

ROLE OF CULTURAL VARIABLES IN THE RELATION BETWEEN LEADER'S EMPOWERING BEHAVIOUR AND EMPLOYEE'S PSYCHOLOGICAL EMPOWERMENT PERCEPTION

F. Senem Erdem Albas

Bilkent University, Dr.

Bilkent University, Department of Business Administration, Ankara

E-mail: senemalbas@bilkent.edu.tr

Azize Ergeneli

Hacettepe University, Prof.

Hacettepe University, Department of Business Administration, Ankara

E-mail: ergeneli@hacettepe.edu.tr

Abstract

This study aims to create an integrated framework for empowerment by investigating the relation between leader's empowering behaviour and employee's perception of psychological empowerment and examines the relation between those two empowerment construct with the moderation role of cultural dimensions by investigating the response of participants from different countries. The sample of this study includes 238 managers and employees of a multinational company. The evaluation of responses indicates that power distance has a moderating role between leader's empowering behavior and employees' psychological empowerment perception while the other cultural variables do not have.

Keywords: Psychological empowerment, empowering behaviour, culture

JEL Classification: M10

I. Introduction

A review of literature clearly shows that the empowerment is an emerging concept used by scholars and practitioners to explain organizational effectiveness (Conger and Kanungo, 1988, p.471). However, the understanding of empowerment is limited and used for substitution of other concepts like delegation, sharing power, etc. Although there exists many studies related to empowerment and just as many definitions of the term exist in the literature, there is no consensus. Over the last two decades, two complementary perspectives on empowerment at work have

emerged in the literature (Spreitzer, 2007-1). First approach is representing more classical thought and focuses on the social-structural (relational) conditions that enable empowerment in the workplace. The second is focuses on the psychological experience of empowerment at work (Eylon ve Bamberger, 1999).

Despite the recognized role of empowerment in literature and although the importance of investigating the effects of cultural differences are realized, the studies of industrial and organizational psychology is done within the culture and testing the generalizability of behavioral technologies in other nations (Aycan et al (2000). With this perspective, the purpose of this study is determined as to analyze empowerment from both leaders' behaviour and employee's psychological perspectives considering cultural differences.

2. Literature review

The existing literature stated that empowerment concept has two main constructs- relational and motivational- and these differentiation creates different definitions. Saeman (1992) defines concept as "make the people more stronger" (p.189) which means various skills to promote subordinates' capabilities and potentialities based on trust. In this perspective, Conger and Kanungo defines empowerment as "the process by which a leader or manager shares his/her power with subordinates" (Conger and Kanungo, 1988, p. 473). These definitions indicate the 'behaviour' aspect of empowerment, This perspective has been criticized as being limited because it provides an organizationally-centric perspective on empowerment. Even the tools has been provided to employees, they still feel disempowered or individuals lack all the objective features of an empowering work environment yet still feel and act in empowered ways (Spreitzer, 2007-2).

This limitation of social-structural perspective leads the motivational construct which is referred as psychological state and defined as "process of enhancing feelings of self-efficiency among organizational members through the identification [and removal] of conditions that foster powerlessness" (Conger and Kanungo, 1988, p. 474). Spreitzer conceptualized empowerment in terms of a multidimensional construct capturing the four cognitions (Spreitzer, 1995) that reflect an individual's orientation to his or her work role and defined the psychological empowerment as "motivational construct manifested in four cognitions: meaning, competence, self-determination, and impact" (s.1444). She (2004) also stated that while the social-structural perspective has limitations because it is organizationally-centric, the psychological perspective is also limited because it is individually-centric, so, both should be considered together (Bandura, 1986; Spreitzer ve Doneson, 2005).

H1: There is a positive and significant relation between leader's empowering behaviour and employee's psychological empowerment perception.

Culture, as an independent variable and as a moderator effects many organizational behaviour variable. One of the leading culture researcher Hofstede (2001) contributed to the field with dimensioning the culture with five dimension and he defined culture as "the collective programming of the mind that distinguishes the members one category of people from those of another" (Hofstede, 1980, p.25). He suggested power distance, individualism-collectivism, masculinity/femininity, uncertainty avoidance and long term orientation as dimensions to explain the cultural differences. In this research except long-term orientation, all these five dimensions and additionally fatalism were used.

