

The Study of the Relationship between Employees' Empowerment and Organizational Agility: A Case Study in Azarab Industrial Company

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Abstract

With the advent of a new era of business which brings about changes as a need and main character, agile manufacturing system as an advanced production systems or production Paradigm guarantees the success and continuity of production systems. On the other hand, empowering employees makes the organizations show faster and more convenient responses in the competitive environment. This study was done with the aim to investigate the relationship between employees' empowerment and organizational agility in Azarab Industries Company. This study is functional in terms of its objective and it is descriptive – analytical in terms of its method. The managers, professionals and industry personnel of Azarab were the statistical population of the study and 329 persons were chosen as the samples by using simple random sampling method. In order to measure organizational agility Espaydezer standard questionnaire (2007) in the book "Improving performance measurement" was used, and to measure the empowerment capacity, standard questionnaire of the empowerment based on four-factor model (Melhem, 2004) was based. Descriptive statistics (frequency distribution tables, frequency percentage) and inferential statistics (the Kolmogorov - Smirnov test to study the normality of the variables, Pearson correlation coefficient, and multiple regression analysis tests) were used to analyze data. The results indicated that the organization was relatively agile but, the empowerment of employees of AzarAb Industries Company was lower than the average. Pearson correlation test results showed there was a significant relationship between employees' empowerment of AzarAb Industries Company and organizational agility. And the results of regression analysis test confirmed that the components of "knowledge", "trust", "motivation", and "communication" had in order the greatest impact on organizational agility.

Keywords: employees' empowerment, organizational agility, Performance Improvement, AzarAb Industries Company.

Introduction

Since human resources are the most valuable factor of production and most important asset and a major source of competitive advantage and create the fundamental capacity of any organizations, are considered as one of the most efficient ways to achieve the organizations' competitive advantages. Today's business world is extremely dynamic, growing and changing and competitors are applying new ways to improve the efficiency of their production and sale every day. If an organization fails to coordinate itself with the turbulent environment will be disappeared. One of the new tools to compete in today's business world is to make organization agile to respond the changes in the environment quickly. In this context, it seems that the organization has helped to empower employees to be agile.

Statement of the problem

Nowadays, the organizations, in the form of dynamic environment processes, run into changes and have had to be compatible with the environmental factors. Technology has changed the work and organizations. With a look at the social trends in recent decades, it can be concluded that

organizations must be compatible with the changes that may happen in the future. If an organization wants to be active and wants to guarantee its survival, it needs to be compatible with the changes that occur in the future (Lacan, 2007). Today's business environment is changing dramatically. Two major pressures straining the organizations include: the products importation speed to the markets and competitors' imitation of the products. The Organizations that refuse to join the competition will be omitted from the markets (Malakzadeh, 2009). With increasing the changes in the business environment and its competitive environment getting more complicated, organizations need the production system to respond all customers' needs. Customers always want products that more applications and variety and would like to obtain them as fast as possible (Carlson & Yau, 2008). Today's organizations are working in an environment whose rapid changes make them adopt adaptation strategies. In fact, the problem of how organizations can succeed in a dynamic and unpredictable environment is a subject known to be a major challenge in today's world. Although various solutions such as on time production, reengineering, virtual organizations and networks have been introduced, but the most popular solution is organizational agility. In such an environment, agility has become an important with more influences on the organization performance (Ravichandran, 2007). Agile manufacturing guarantees organizations' survival and progress in a competitive environment characterized by changes and uncertainty which reacts quickly and effectively to the markets being changed according to customer requirements. Since human resources are the most important assets of the organizations, the more quality the assets have leads to the greater possibility of success, survival and promotion. Thus, it should be tried to improve the quality of human resources, because that would benefit the organization and its staff. Skilled and strong workforces are one of the main indices of the superiority of one organization over the other ones. One of the most effective ways to achieve a competitive advantage in the current situation is to make organization's staff more efficient. Integration in human resources development programs requires the development of employee empowerment in which the human resources management plays a key role in integrating and combining these programs to provide a suitable model for empowering employees. The need to foster employees with self- management ability leads to empowering the human resources as a new paradigm which attracted the management experts' point of view. Cobourg believed that both managers and employees will benefit from the advantages of empowerment. Empowerment by fostering a sense of self- sufficiency and autonomy provides employees the opportunity to improve their skills and abilities and leads to the effectiveness of the organization (Cobourg, 1999). Empowering human resources is an effective tool based on the attitude of changing management, so that with its application, organizations can take long and rapid steps towards development and growth. Since human resources are the center of organizational development, to achieve an acceptable level of organization the promotion of human resources levels should be considered and it can be done through some strategies such as: promoting meritocracy system, career development system, job enrichment system, sharing system, rehabilitation staffing system, system of rationality behavior and creating a philosophical mentality. Involving the employees and strengthening them are new techniques to liberate the talents and capabilities of the staff in organizations. Today's, the advantages organizations have over each others are not in applying new technologies but lies in employees' high esteem and their commitment to organizational goals. Organizations must adapt themselves to different situations and learn new ways to pass through various stages. In this case, they need to identify the cases in making effective and tough working environments. In new organizations, staffs are responsible not only for the task, but also to improve the performance of the organizations. They actively work together to increase the organization productivity performance.

