

## **Impact Of Team Empowerment On Team Performance Case Of The Telecommunications Industry In Islamabad**

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*The word **team** usually refers to a small group in which the members have a common purpose, interdependent roles and complementary skills. One team may include members who have similar backgrounds and work experiences, while another one may contain a rich diversity of individuals from different business functions, and with different cultural backgrounds and work styles. Teams are playing an increasingly central role in business as companies seek to “flatten” their structures and drive needed changes in their business processes and organizational culture. Effective teams also facilitate companies to let loose more creativity throughout their workforce than they would if they relied on “distinct masterminds” to come up with brighter ideas and solutions than individuals can. Teamwork requires a profound understanding of group dynamics and the approaches in which a team’s unique “personality” comes out as the members accumulate a history of working together. The purpose of this paper is to contribute towards the important aspects of team empowerment and team performance. It shows the relationship between team empowerment and its effects on team performance in Pakistani firms; narrowing down the scope to Islamabad venues. The ultimate objective is to determine the impact of team empowerment on team performance. The focus is on team empowerment and its impact on team performance for a sample of Pakistani firms in the city of Islamabad.*

### **1. Introduction**

To empower means to give power to. Power, however, has several meanings. In a legal sense, power means authority, so that empowerment can mean authorization (Kenneth W. Thomas 1990). However, power also means energy. Thus, to empower also means to energize. This latter meaning best captures the present motivational usage of the term. The word empowerment refers to the motivational content of this new paradigm of management. As leadership expert Daniel Goleman points out “the team is a basic molecule of distributed leadership and basic unit in which you can change norms throughout the organization.” In the past, the organizational researchers have focused their work on empowering management practice, including delegation of decision making from higher organizational levels to lower levels and increasing access to information and resources for individuals at lower levels (Blau and Alba 1986). Recently, Thomas and Velthouse (1990) advocated seeking alternative perspectives on empowerment that distinguish between situational attributes (e.g. management practices) and job incumbent cognition about those attributes (e.g. psychological empowerment). Similarly, Conger and Kanungo (1988) argue that management practices are only one set of conditions, and that those practices may empower employees but will not necessarily do so.

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### **1.1- Significance of the Study**

This study evaluates the impact of team empowerment on team performance and determines to what extent it is successful in both local and foreign organizations. Presently, many multinational firms are attracted toward the Pakistani market like Telenor, Warid, Mobilink etc. It will be useful for Pakistani working environment for those multinational firms too.

This paper tries to make the team leaders and top management realize the importance of team empowerment as a means enhancing performance. It is hoped that business corporate companies at the corporate level will take advantage of this research and will apply this approach for teams. This study suggests that organizations following the team empowerment approach can gain advantages. Team empowerment can enhance both quantity and quality of teamwork. The study will be useful for team leaders and team members in building of the empowered teams. The study will provide guidelines for project / team leaders in the development of team work. Findings of this research will provide empirical data for team leaders, top management, and team members to help them create an empowered environment for better team performance. Creativity and innovation will be promoted in team-based environment because of cross fertilization of ideas. The empowerment concept will help allay concerns about employee freedom and will help to motivate the employees.

### **1.2- Problem Definition**

The importance of team empowerment and its different dimensions and effect on team performance leads to the basic problem stated as follows:  
**“Determining the impact of team empowerment on team performance.”**

### **1.3- Objectives of The Study**

The objective of this study is to contribute towards a very important aspect of team management, known as team empowerment. The research will analyze the relationship between the team empowerment and its effects on team performance at Pakistani firms in Islamabad city. This paper will review empirical evidence on the team empowerment effects. The ultimate objective is to determine the impact of team empowerment on team performance. Keeping in mind, the main objectives are as follows:

- To highlight the team empowerment importance for team performance.
- To determine whether positive relationship exists between team performance and team empowerment i.e. whether increasing level of team empowerment results in higher level of team performance.
- To evaluate the effect of different dimensions of team empowerment on team performance.
- To determine different factors as mentioned in the theoretical framework related to team performance and team empowerment.
- To suggest the implementation of team empowerment for successful team performance if it can be determined that team empowerment and team performance are positively related.

