of control. It is suggested that people with external locus of control need more external forces to assist them in coping with environmental changes. Under state-owned enterprises privatization, employee work characteristics may be changed. All of these changes can help them know what to do under uncertainty and increase their confidence and capabilities thus making them understand their responsibilities and objectives more clearly. These work redesigns in turn will enhance their commitment to the organization more profoundly. Comparing to people with internal locus control, employees with external locus of control lack confidence in mastering their destiny. If employees perceive that their work is full of meaning and impact and they can determine methods for doing things and they are capable of doing them right, the impacts of psychological empowerment on organizational commitment will be much stronger. Therefore, we propose the following hypotheses:

H5-1: Employees with external locus of control will show a stronger and positive relationship between work redesign and organizational commitment under a changing environment.

H5-2: Employees with external locus of control will show a stronger and positive relationship between psychological empowerment and organizational commitment under a changing environment.

RESEARCH METHOD AND RESULTS

Research subjects of this study are employees from three Taiwan state-owned enterprises (i.e. Chunghwa Telecom, Chunghwa Post Co. Ltd., and the Taiwan Cooperative Bank Co. Ltd.) under privatization or reorganization during the period surveyed. The questionnaire survey was conducted in the first quarter of 2004. The useable sample size was 213 for all analyses, representing a response rate of 76%. The measurement model test included estimating the internal consistency and the convergent and discriminant validity of the instrument items. Hierarchical regression analyses were subsequently conducted to test major hypotheses.

The major findings of this study evidence that applying work redesign and psychological empowerment can enhance employees' organizational commitment under a changing environment. This result is in compliance with the research of Evangelista & Burke [4]. The testing results show that employee psychological empowerment plays an intermediating role between work redesign and organizational commitment. This means that work redesign can increase employee psychological empowerment and in turn encourage their commitment to organizations. This process is different from the study by Niehoff and his colleagues [8] because their findings revealed that job enrichment exerts an intermediating effect between employee empowerment and loyalty. Our result is more similar to Hackman and Oldham's job characteristics model which implies that work characteristics can fulfill people psychological needs and therefore lead to work effectiveness. In our study, empowerment is a psychological status; employee work redesign can affect their psychological perceptions and transform the inner status into work effectiveness reflected in enhanced organizational commitment. This study provided evidence that employee locus of control exhibits a moderating effect on the relationship between work redesign and organizational commitment. It was found that work redesign perceived by external locus of control employees reveals more significant impacts on organizational commitment than that perceived by the internal locus of control ones. This finding was not proposed by other researches before.

CONCLUSION AND IMPLICATIONS

The contribution of this research is two-sided. On the academic side, this study integrates related theories from work redesign, psychological empowerment, and organizational commitment to provide a research framework to interpret how an organization can apply work redesign to increase psychological empowerment and strengthen employee commitment to their organizations under a changing environment. Moreover, this article highlights the importance of people's locus of control as a moderating role in the relationship between work redesign and organizational commitment under changing conditions. This has not been examined in other studies. On the practical side, it is proposed that employee work redesign is important under a changing environment. The skill variety, work identity, work significance, autonomy, and feedback of work characteristics are practical instruments to inspire employees' perceptions of their own psychological empowerment to prevent them from thinking negatively about the changing situation and actively encourage them to enhance their efforts, to identify with organizational values, and be willing to remain in the organization. Furthermore, it is imperative to realize that the locus of control of the employees can present differences in the reorganization process or changing conditions. Management should prepare ahead to evaluate and master their employees' characteristics which can help smooth the transition process.

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