

The interplay between empowerment, minimum experience and performance: An empirical study on Saudi context

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ABSTRACT

Empowerment and experience help and support organizations in enhancing their profitability, productivity and performance. This research aimed to examine the impact of empowerment and minimum experiences on the organizational performance. Structural Equation Modeling (SEM) was applied for analysis purpose. 237 questionnaires were collected from the Saudi workers who participated in the research. The research recommended that organizations must start encouraging their managers to implement more participative leadership styles such as providing subordinates with greater opportunities to get involved in decision-making and to adapt their ideas.

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1. Introduction

One of the most essential powers of the empowerment on companies has been the approach in which companies can motivate and encourage their employees to achieve their targets objectives. Al-adaileh (2016) state that organizations of varying fields are paying much attention and heavy investments to achieve this aim and to maximize the performance level. Empowerment can be defined as the process of dividing power among the individuals of organization to achieve specific objectives. In today's business, employees look for more freedom and power to fulfill their obligations and organizations focus on the performance and productivity. Empowerment is a heavy construct that reflects large number of human's behaviors and have a huge impact on their cognitive skills and motivations. It plays an important role in enhancing employee performance, productivity and decision-making process. In supporting this argument, many previous researches pointed out that organizations should improve their performance by implementing all possible tools and strategies in order to exploit opportunities on the market while exploiting the existing resources (Hilman & Kaliappen, 2014; Obeidat et al., 2016; Shannak, 2013; Theodosiou & Katsikea 2012). Apart from organizational performance, organizations ought to also ensure the integration of various organizational skills to achieve sustainable success (Obeidat et al., 2012; Thourunroje & Racela, 2013). These capabilities and skills include employees experience, qualifications and orientation. Karlsson and Neilson (2009) and Charan (2005) argued that organizations are increasingly not willing to take the risk of signing individuals with no prior experience and learn towards outsourcing positions that are the same as or similar to the job that they previously held, rather than hiring them to a totally new job function. This accordingly will improve organization capabilities to implement, follow up and maintain a practical organizational awareness and optimistically to introduce potential methods and mechanisms not only to increase the level of organization performance but also to follow up the implementing of these in certain organizational settings. In this

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paper, the researchers will investigate the impact of empowerment and minimum experience on the employee's performance. Since there are still few studies conducted in this research area, this paper is structured to fill in the gap.

2. Literature review

2.1 Experience and Performance

Onukwube et al. (2010) state that job performance is the action which can be measured to contribute to organizational effectiveness. In addition, job performance as individual's work achievement after having exerted works and its related to achieve organizational goals (Onukwube et al., 2010; Hillriegel et al., (1999). It can be seen that job performance is directly related to the human capital and their capabilities and experiences in order to achieve their tasks and how these achievements contribute to realization of the organizational goals. Hence, in today's business environment human capital supports organizations constantly on how it constitutes the reality and how it can change that reality through human capital abilities, competences, innovativeness, skill and experiences (Allameh et al., 2010; Bontis, 2000; Roos et al., 2004). In particular, experience is considered as one of the most important factors that plays a significant role in enhancing overall performance, productivity and capabilities of the employees (Khan et al., 2011). Chalofsky et al. (2014) defined experience as "the historical experiences and personal life experiences of the participant throughout their own life". However, many previous literatures argue that experience is a necessary aspect to consider in hiring and promotion and it reflects the time undertaken in a job or an organization (Kalbers and Cenker, 2008; Anakwe & Greenhaus, 2000). Furthermore, prior work experience supports workers to simply predict what is expected from an assignment, which will decrease the ambiguity (Jyoti & Kour, 2017). It seems that organizations of different types cannot survive without beneficial from experience and expert employees responsible for creating wealth for their organizations and support organizational goals and performance (GarcyaMeca and Martinez, 2005). Kalbers and Cenker (2008) display that there is a constructive relationship between work experience and job performance, with a stronger relationship for "hard performance measures". However, the explanations illustrate that recruiters' interest in past work experience differ, extending from potential applicants' introduction to the world of work to their achievement of a specific job-related skills. Moreover, to evaluate and fetch the benefits of prior job experience to certain organizational requirements, the characteristics of prior work experience must be observed (Anakwe & Greenhaus, 2000). Accordingly, experience cannot be gained by education only, in contrast, it can be learned by the business activity involvement. Experience helps entrepreneurs and founders to rise their profitability and productivity of the business as a reflection of the positivity experience impact on performance (Soriano & Castrogiovanni, 2012). Nonetheless, despite the role of experiences in organizational performance and productivity organizations, it has not been sufficiently supported by organizations in Saudi Arabia. Experiences can impose and inspire certain behavioral patterns among employees that help creating an appropriate productivity climate. Accordingly, we hypothesize that:

H₁: Employee's experience influences on the organizational performance.

2.2 Empowerment and Performance

Empowerment refers to creating helpful relationship, understanding other points of views, allowing employees to select and supporting their choices in job approaches (Kouzes & Posner, 2003). Rogers et al. (1997) state that empowerment is a complex, multidimensional perception, a process rather than an event, and covers the aspect of decision-making power. From psychological point of view, Jyoti and Kour (2017) point out that empowerment is a cognitive state categorized by a sense of perceived control, competence, and goal internalization. This view of empowerment reflects on employee's behavior and organization commitment as its play a significant role in enhancing overall organizational performance (Seibert et al., 2011). In supporting this argument, many previous researches pointed out that empowerment is a critical factor that help organization achieve their mission, goals and strategies in addition to enhance quality of the works and teamwork collaborations (Pinnington & Edwards, 2000; Kouzes & Posner, 2002). Accordingly, different conducted researches (e.g. Eisenberger et al., 1990; Seibert et al., 2011; Avolio et al., 2004; Chiang et al., 2012) have tried to investigate the relationship between empowerment and organizational performance from different perspectives and in different context. In spite of this, just a few previous studies have revealed a positive interaction between empowerment and job performance in Arab context and in Saudi Arabia in particular. Accordingly, to test the above propositions, this study proposes the following hypotheses:

H₂: Employee's empowerment influences on the organizational performance.

3. Research methodology

3.1 Data Collection Method and Sampling Framework

This study intends to examine the effect of empowerment and minimum experience on job performance. The population involved are the Saudi male and female workers. The sample randomly contains male and female workers from different ages in Saudi Arabia associated with different business sectors, including Educational sector, Non-profit sector, Retailing sector, Technology sector and Health Sector. All Participants were informed on the purposes of the study, and their responses were kept extremely confidential and used for the scientific purposes. Respondents were offered a choice of five pre-coded responses according to Likert scale from highly agree to disagree. The questionnaire was primarily established in English and

it was translated into Arabic. After that, the questionnaire was back-translated into English, to guarantee translation equivalence.

3.2 Instrument Design

The questionnaire consisted of several items that were obtained from existing scales to measure the main variables in the model. All scales were measured on a five-point Likert scale. Empowerment scale was adopted from Scott et al. (2018), and performance scale was adopted from Motowidlo and Van Scotter (1994).

3.3. Data analysis

IBM SPSS version 25 and Smart PLS 3 were applied on the collected data to conduct structural equation modeling (SEM) for diagnosing not only the measurement model, but also the structure of the variables. Additionally, SEM enables researchers to examine interrelationships among multiple dependent and independent variables, simultaneously, and offers powerful and rigorous statistical procedures to deal with complex models (Hair et al., 2006). In addition, SEM was chosen in this research because it is very convenient for investigating research model that has mediating variables where other methods like regression uncover this significant relationship (Raykov & Traynor, 2016). Concerning the appropriate sample size, researchers have varied views about the suitable size especially when the study is based on SEM. For instance, Anderson and Gerbing (1988) suggest that the appropriate sample size should be between 100 and 150 subjects' minimum. Whereas Hair et al. (1998) required the sample size to be at least 250 subjects. While the sample size in many articles and published research ranged between 200 and 500 subjects (Lomax & Schumacker, 2004). However, 250 questionnaires were distributed, 242 questionnaires were collected, 5 were excluded and accordingly and 237 were analyzed.