### **1.4- Scope Of The Study**

This study investigates team performance in the telecom sector. It is rapidly expanding, and a number of new companies are being established. All these companies are high tech, and many of them are primarily service providers. To provide good services, these organizations need to be very good in technical advancement, adopting modern management styles, mainly team

work to cope with the changing environment demands. Due to time and financial limitations, the main focus is only on the city of Islamabad. The study encompasses ten telecommunication companies (Mobilink, Telenor, Warid, Siemens, Nayatel, Ufone, Burraq, Wateen Telecom, Instaphone and ZTE) located in Islamabad city. This study considers team empowerment, and team performance and benefits of team empowerment on team performance. A convenience sample is selected from all telecommunications organizations in Islamabad in order to administer the questionnaires and conduct interviews in few visits.

## 2- Literature Review

Bradley and Benson (1990) examined the antecedents, consequences and mediational role of team empowerment using 111 work teams in 4 organizations. Their result indicated that actions of external leaders, the production/service responsibilities given to teams, team-based human resources policies, and social structure of teams all worked to enhance employee – team empowerment experiences. More empowered teams were also more productive and proactive than less empowered teams, and had higher levels of customer service, job satisfaction and team commitment. Pilar, Angel Martinez and Mauela (2005) analyzed the results of their conducted survey to university R & D teams about the moderator role on the relationship between team empowerment and team performance and the organizational attitudes. The results support the positive impact of team empowerment on team performance and organizational attitudes. The moderator role indicated that team labor flexibility and age diversity decreased the positive affect of team empowerment on team performance. Perceived work based social support positively, moderated the impact of team empowerment on team productivity; whereas work-based organizational support moderated its effect on customer service. Finally, perceived fairness and team gender's diversity were also positively related to the job satisfaction.

Martin and Hans (2001) indicated that importance of teamwork to success of innovative projects. They developed a comprehensive concept of collaboration in teams, called teamwork quality. Six facets of teamwork quality construct were specified: communication, coordination, balance of member contribution, mutual support, effort, and cohesion. The result showed that teamwork quality was significantly associated with team performance as rated by team members, team leaders and team external managers. Furthermore, teamwork quality showed strong association with team members' personal success.

## 3- Methodology and Research Design

This section discusses the variables included in the study, the distribution pattern of the data and the statistical techniques applied in the determination of association between team empowerment and team performance.

### 3.1- Research Limitations

The major limitation has been cost and short time for completion of this paper. Also, all companies surveyed were those in Islamabad so that the prospective respondents could be easily approached.

### 3.2- Data Set

This study is concerned primarily with primary data acquired through a questionnaire, and obtained from telecom companies.

### 3.3- Framework and Sample of the Study

The study frame is Islamabad telecommunication companies. The selected sample targets the telecommunication firms located in Islamabad city. It consists of 100 team leaders/ team members; only 87 have responded.

**3.3.1- Variables:** This study intends to examine team empowerment and its influence on team performance. The choice of variables is influenced by previous researches on team empowerment and team performance.

**Independent variables:** Team Empowerment is the main independent variable, in addition to Potency, Meaningfulness, Impact, and Autonomy.

**Potency:** According to Cristina B. Gibson (2003) potency is collecting group members' personal estimates of their beliefs, of their group's capability. Conger and Kanungo (1988) added that self-efficacy was the collective belief of a team that it could be effective.

**Meaningfulness:** Meaningfulness refers to a team's experiencing its task as important valuable and worthwhile. Team members collectively build up and share the meaningfulness of their tasks. It involves a fit between requirement of work and beliefs, values and behaviors (B L Kirman, B Rosen, 1999).