Uncertainty avoidance is the extent to which members of a society feel uncomfortable with the unstructured situations (Ergeneli et al, 2007). In high uncertainty avoidance cultures, security is a motivational factor (Nicholson and Stepina, 1998). Hofstede (1991) stated that if the anxious is high, people feel more stress, at the same time, they need more security and they try to overcome this stress by more tendency towards formal rules and structures. In a study, it is found that the managers from high uncertainty avoidance cultures tended to be more controlling, less delegating and less approachable (Dickson et al, 2003) which leads less empowering behaviour from leader side.

H2a: Uncertainty avoidance is moderator in the positive relation between leader's empowering behaviour and employee's psychological empowerment perception. The relation is weaker if the uncertainty avoidance is high.

Power distance indicates the extend to which a society accepts inequality among institutions, organizations and people (Ergeneli et al, 2007, pp.708) and influences the extend of formal hierarchy, the decision making structure, rules and regulations, leadership styles in each culture (Hofstede, 2001). While individuals in high power distance society are used to live with more paternalistic leadership style and centralized environment, low power distance culture members prefer delegating styles and feel themselves better with equal distribution of power (Eylon ve Au, 1999).

H2b: Power distance is moderator in the positive relation between leader's empowering behaviour and employee's psychological empowerment perception. The relation is weaker if the power distance is high.

Individualism-collectivism is related to the situations that the people either more interested in individual needs or group needs they are integrated. Individualism

and collectivism in a society strongly effect the nature of relationship between a person and organization to which he or she belongs (Ergeneli et all, 2007).

H2c: Individualism is moderator in the positive relation between leader's empowering behaviour and employee's psychological empowerment perception. The relation is weaker if the unceratinity avoidance is high.

The masculinity is the extend to which dominant values in a society that stress assertiveness and being though, the acquisition of money and material objects, and not caring for the others, the quality of life or people (Dickson et all, 2003).

H2d: Masculinity is moderator in the positive relation between leader's empowering behaviour and employee's psychological empowerment perception. The relation is stronger if the power distance is high.

Fatalism is the belief that whatever happens must happen (Bernstein, 1992, p.5) and it has been accepted as a critical variable which effects internal working culture committment. The people from high fatalistic cultures shy away from taking responsibility, expecting that their extra effort will not necessarily yield desired outcomes (Aycaan et all, 2000, p.200)

H2e: Fatalism is moderator in the positive relation between leader's empowering behaviour and employee's psychological empowerment perception. The relation is weaker if the fatalism is high.

3. Methods

3.1. Measures

Physhological Empowerment Perception Scale: The empowerment scale developed by Spreitzer (1995) was used in order to measure the perceptions of psychological empowerment of the participants. It has four dimensions –meaning, impact, competence, self-determination- with total of 12 items. In this study, not the dimensions, all scale's average values are used. The Cronbach's Alpha value for the measure was found as 0,93 for the sample .

Leaders' Empowering Behavior Scale: The scale developed by Konzczak, Stelly and Trusty (2000) was used to measure the leader's empowering behavior. It has six dimensions as delegation of authority, accountability, encouragement of self-directed decisions, information sharing, skill development, coaching for innovative performance with 17 items. The Cronbach's Alpha value for the measure was found as 0,95 for the sample .

Culture Scale: The scale developed by Dorfman and Howell (1988) to measure the Hofstede's four cultural dimension (33 items) and fatalism scale (5 items) developed by Aycan et al (2000) were used to measure the cultural differences. Factor analysis was conducted to the scale and it was found that items were loaded into five factors as original with explained total variance % 62,9 by omitting three items. The reliability coefficients of the factors -fatalism, individualism/collectivism, power distance, uncertainty avoidance and masculinity/femininity- were found as 0,84, 0,78, 0,75, 0,89 and 0,85 respectively. In all scales, the statements were responded through a five-point scale (1: being completely disagree, 5: being completely agree) for all.

3.2. Sample and Analysis of Data

White collar employees of a vehicle production company from England, Poland, Turkey and Germany is the sample of this study. The aim to have participants from four different countries is not to make country comparison, but to have cultural heterogeneity in sample. Survey technique was used for data collection. Since the questionnaires are English, translation of them into three different languages were done using the method proposed by Brislin et al (1973). Totally, 238 survey forms were returned with the percentage of %74,78-Turkey, %52,20-Poland, %57,69- UK, %45,63-Germany.