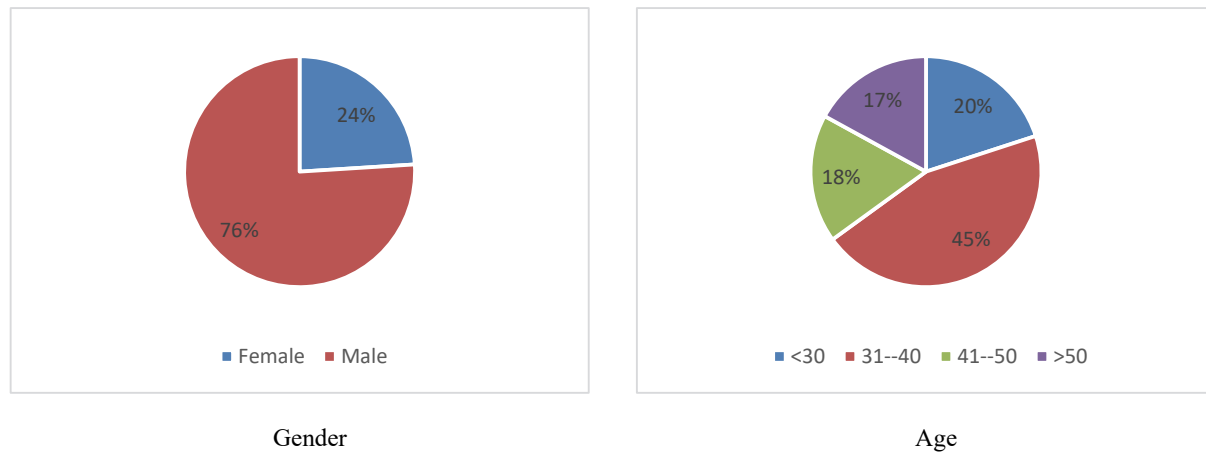


Fig. 1. Personal characteristics of the participants

Fig. 1 demonstrates details of the personal characteristics of the participants. As we can observe, out of the 180 respondents, 137 were male (76%), and 43 were females. In addition, most participants in this survey aged less than 40 years.

3.4 Measurement model

The measurement model can be evaluated by examining the reliability, convergent validity and discriminant validity. Specifically, reliability which refers to the internal consistency of measurement, can be assessed by checking if the value of composite reliability (CR) is greater than 0.7, the average variance extracted (AVE) is more than 0.5 and Cronbach's α is greater than 0.6 (Hair et al., 2006). Table 1 shows that the CR values ranged from 0.77 to 0.92 and the AVE values ranged from 0.53 to 0.58. These values are higher than the acceptance value 0.50 which indicate a good construct reliability. Furthermore, in order to check the convergent validity, loading factor for each item was calculated. All item loadings are larger than 0.6, which indicate that all loadings are significant at 0.05, and indicates that the scale has a good convergent validity. Table 1 shows the results of Cronbach Alpha and AVE.

Table 1

Result of construct assessment

Constructs	CR	Cronbach's α	AVE
Empowerment	0.920	0.903	0.537
Performance	0.771	0.798	0.559
Minimum experience	0.895	0.863	0.581

Bootstrapping method in SmartPLS software was used to test the statistical significance of path coefficients. Fig. 2 shows the P value for all research variables and the PLS model of the study.