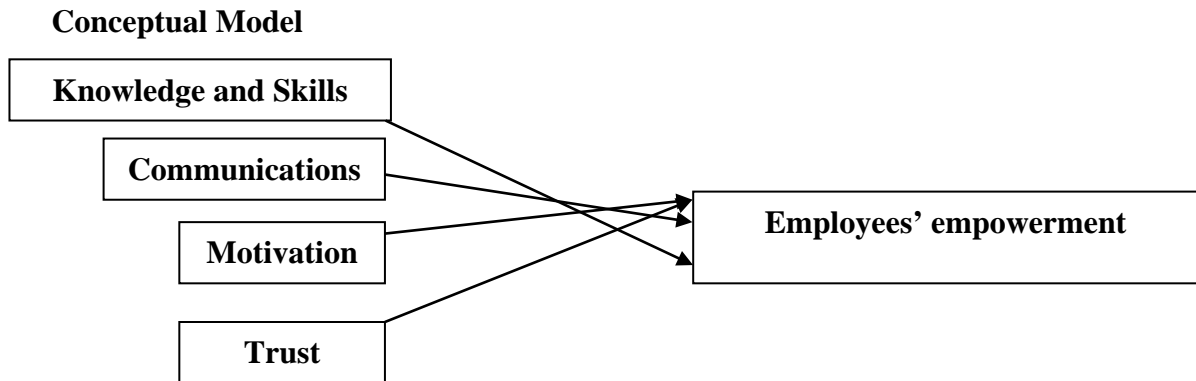


Figure 1: Conceptual Model of employees' empowerment (Source: Melhem, 2004)

Operational model of the study

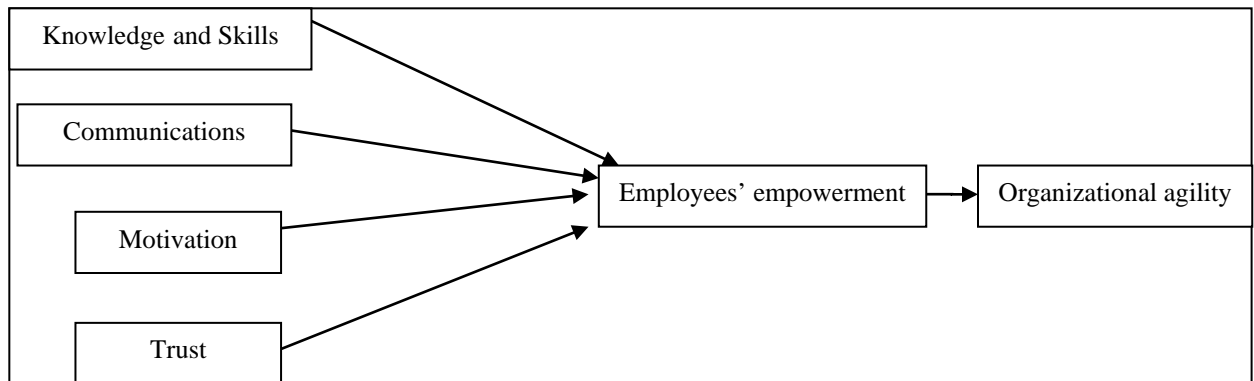


Figure 2: Operational model of the study (source: (Author))

Research purposes

The main purpose: to investigate the relationship between employees' empowerment and organizational agility in AzarAb Industries Company.

Secondary purposes: to study the relationship between each component of the employees' empowerment (knowledge and skills, communication, trust and motivation) with organizational agility in AzarAb Industries Company.

Hypothesis

Main hypothesis:

- There is a significant relationship between the employees' empowerment and organizational agility in AzarAb Industries Company.

