

The Influence of Empowerment on Organizational Commitment

Theodesias Pakpahan¹, Emmy Mariatin², Fahmi Ananda³

Department of Industrial & Organizational Psychology, Faculty of Psychology
University of Sumatera Utara
North Sumatera, Indonesia



Abstract - Organizational commitment is the variable most often used as the object of research or surveys in the industrial and organizational world. The results show that many companies in Indonesia have difficulty retaining competent employees. These companies are not aware of what factors can encourage loyalty and engagement of employees, so that many employees in Indonesia leave their companies in a short period of time. This study aims to determine the effect of empowerment on organizational commitment. This study involved 137 employees who work in one of the biggest service company in North Sumatera. The measuring instrument used in this research is the perceived scale of empowerment and organizational commitment. The result of simple regression analysis shows that empowerment has a positive and significant effect on organizational commitment. Perceived of empowerment contribute positively to the organizational commitment of service company employees.

Keywords - organizational commitment, empowerment

I. INTRODUCTION

New business models and work changes in the company's operational processes, create a need for competent human resources, especially in the technology and digital fields. This condition creates fierce competition for skilled labor. Of course, companies must also keep up with retaining their best employees in order to survive. But unfortunately, there are still many companies in Indonesia that have difficulty retaining competent employees. A survey from Tower Watson 2014 Talent Management and Rewards Study concluded that more than 70% of companies have difficulty recruiting and retaining a competent workforce. The factors that cause employees in Indonesia to survive, apart from salary, are the role of a leader, career development opportunities, a comfortable working environment, benefits from health services and the length of time they travel to work. The survey results also state that many companies are not aware of the factors that can drive employee loyalty and engagement, so that around 66% of employees in Indonesia tend to leave their companies within 2 years (Yuliardi, 2014).

There have been several studies conducted on the commitment of workers today. Among them is a survey conducted by "The 2016 Deloitte Millennial Survey". This study reveals that employees have a tendency to change jobs. This survey was conducted on 7,692 respondents from 29 countries, including 300 respondents from Indonesia. With the characteristics of respondents who were born after 1982, have a tertiary level education and are located in developed and developing countries, it was found that 66% of respondents hoped to change jobs, 27% chose to stay at their current job and 7% did not provide a statement. Furthermore, Deloitte's research in 2018, using the same method with 10,455 respondents spread across 36 countries, showed results that were not much different. There are about 43% of respondents who choose to leave their job after a period of 2 years of work and only about 28% choose to stay in the same workplace for more than 5 years of work. This study shows that employee commitment to the company is quite low. According to the results of this study, there are several factors that affect work commitment. Among them

are respondents' views about the "financial reward" given by a company should have the idea of "share the wealth". Respondents also view that a job must be able to improve their lives, provide wider flexibility, a good work environment, and help their readiness to follow industrial developments 4.0 (Deloitte, 2018).

Another survey, conducted by Dale Carnegie Indonesia, also showed similar results. This survey was conducted on 1200 employees, consisting of millennial and non-millennial generations who work in 6 big cities, such as Jakarta, Surabaya, Bandung, Makassar, Balikpapan and Medan. This survey aims to determine the level of employee engagement, which is the commitment of employees to provide the best performance to the company, both emotionally and intellectually. The result is 9% of employees refuse to be involved (disengaged), 66% are partially engaged, and 25% of employees are fully engaged. Fully engaged employees are described as people who tend to be loyal, contribute to company profits and work productively and with quality. Partially engaged employees are described as people who are only concerned with results without paying attention to quality, are reluctant to accept input and are oriented towards salary. Meanwhile, a disengaged employee is described as a person who always shows a negative influence, by showing distrust, hostility and a desire to sabotage work (Dale Carnegie Editor, 2017). This study shows a large number of employees who refuse to be further involved in the development and advancement of their own company.

The concept of commitment is closely related to the level of employee involvement in the company and their interest in staying with the company. The company not only needs qualified employees, but also employees who are willing to contribute to the achievement of company goals and their improvement. Luthans (2011) states that organizational commitment has a relationship with performance, absenteeism, support for organizational climate and the desire to be a team member who is willing to help (in Wibowo, 2017).

Deloitte's research also provides insight into current employee needs. Respondents (employees) want more freedom (flexibility) in their own way of completing tasks. Respondents (employees) also need jobs that do not restrain them from working hours regulations or certain work locations (Deloitte, 2018). Meanwhile, to realize the concept of empowerment, a leader must encourage creativity by providing greater flexibility for employees to determine how they achieve organizational goals. This method is supported by other activities such as providing information needed by employees to make decisions; open to discussing the company's activities, performance and long-term plans; conduct regular meetings between employees and management; be responsible for the input given by employees, so that demotivation does not occur; and provide room for mistakes, so that the employee is motivated to be more creative (French, Rayner, Rees, & Rumbles, 2005). This illustration shows that the concept of empowerment is in line with the wishes of employees today.