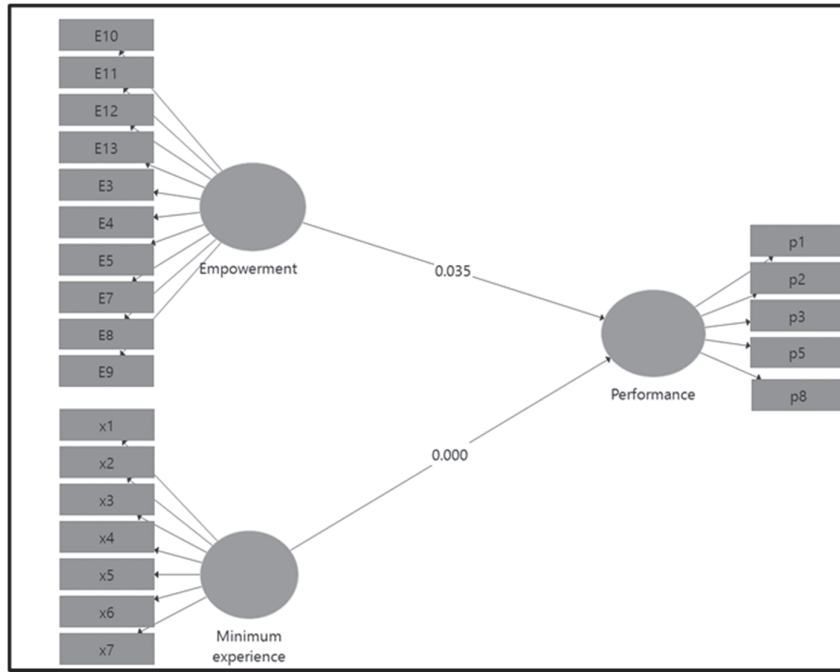


Fig. 2. The results of P-values ($R^2 = 0.389$)

3.5 Structural model

The analysis consequence reveals that the factor (Empowerment) has direct significant impact on performance ($p \geq 0.05$) which means that H_1 is accepted and supported. Furthermore, minimum experience has direct statistically significant impact on performance ($p \leq 0.05$). Thus, H_2 is accepted. In addition, the result shows that the factors of empowerment and minimum experience explain together around 39% of performance variance.

Table 2

Summary of hypothesis testing results

No.	Path (hypothesis)	Standard Deviation	T Statistics	P Values	Results
1	Empowerment → Performance – H1	0.101	2.113	0.035	supported
2	Minimum experience → Performance – H2	0.097	4.501	0.000	Supported

4. Discussion and conclusion

The key purpose of conducting this study was to discover and develop an understanding of the impact of empowerment and minimum experience on performance. The study presents the substantial impact of the independent variables, empowerment, and minimum experience on the job performance which is the dependent variable in this study. Regarding the positive relationship between minimum experience and high performance that the study has conformed (Zhang, 2008) provides a descriptive statistic on the relationship between job-specific experience and post-succession performance. Although two previous studies (Elsaid et al., 2011; Zhang, 2008) showed that there is a negative relationship between prior CEO experience and post-succession firm performance. On the other hand, Hamori and Koyuncu (2015) report that arguments that the past job experience harms performance in the existing job and that CEOs may need to “unlearn” much of the knowledge and skills to be able to work effectively in the changed situation. These findings enhance the decision makers, managers and recruiters to examine each case individually and set flexible standards that are used to measure previous experiences.

5. Implication and Recommendations

The results of this study demonstrate that the supervisors play a significant role in eliciting positive performance outcomes in subordinates through empowering them. In order to improve the job performance of employees, organizations must start by encouraging their managers to implement more participative leadership styles such as providing subordinates with greater opportunities to get involved in decision-making and to adapt their ideas. Though, organizations should avoid promoting such leadership behavior without taking subordinate trust into account. Furthermore, this can be implemented through leadership programs by educating the supervisory-level employees on strategies to develop affective trust between their assistants. The

study also can place a gap and be valuable for several organizations that requires a heavy prior experience, in which they can adapt young people with minimum experience to fulfill the job requirements and have a high-performance outcome.

6. Limitations and Further research

Although our study has important implications and high-performance outcomes, we acknowledge that this study has certain limitations which could be addressed for future studies. Firstly, the covered industries are limited to 6 sectors. Hence, the results cannot be extensively used since its emphases was on workers from Saudi Arabia, therefore, it can be generalized to the measured sectors. Secondly, the study showed a strong relationship between the length of experience and high performance, Therefore, it may not obtain the future aims regarding Saudi Arabia's 2030 vision of empowering the Saudi youth and positioning senior leaders (Rocco, 2014). The study has conducted two independent variables affecting the performance, but a future study might advantageously add a third factor that can specifically be the expression of the influence of empowering young people with the moderator role of leadership skills.

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