In order to determine whether there exists a significant difference in the culture value dimensions of the countries studied (for cultural heterogeneity), the one-way ANOVA was conducted to compare country means of culture dimensions. Table 1 shows that there exists significant differences on all culture value dimensions across the countries studied. Also, Tukey test was used in order to investigate the difference between each country's culture value dimensions. According to results in Table 2, Turkey was significantly different than all the other countries for "individualism" dimension while Poland was significantly different than Germany for "uncertainty avoidance" dimension.

Table 1: One-way ANOVA between countries

Cultural Value Dimension	F	Sign.
FAT	47,08	.000***
IDV	25,73	.000***
PD	40,33	.000***
UA	87,44	.000***
MAS	38,39	.000***

Power Distance (PD), uncertainty avoidance (UA), individualism-collectivism (IDV), masculinity and femininity (MAS), Fatalism (FAT), $p < .0,001$ ***

Table 2: Tukey Test Results for comparisons of culture value dimensions

	Germany		UK		Turkey		Poland	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
FAT***	3,57 b,c,d	0,72	2,07 a	0,83	1,96 a	0,84	1,99 a	0,68
IDV ***	2,62 b,c,d	0,5	3,08 a	0,59	3,73 a,b,d	0,78	3,32 a,c	0,76
PD***	3,32 b,c,d	0,62	2,16 a	0,72	1,93 a,d	0,74	2,43 a,c	0,58
UA***	2,33 b,c,d	0,63	3,83 a,c	0,72	4,16 a,b	0,61	4,1 a	0,58
MAS***	3,56 b,c,d	0,97	1,6 a,c,d	0,95	2,18 a,b	0,96	2,43 a,c	0,76

Power Distance (PD), uncertainty avoidance (UA), individualism-collectivism (IDV), masculinity and femininity (MAS), Fatalism (FAT) $p < .001$ ***, a:Significantly diff. than Germany b:Significantly diff. than UK, c:Significantly diff. than Turkey, d:Significantly diff. than Poland

The correlation matrix displayed in Table 3 shows the intercorrelations between variables.

Table 3: Intercorrelations between variables

Var.	Mean	S.D.	1	2	3	4	5	6	7
1. PEMP	3,76	0,93	,93						
2. LEB	3,37	0,90	,68 **	,95					
3. FAT	2,28	0,98	-,64 **	-,59 **	,84				
4. IDV	3,28	0,79	,47 **	,30 **	-,18 **	,78			
5. PD	2,35	0,83	-,55 **	-,44 **	,53 **	-,28 **	,75		
6. UA	3,74	0,92	,75 **	,59 **	-,49 **	,49 **	-,38 **	,89	
7. MAS	2,35	1,11	-,50 **	-,40 **	,51 **	-,18 **	,50 **	-,44 **	,83

Psychological empowerment perception (PEMP), Leader's Empowering Behaviour (LEB), Power Distance (PD), uncertainty avoidance (UA), individualism-collectivism (IDV), masculinity and femininity (MAS), Fatalism (FAT), * $p < 0.01$, ** $p < 0.05$

4. Results

The hypothesis H1 was confirmed as a result of regression analysis and it was found that there is positive and significant relation between leader's empowering behaviour and employee's psychological empowerment perception. ($b = 0.408$, $p < .001$). In order to test the hypothesis related to moderation role of cultural variables between two constructs of empowerment indicated in other hypothesis (H1(a-e)), the moderation procedure has been applied as proposed by Baron and Kenny (1986). In the regression analysis, the interaction term is obtained by multiplying the independent variable and moderator variable. To overcome the multicollinearity problem, the mean value of independent variables are subtracted from their real value, and those values are used in regression analysis (Aiken and West, 1993). Then, two step regression analysis was applied. The results of