II. STATEMENT OF THE PROBLEM

This study wants to provide an overview of how empowerment affects organizational commitment.

III. LITERATURE OF VIEW

1. Organizational Commitment

Many definitions of organizational commitment are mentioned by experts. Mowday, Porter & Steers (1982) explain organizational commitment as a relative strength of individual identification and involvement in the organization. This definition shows an individual attitude, which identifies himself with the goals and expectations of the organization where he works and his efforts to maintain membership in order to realize the goals of the organization (Mowday, Porter, & Steers, 1982). Greenberg and Baron (2003) define organizational commitment as a level, where individuals are identified and involved with the organization and do not want to leave it (Greenberg & Baron, 2003). And similar to the two definitions above, Luthans defines organizational commitment as: (1) a strong desire to become a member of the organization, (2) a desire to strive for the benefit of the organization, and (3) a strong belief in accepting organizational values and goals. In other words, organizational commitment is an attitude of employee loyalty to the company and a continuous process in which employees express their concern for the company's success and sustainable welfare (Luthans, 1995).

From the definitions given by Mowday, Porter & Steers (1982), Greenberg and Baron (2003), and Luthans (1995) above, it can be concluded that there are 3 aspects of organizational commitment, including:

- a. **Identification** with the organization, which is a strong belief and acceptance of the goals and values of the organization. Employee identification can be seen through the attitude of agreeing to the organization's policies, shared personal values

and organizational values, a sense of pride in being part of the organization. To generate identification, the organization modifies its goals, so that it includes some of the personal goals (needs / wants) of its members. This will create an atmosphere of mutual support between members and the organization. Even further, it can make members voluntarily contribute energy, time, and thoughts for the achievement of organizational goals.

- b. **Involvement**, is the willingness to provide the best performance for the organization. Involvement according to their roles and job responsibilities, in collaboration with leaders or colleagues in the organization. Highly committed employees will receive almost all job duties and responsibilities assigned to them.
- c. **Loyalty**, is the desire to survive or maintain membership in the organization. Loyalty is an emotional bond between employees and the organization. Highly committed employees feel a sense of loyalty and belonging to the organization

2. Empowerment

Muchinsky said that the meaning of empowerment cannot be separated from the word "power". Empowerment is a process of giving greater power and authority to make decisions on employees in an organization in the context of little managerial supervision (Muchinsky, 2003).

Similar to the definition above, Luthans also defines empowerment as the authority to make decisions in an area of work, without requiring approval from others. Although this definition is similar to delegation of power, empowerment has 2 different characteristics: First, employees are encouraged to use their initiatives, and second, employees are not only given authority, but also given resources to be able to make decisions and witness the implementation of these decisions (Luthans, 1995).

Luthans said there are 4 aspects needed to implement and apply the concept of empowerment to organizational culture (Luthans, 1995). The four aspects are:

a. **Participation.**

Empowerment assumes that employees are willing to improve their daily work processes and relationships. Many organizations find it difficult to reduce bureaucracy that prevents employees from taking the initiative. Today many companies feel that empowerment trainings can make employees more actively participate and make things happen

b. **Innovation**

Empowerment encourages innovation because employees have the authority to try new ideas and make decisions to create new strategies to complete a task.

c. **Access to information**

When employees are given access to information, their willingness to cooperate and use of authority will increase as well. If the organization provides information on how to complete tasks, increase productivity, income statements, manufacturing processes, purchasing procedures and additional training needed by employees, teamwork can be managed properly and operational controls can be even more effective.

d. **Accountability**

Although employees are empowered to make decisions that are believed to be beneficial to the organization, they are also responsible for the results. This responsibility does not aim to punish personally or show immediate results. However, the aim is that these empowered employees are able to give their best, work according to the determined targets and behave responsibly. If employees have demonstrated such behavior, management will continue to empower them to continue their work at their own pace and strategy.

IV. MATERIAL AND METHOD

Operational definitions of research variables are:

1. Organizational Commitment

Organizational commitment is the level of employees' willingness to commit themselves to the company by accepting organizational values and goals, demonstrating loyalty, completing all assigned tasks as best as possible and trying to be involved in all organizational activities.

The level of the organizational commitment is obtained from the organizational commitment scale data, which is compiled based on the theory of Mowday, Porter & Steers (1982), Greenberg and Baron (2003), and Luthans (1995). This psychological scale consists of 3 aspects: identification, involvement and loyalty.