Secondary hypotheses:

1. There is a significant relationship between the employees' knowledge and skills and organizational agility in AzarAb Industries Company.
2. There is a significant relationship between the employees' communication and organizational agility in AzarAb Industries Company.
3. There is a significant relationship between the employees' motivation and organizational agility in AzarAb Industries Company.
4. There is a significant relationship between the employees' trust and organizational agility in AzarAb Industries Company.

Empowerment and its components

First definitions of empowerment were presented by Conger and Kanungo in 1988. They believed the origins of the concept of empowerment, control and power, should be taken into consideration and analyzed in order to consider the concept of empowerment in management contexts. From their perspective, as the power and control are used in different contexts in two ways, empowerment should be studied as a motivation and communication factor (Bowen & Lawler, 1992).

Knowledge and skills: new era of knowledge as a necessary component of economy have caused great changes in the business environment. According to Lank (1997) knowledge and its effects on the individuals' skills is the organization's greatest asset to create values. Since the business environment is not limited to national boundaries, most companies, whether large or small, do some important parts of their activities outside of their native country (Eslayk, 1999).

Communication: the existence of organizations depends on communication and each director usually spends most of their time for communication. In order to create harmony between material elements and human resources of organization as an effective and efficient network, good communication is necessary, because without communication, the activities of the organizations will be stopped. In fact, the effective management depends on effective communication (Www.ghadeer.org).

Trust: Formation of trust in organizations is considered as the requirements of success in today's business environment. The role of HR managers in shaping the culture and behavior based on mutual trust is effective and important. So, knowing how human resource management practices and policies influence the development of mutual trust culture in the organization is very important (Doaei, et al, 2008).

Motivation: employees' motivation is supposed to be a means for achieving the objectives of any virtual organizations about which managers, senior managers and executives think. Directors' Continuous activities are to obtain the organizations objectives which is possible through staffs' motivation (Mohammadi, 2009).

Organizational agility

Agility is the ability to successfully manufacture and sell a wide range of products with low cost, high quality, short time delay and a variety of categories which creates values for specific and multiple customers through mass production based on customer demands (Lau and Wong, 2001). Agility is the ability to respond effectively to events that are rapidly changing and unexpected (Subb & Nohm, 2001). Sometimes, agility improves the organizations' abilities to supply high quality products and services therefore changes into an important factor for the organizations' effectiveness. Of course, it possibly seems to be integrating the processes, organization members, and also features with advanced technologies (Shahabi, 2006).

The importance of the need to empower employees in the organizations

Human resources constitute the real wealth of an organization. There is a direct relationship between human capital and productivity in organizations. One of the main concerns of successful businesses in the world is educated and skilled human capital which is able to change the organization to which they belong. A successful organization composed of people with the organizational culture, common ideas and goals give their experiences and knowledge to the management of the organization with the love through the flexible system of teamwork, to increase the organization progress. So everyone in the organization feels ownership towards the job they do. Using the potential of human resources is a major advantage for any organizations. In the individual productivity, organizations apply the individual's talents and potential abilities to develop the

organizations. Therefore, effective management of these valuable resources is necessary to achieve the purpose of the organization. In this context, growth, progress, prosperity, and promoting employees' empowerment have been taken into the considerations of the scholars and experts in human resources management in recent years.

Review of literature

The only study done in this field was to investigate the relationship between IT acceptance and organizational agility from the executives' perspective in manufacturing organizations in Malaysia in 2004. The results indicated that there was a positive relationship between the adoption of information technology and the ability of companies to become an agile competitor. Dimitryad Zokoed (2004) conducted extensive research to recognize the amount of efficacy of empowering employees' structures in Greece. The effects of knowledge features (gender, age and job experience), personal characteristics (control center), occupational factors (the management), organizational characteristics (size) and underlying variables for psychological empowerment, from a sample of 156 employees were analyzed to take the data needed to study. Their findings in the field of the empowerment factors are divided into the four factors identified as follows:

- Personal factors include personal characteristics;
- Their psychological variables;
- Business factors or roles;
- Underlying factors.

Ebrahimian (2011) investigated the organizational agility and found traditional organizations cannot meet their customers' needs and quickly respond the environmental changes so that their survival is impossible. Also, studies on various sources have shown that learning organizations and virtual organizations are among the organizations that due to having the characteristics of agile organizations can adapt themselves to their environment better and faster so they can remain competitive in this way.