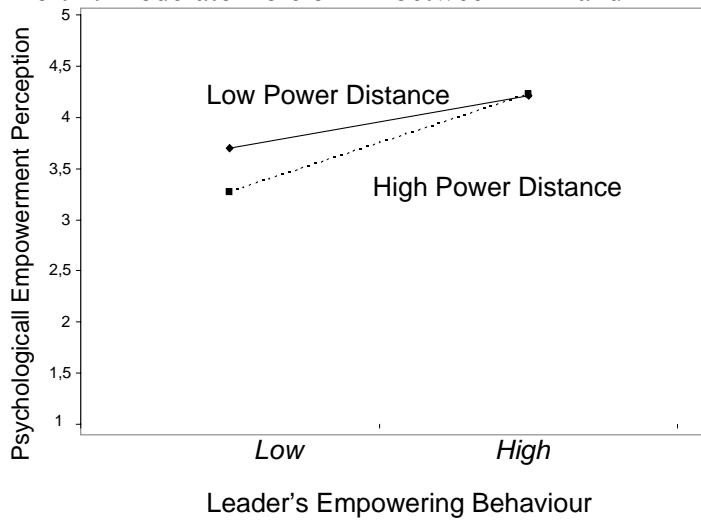
analysis revealed that the interaction term of power distance's beta coefficient ($b=0,146$, $p<0,05$) and R^2 change ($\Delta R^2 = 0,030$, $p<0,001$) is significantly meaningful. The interaction term of power distance has an effect on dependent variable – psychological empowerment perception (Table 4). Exhibit 1 shows the effect of interaction term of power distance and leader's empowering behaviour on the dependent variable – psychological empowerment perception.

Table 4: Regression Analysis results for moderation

	1st Step	2nd Step
LEB	,428***	,408***
UA	,245***	,181***
FAT	-,165***	-,148***
PD	-,139**	-,126**
MAS	-,014	-,020
IDV	,143**	,128**
LEB * PD		,146*
LEB * UA		,001
LEB * IDV		-,056
LEB * FAT		,078
LEB * MAS		-,030
F	98,435***	61,209***
D.f.	6	11
R2	,719	,736
ΔR^2		,030***

Psychological empowerment perception (PEMP), Leader's Empowering Behaviour (LEB), Power Distance (PD), uncertainty avoidance (UA), individualism-collectivism (IDV), masculinity and femininity (MAS), Fatalism (FAT), *** $p<0,001$, ** $p<0,01$, * $p<0,05$

Exhibit 1: Moderator role of PD between LEB and PEMP



To test the interaction term's effect is significantly meaningful, simple effect analysis has been applied and using the procedure by Aiken and West (1993) and Dawson and Richter (2006), two-way interaction graph has been drawn (Cohen et al, 2003). According to exhibit, the relation between leader's empowering behaviour and employee's psychological empowerment perception is positive for both low and high power distance cases. But, it is observed that for the participants who have low power distance, the relation is weaker (low slope) than for the participants with high power distance (high slope).

Analysis result showed that power distance is moderator between the leader's empowering behaviour and employee's empowerment perception, however, the relation proposed in the hypothesis was not confirmed. Other hypothesis in model H2 (a,c,d,e) were not confirmed also.

5. Discussion

The major findings of this study is that there is a significant relationship between two empowerment construct, leader behaviour and employer perception, and in this relation, power distance has a moderation role. This relation is weaker for the participants with high power distance compared to ones having low power distance. The individuals from high power distance has longer social distance, and this distance and role expectations show that they prefer authority figure of the organization. On the contrary, in the low power distance cultures, employees may have chance to make negotiation with their managers and they can establish more personal relations with them (Dorfman ve Howell, 1988). Thus, for the employees from low power distance culture, the empowering behaviours of the leaders are expected and employees are accustomed to live with these behaviours.

Empowerment practices develop organizations and improve organizational effectiveness through high employee commitment, quality of goods and services, managerial effectiveness and high performance (Conger and Kanungo, 1988). Investigation of the relation between empowering behaviours and psychological state from cross-cultural perspectives will help the companies for their effective journey in multinational working environment. Therefore, this study is thought to contribute to literature clarifying the relation between two empowerment construct with the moderation role of power distance in cross-cultural setting.

As in the case with other research, this study admittedly has certain limitations. First of all, the data obtained in this study is self-declaration, so can be thought as subjective and carry bias. Secondly, the data collection has been done during the world economical crisis in 2009, which affected the feelings and behaviours of

work force deeply. So, by collecting data in another period and also investigating the leader's behaviour in real business situations especially linking the research with performance measures in real life settings, further research's may resulted with different findings.

References

Aiken, Leona S ve West, Stephen G (1993), *Multiple Regression: Testing and Interpreting Interactions*. Newbury Park, CA: Sage Publications.

Aycan, Zeynep, Kanungo, Rabindra N., Mendonca, Manuel, YU, Kaicheng, Deller, Jürgen, Stahl, Günter and Khursid, Answar (2000), "Impact Of Culture On Human Resource Management Practices: A Ten Country Comparison", *Applied Psychology: An International Review*, Vol. 49, No. 1, pp.192-220

Bandura, Albert (1986), *Social Foundations of Thought and Action: A Cognitive View*. Prentice-Hall, Englewood Cliffs, NJ.