The commitment score is obtained from the total score of the organizational commitment scale. The higher the total score obtained, the higher the level of employee organizational commitment. Conversely, the lower the total score obtained, the lower the employee's organizational commitment.

2. Empowerment

Empowerment is a process where employees are involved in making decisions that affect the progress of the organization, are given greater autonomy in completing work, and are responsible for the completion of their tasks.

The level of empowerment is obtained from the empowerment scale data, which is compiled based on the theory of Luthans (1995). This psychological scale consists of 4 aspects, namely participation, innovation, access to information and accountability. The empowerment score is obtained from the total empowerment scale score. The higher the total score obtained, the more effective employee empowerment will be. Conversely, the lower the total score obtained, the less effective employee empowerment.

3. Empowerment to Organizational Commitment

Empowerment is an effort to make human resources more responsible for their work. One of the dimensions of empowerment is self-determination. Individuals who are empowered are able to judge for themselves the merits of an action, so that they can be responsible for the decisions they make to complete a job or achieve organizational goals (Spreitzer (1997) in Muchinsky, 2003). This dimension is in line with the opinion of Greenberg and Baron, which states that one way to develop organizational commitment is to make work interesting and give someone a form of responsibility. An employee will tend to be highly committed when given the opportunity to control their own work methods and feel they are making an important contribution to the company.

4. Research Hypothesis

Based on the theoretical description stated above, the researcher proposes the research hypothesis as follows: Empowerment has a significant effect on the commitment organizational.

V. RESULT

This study used 137 respondents, aged between 21 to 41 years. The largest subject group is in the millennial generation group, where according to BPS data, the millennial generation was born in the period 1980 to 2000. Gallup (2016) said that this generation has the characteristics of working to find other goals besides salary, not really pursues job satisfaction but self-development opportunities, does not want bossy or controlling leaders, does not want annual reviews but on-going conversations, thinks more about developing strengths than improving weaknesses and considers work as part of their life. Other research subjects are in the X generation group (baby boomers), are the generation born in the period 1960 - 1980. Generation X tends to take risks and is mature in making decisions (Indah Budiati dkk, 2018).

1. Normality Test

A data can be said to be normally distributed if the significance is greater than 5% or 0.05. Based on the table below, the significance value is 0.200, which is greater than 0.05, so it can be said that the data is normally distributed.

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		137
Normal	Mean	.0000000
Parameters ^{a,b}	Std. Deviation	4.58315791
Most Extreme	Absolute	.039
Differences	Positive	.031
	Negative	-.039
Test Statistic		.039
Asymp. Sig. (2-tailed)		.200 ^{c,d}

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

2. Linearity Test

Based on the linearity assumption test between empowerment and organizational commitment variables, it was found that the F value was 223,941 with a linearity significance value of 0.000 ($p < 0.05$). This value indicates that the assumption of linearity between the independent variable and the dependent variable is fulfilled, as in the following table:

Variable	F	P	Description
Pemberdayaan* Komitmen Organisasi	223.941	0.000	Linear

Note: p = probability

3. Autocorrelation Test

Model Summary^b

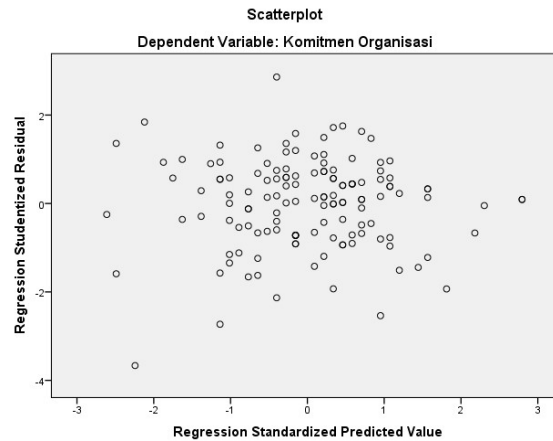
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.790 ^a	.624	.621	5.229	1.613

a. Predictors: (Constant), Pemberdayaan

b. Dependent Variable: Komitmen Organisasi

The autocorrelation assumption test aims to determine whether in the linear regression model there is a correlation between one error variable and another error variable. From the results of statistical testing, the Durbin-Watson (d) value is 1.613. Data that are said to be free of autocorrelation is if the statistical value of the Durbin-Watson test is between 1 and 3 (Field, 2009). Therefore, it can be said that in this linear regression model there is no autocorrelation.

4. Heteroskedasticity Test



From the graph above, it can be seen that the distribution of points on the graph is spread randomly (no systematic pattern) around 0, so it can be concluded that there is no symptom of heteroscedasticity.