Heydari (2013) studied the multiple relationships between organizational learning, organizational agility features, organizational excellent empowerment based on the views of faculty members of Isfahan public universities. The findings indicated that there was a positive and significant relationship between organizational learning, organizational agility features, and organizational excellent empowerment ($p=0.05$). There was also a positive and significant relationship between organizational agility features, and organizational excellent empowerment ($p=0.05$). The results of the regression analysis confirmed that there were multiple relationships between organizational learning aspects, organizational agility features, and organizational excellent empowerment.

Methodology

This study is functional in terms of its objective (type of research) and it is descriptive – correlation in terms of its method. This study was done in 2014 to investigate the relationship between the employees' empowerment and organizational agility in AzarAb Industries Company of Arak. The statistical population of the current study consisted of 2200 individuals including Senior and middle executive, experts and the employees of AzarAb Industries Company chosen randomly as the sample. The table of Morgan was used to determine the sample size. With the sample more than or equal to 327 the reliability level is 0.99. Therefore, to be able to obtain data for this sample size, this questionnaire was distributed more than its number and finally 329 completed questionnaires were returned to the researcher.

The variables

In the present study empowering employees was the independent variable whose components are: knowledge and skills, communication, motivation, trust while organizational agility was dependent variable.

Research tools

- employee empowerment questionnaire
- organizational agility questionnaire

In order to study the relationship between organizational agility and employees' empowerment a pack of standard questionnaire was used; in order to measure the empowerment capacity, standard questionnaire of the empowerment based on four-factor model (Melhem, 2004) was used and Likert attitude range with 5 degrees too low, low, medium, high and very high were used.

Table 1: Employee empowerment questionnaire with separation of variables

Number of Questions	Question No.	component
7	1-7	Knowledge and Skills
6	8-13	Communications
5	14-18	Motivation
6	19-24	Trust

In order to measure the organizational agility according to the nature of the research, it seemed to apply 30-item questionnaire method as an appropriate research methodology. In order to achieve the research goals, "Improving performance measurement" questionnaire published for the first time in America in 2007 by Espaydezer, the founder of Managers Association of America. In order to measure organizational agility standard questionnaire based on Likert attitude range with 5 degrees too low, low, medium, high and very high were used.

Table 2: Organizational agility questionnaire

Number of Questions	Question No.	component
30	1-30	organizational agility

Results and conclusion

The main hypothesis testing

H0: There is not a significant relationship between the employees' empowerment and organizational agility in AzarAb Industries Company. Pearson correlation test results (Table 3) suggests that there is a significant relationship between the employees' empowerment and organizational agility in AzarAb Industries Company around 7%0 (sig= 0.000, r= 0.696) indicating high and direct correlation. In other words, the significance level is less than 0.01, so the null hypothesis is rejected and the opposite hypothesis is confirmed. In the first hypothesis, it was said there is a significant relationship between the employees' empowerment and organizational agility in AzarAb Industries Company. Pearson correlation test was used to test the hypothesis. According to the results, in confidence level of %99 the null hypothesis of non- correlation between employee empowerment and organizational agility is rejected and hypothesis one that shows a direct and significant relationship between the two variables is confirmed. In other words, the higher the level of employees' empowerment is the greater organizational agility will be. The results of analyzing the data of this study were identified and analyzed based on indices and factors enabling organizations to achieve agility in the food and dairy industry by Jvanmardi (1389).

Table 3: the results of Pearson correlation test of employees' empowerment on organizational agility in AzarAb Industries Company

organizational agility	Table explanation	
0.696	The correlation coefficient	Employees' empowerment
0.000	Significant level.	

The first secondary hypothesis testing

H0: There is not a significant relationship between knowledge and skills and organizational agility in AzarAb Industries Company. Correlation test results (Table 4) suggests that there is a significant relationship between knowledge and skills and organizational agility in AzarAb Industries Company around %68 (sig= 0.000, r= 0.682) indicating high and direct correlation. In other words, the significance level is less than 0.01, so the null hypothesis is rejected and the opposite hypothesis is confirmed. In the first hypothesis, it was said there is a significant relationship between knowledge and skills and organizational agility in AzarAb Industries Company. Pearson correlation test was used to test the hypothesis. According to table 4, the significance level of Pearson correlation test is more than %1 so in confidence level of %99 the null hypothesis of non- correlation between knowledge and skills and organizational agility is rejected and the opposite hypothesis that shows a direct and significant relationship between the two variables is confirmed.