Baron, Reuben M. and Kenny, David A. (1986), "The Moderator-mediator Variable Distinction in Social Pyshology Research: Conceptual, Strategic and Statistical Considerations", *Journal of Personality and Social Pyshology*, Vol. 51, No.6, pp.1173-1182.

Bernstein, Mark H. (1992), *Fatalism*, Lincoln:University of Nebraska Press.

Brislin, Richard W., Lonner, Walter J. And Thorddike, Robert M. (1973), *Cross-Cultural Research Methods*, John Wiley and Sons Pub., New York.

Cohen, Jacop, Cohen, Patricia, West, Stephan G. and Aiken, Leona S. (2003), *Applied Multiple Regression/correlation Analysis for Behavioral Sciences*, NJ:Mahwah, London, Lawrence Erlbaum Associates, Publishers.

Conger, Jay A. and Kanungo, Rabindra N. (1988), "The Empowerment Process: Integrating Theory and Practice", *Academy of Management Review*, Vol. 13, No. 3, pp.471-482

Dawson, Jeremy F., and Richter, Andreas W. (2006), "Probing Three-Way Interactions in Moderated Multiple Regression: Development and Application of a Slope Difference Test", *Journal of Applied Psychology*, Vol. 91, pp.917-926.

Dickson, Markus W., Den Hartog, Deanne N. and Mitchelson, Jacqueline K. (2003)., “Research on Leadership in a Cross-cultural Context: Making Progress and Rising New Questions”, *The Leadership Quarterly*, Vol. 14, pp.729-768.

Dorfman , Peter W. and Howell, John P. (1988), “Dimensions on National Culture Effective Patterns”, *Advances in International Comparative Management*, Vol. 3, pp.127-150.

Ergeneli, Azize, Gohar, Raheel and Temirkova, Zhanar (2007), “Transformational Leadership: Its relationship to culture value dimensions”, *International Journal of Intercultural Relations*, Vol. 31, pp.703-724.

Eylon, Dafna and AU, Kevin Y. (1999), “Exploring empowerment cross-cultural differences along the power distance dimension”, *International Journal of Relations*, Vol. 23, No. 3, pp.373-385.

Hofstede, Geert (1980), *Cultures Consequences: International Differences in work-related value*, Thousand Oaks, CA: Sage.

Hofstede, Geert (1991), *Cultures and Organisations: Software of the Mind*. London: McGraw- Hill.

Hofstede, Geert (2001), *Cultures Consequences: Comparing Values, Behaviours, Institutions and Organisations across Nations*, Beverly Hills, CA: Sage.

Konzcak, Lee .J., Stelly, Damian J. and Trusty, Michael L. (2000), “Defining and Measuring Empowering Leader Behaviours: Development of an Upward Feedback Instrument”, *Educational and Psychological Measurement*, Vol. 60, No. 2, April, pp.301-313.

Nicholson Joel D. and Stepina Lee P., (1998) "Cultural values: a cross-national study", *Cross Cultural Management: An International Journal*, Vol. 5, No.1/2, pp.33 – 47

Offerman, L. R., & Hellman, P. S. (1997), “Culture’s consequences for leadership behavior: National values in Action”, *Journal of Cross-Cultural Psychology*, Vol. 28, pp.342-351.

Saeman, Ralph (1992), *The Environment and The Need for New Technology: Empowerment and Ethical Values*, *The Columbia Journal of World Business*, XXVII, pp.186-193.

Spreitzer, Gretchen M. (1995), "Psychological Empowerment in the Workplace: Dimensions, Measurement and Validation", *Academy of Management Journal*, Vol. 38, No.5, pp.1442-1465.

Spreitzer, Gretchen. M. (2007-1), *Taking Stock: A Review of More Than Twenty Years of Research on Empowerment at Work* (For The Handbook of Organizational Management, Sage Publications)

Spreitzer, Gretchen. M. (2007-2), "Giving Peace a Chance: Organizational Leadership, Empowerment and Peace", *Journal of Organizational Behaviour*, Vol. 28, pp.1077-1095.

Spreitzer, Gretchen. M. and Doneson, David (2005), *Musings on the Past and Future of Employee Empowerment*, *Handbook of Organizational Development*, Thousand Oaks: Sage