5. Hypothesis Testing

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	6122.178	1	6122.178	223.941	.000 ^b
Residual	3690.683	135	27.338		
Total	9812.861	136			

a. Dependent Variable: Komitmen Organisasi

b. Predictors: (Constant), Pemberdayaan

Based on the table above, it can be seen that the value of Fstatistic = 223,941 with a significance value of $p = 0.000$ ($p < 0.05$). While the Ftable value for $N = 137$ and a significance value of $p = 0.05$, the Ftable was obtained at 3.06. Thus, the value of Fcount $>$ Ftable, it can be concluded that empowerment has a significant effect on organizational commitment.

To determine the magnitude of the influence of empowerment on organizational commitment, the R determination test was carried out with the results as in the following table:

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.790 ^a	.624	.621	5.229

a. Predictors: (Constant), Pemberdayaan

b. Dependent Variable: Komitmen Organisasi

Based on the table above, it is also found that the value of the determinant coefficient (R square) is 0.624 or 62.4%, meaning that the contribution of the empowerment variable to organizational commitment is 62.4%, while the remaining 37.6% is explained by other causes outside of this research variable.

Coefficients^a

Model	Unstandardized Coefficients		Standard ized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	5.337	3.732		1.430	.155
Pemberdayaan	.824	.055	.790	14.965	.000

a. Dependent Variable: Komitmen Organisasi

Based on the table above, the regression equation can also be formulated as follows:

$$Y = 5.337 + 0.824X$$

The regression equation shows a constant value of 5,337, which means that if the empowerment variable is 0, then organizational commitment has a value of 5,337. The regression coefficient value of the empowerment variable is positive at 0.824, which means that each empowerment increases by one unit then organizational commitment will increase by 0.824.

6. Additional Analysis Results

- The empirical mean value of organizational commitment in this study was 60.79, while the hypothetical mean was 48. This result shows that the level of organizational commitment of the respondents tends to be high.
- The empirical mean value of empowerment in this study was 67.26, while the hypothetical mean was 54. These results indicate that the level of empowerment of respondents also tends to be high.

VI. DISCUSSION

The results of this study also support previous research, which states that empowerment has a positive effect on organizational commitment (Fitriah & Sudibya, 2015; Radnyanamastri & Ardana, 2017; Adi S. & Adnyani, 2019; Fajar & Rohendi, 2016). The more effective the empowerment that is carried out by the company, the more employee commitment to the company will increase. Management should no longer supervise the work of its employees, but only set targets that must be completed, so that employees have responsibility for their work.

Spreitzer (1997) states that empowerment activities allow an employee to make a decision and be responsible for the results or risks that arise from implementing the decision (Muchinsky, 2003). In line with this, Greenberg and Baron (2003) say that an employee will tend to be highly committed when given responsibility and given the opportunity to control their own way of working (Greenberg & Baron, 2003). McShane and Von Glinow (2010) also said that when an employee can participate in making decisions for the development of the company, he feels he is a part of the company (McShane & Von Glinow, 2010).

Sahoo & Das (2011) stated that employee empowerment activities provide several benefits, such as increasing employee trust and commitment; increasing motivation to reduce errors and take individual responsibility for their own actions; assist in continuous improvement of processes, products and services; increasing employee loyalty while simultaneously reducing turnover, absenteeism and sickness rates; and increasing trust and cooperation with management (Sahoo & Das, 2011).

The results of the study also illustrate that the level of empowerment of research respondents tends to be high, where around 51.8% are in the high category and the remaining 48.2% are in the medium category. This illustration shows that the company where the research is conducted has carried out empowerment activities. Employees can participate in the progress of the company, by submitting suggestions for improving work procedures in a discussion forum or sharing session. Employees are also given an understanding of what have been deficiencies in the company's performance appraisal in the previous year, so that they can focus on improving it and maintaining points that have become the company's excellence or success. And as a performance accountability, sharing of team performance in front of other team members and leaders of the same field is conducted periodically.

Furthermore, this research shows that most of the respondents consist of millennial generation, where many companies have difficulty maintaining the millennial workforce. To sustain this generation, Gallup consultants say companies must understand what motivates them to stay with an organization. Although they differ from a recruitment and retention point of view, most Millennials also want the same thing as most other generations. Millennial generation is also looking for opportunities to grow, the best managers or leaders, as well as fields of work that match their respective interests and talents. When organizations can provide for the above needs, then they can prevent their millennial employees from seeking and pursuing them in other companies (Gallup, 2016).

VII. CONCLUSION

1. Empowerment has a positive and significant impact on organizational commitment. These results indicate that the higher the empowerment, the higher the employee's organizational commitment.
2. The value of the effective contribution of empowerment to organizational commitment was 62.4%
3. Generally, research respondents have a high level of organizational commitment and empowerment.

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