Table 4: the results of Pearson correlation test of knowledge and skills on organizational agility in AzarAb Industries Company

organizational agility	Table explanation	
0.682	The correlation coefficient	knowledge and skills
0.000	Significant level.	

The second secondary hypothesis testing

H0: There is not a significant relationship between communications and organizational agility in AzarAb Industries Company. Correlation test results (Table 5) suggests that there is a significant relationship between communications and organizational agility in AzarAb Industries Company around %55 (sig= 0.000, r= 0.546) indicating a pretty high correlation. In other words, the significance level is less than 0.01, so the null hypothesis is rejected and the opposite hypothesis is confirmed. In the second hypothesis, it was said there is a significant relationship between communications and organizational agility in AzarAb Industries Company. Pearson correlation test was used to test the hypothesis. According to table 5, the significance level of Pearson correlation test is more than %1 so in confidence level of %99 the null hypothesis of non-correlation between communications and organizational agility is rejected and the opposite hypothesis that shows a direct and significant relationship between the two variables is confirmed.

Table 5: the results of Pearson correlation test of communications on organizational agility in AzarAb Industries Company

organizational agility	Table explanation	
0.546	The correlation coefficient	communications
0.000	Significant level.	

The third secondary hypothesis testing

H0: There is not a significant relationship between motivation and organizational agility in AzarAb Industries Company. Correlation test results (Table 6) suggests that there is a significant relationship between motivation and organizational agility in AzarAb Industries Company around

%59 (sig= 0.000, r= 0.595) indicating a direct and high correlation. In other words, the significance level is less than 0.01, so the null hypothesis is rejected and the opposite hypothesis is confirmed. In the third hypothesis, it was said there is a significant relationship between motivation and organizational agility in AzarAb Industries Company. Pearson correlation test was used to test the hypothesis. According to table 6, the significance level of Pearson correlation test is more than %1 so in confidence level of %99 the null hypothesis of non-correlation between motivation and organizational agility is rejected and the opposite hypothesis that shows a direct and significant relationship between the two variables is confirmed.

Table 6: the results of Pearson correlation test of motivation on organizational agility in AzarAb Industries Company

organizational agility	Table explanation	
0.595	The correlation coefficient	Motivation
0.000	Significant level.	

The fourth secondary hypothesis testing

H0: There is not a significant relationship between trust and organizational agility in AzarAb Industries Company. Correlation test results (Table 7) suggests that there is a significant relationship between trust and organizational agility in AzarAb Industries Company around %58 (sig= 0.000, r= 0.587) indicating a direct and high correlation. In other words, the significance level is less than 0.01, so the null hypothesis is rejected and the opposite hypothesis is confirmed. In the fourth hypothesis, it was said there is a significant relationship between trust and organizational agility in AzarAb Industries Company. Pearson correlation test was used to test the hypothesis. According to table 7, the significance level of Pearson correlation test is more than %1 so in confidence level of %99 the null hypothesis of non-correlation between trust and organizational agility is rejected and the opposite hypothesis that shows a direct and significant relationship between the two variables is confirmed.

Table 7: the results of Pearson correlation test of trust on organizational agility in AzarAb Industries Company

organizational agility	Table explanation	
0.587	The correlation coefficient	Trust
0.000	Significant level.	

Suggestions derived from the hypotheses, other applications suggestions and research suggestions for future investigators were offered in this section. Empowerment is a collection of personal beliefs and perceptions of job and organizational environment. Managers need to understand or consider the staffs' beliefs and perceptions from the organizational environment and the image they have from the organization and provide the necessary conditions for the four dimensions of employees' empowerment. According to the results, the variable knowledge and skills has the largest and most powerful relationship with organizational agility so due to its high importance the managers need to regard the promotion of knowledge indices in developing strategies and programs and consider the following actions:

The more knowledge in the field of jobs and responsibility leads to better control over issues surrounding the employees and resulting in doing tasks seriously and his and his accountability to the problems and completing tasks will be improved. It is recommended to take the following measures in order to raise the level of knowledge and skills:

Organizations are dependent on the communications and each director usually spends most of their time on communications. Good communication skills are essential to establish harmony

between human and material elements of organizations such as a network of efficient and effective work because, without establishing communications, activities get stopped. Since motivation is the primary and most basic needs to do activities, managers should try to have the most motivated staff. It is recommended that supervisors and administrators encourage employees to express their opinions. If they introduce new designs at work, they should be encouraged. Particular atmosphere should be created so that employees can express their creativities.

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