**Impact:** This is parallel to impact at individual level of analysis when team produces work that is significant and important for organization. Team impact is how much team members can influence within team and organization. The team members think that they are contributing to the organization

**Autonomy:** Autonomy parallels the individual level empowerment construct of choice and is the degree to which team members experience substantial freedom, independence, and discretion at their work. Important decisions are made and executed by teams

**Dependent variable:** Team performance is the main dependent variable. It is defined as the extent to which a team is capable to meet established quality, cost and time objectives (Gemunden 1990, Schrader and Goefert 1996, Gemunden and Lechler 1997). The perception of project's success depends, in part, on the perspective of evaluator.

The operationalized concepts used to measure are: Effectiveness, Efficiency, Learning, Work Satisfaction, Team Conflict, Effort, Balance of Member Contribution, Mutual support, Cohesion, Coordination and Cooperation

**Effectiveness:** According to M Hogel and H G Gemunden (2001) effectiveness refers to the degree to which the team meets expectations regarding the outcome quality. An effective performance regularly needs adherence to predefined qualitative properties of product, service or process to be developed, e.g. functionality, robustness, reliability etc.

**Efficiency:** It is a measure of performance in terms of which management may set objectives and plan schedules and for which staff members may be held accountable. This study evaluates the team's efficiency in terms of adherence to schedules, e.g. starting the manufacturing and/or marketing on target date and budgets e.g.: staying within target cost with both project and finished products (Martin Hoegl and Hans George Gemunden, 2001).

**Learning:** Learning represents according to Martin Hoegl, and Hans George Gemunden (2001) the acquisition of knowledge and skills. Collaboration with other team members gives the opportunity for learning social, project management, technical and creative skills. Such acquisition of new skills

relates to team members' desire for personal and professional growth as well as increasing the team members' potential for future work.

**Work Satisfaction:** Work satisfaction relates to personal satisfaction of team members and their craving to work in teams in the future which leads to amplifying motivation for participation in future team projects. Team members think that work done was very well, and they get best return from their work.

**Team Conflict:** Conflict was broadly defined by Keran A. Jehn (1995) as perceived incompatibilities or perceptions by the parties involved that they held discrepant views or had interpersonal incompatibilities, and distinguished between conflict based on the substance of the task that the group was performing and conflict based on the group's interpersonal relations.

**Effort:** Effort of team member is measured in terms of norms. Norms are defined as shared expectations regarding the behavior of team members. While such shared expectations can exist for every type of apparent behavior in teams, norms regarding the effort of team member are of particular importance to team performance.

**Balance of Member Contribution:** It is significant to the team performance according to Martin Hoegl and Hans George Gemuenden (2001) that every team member is able to contribute all task-relevant knowledge and experience to the team. This is especially serious for teams with innovative tasks because they often consist of any member whose expertise is in different functional areas (e.g. marketing, finance etc.).

**Mutual support:** Mutual support is according to Martin Hoegl and Hans George Gemuenden (2001) a central part of the teamwork, and it protects the team from over-work. He stated that mutual support among team members was an essential component for team success.

**Cohesion:** According to Martin Hoegl and Hans George Gemuenden (2001) team cohesion refers to the degree to which team members desire to remain on the team. Several forces play a part in a person's desire to stick with a team and distinguish between the forces of cohesion.

**Coordination and Cooperation:** According to Martin Hoegl and Hans George Gemuenden (2001) the degree of common understanding regarding the interrelatedness and current status of individual contributions also determines the quality of team work performed. While most work together on basic aspects of common tasks, many activities in task process should be assigned to individual members working on parallel subtasks

### 3.4- Hypothesis Testing

*H<sub>0</sub>: Team empowerment is not correlated with team performance.*

*H<sub>1</sub>: Team empowerment is positively correlated with team performance.*

The study assumes that there is a positive relationship between team empowerment and team performance. The central proposition of this study is that team empowerment is positively related to team performance. Fig 1 depicts the proposed positive relationship between team performance and team empowerment. This framework specifically addresses a comprehensive concept of team empowerment and team performance in a model that is integration of two models designed by Martin, H. and Hans, G.G. (2001), and Bradley, L. and Kirkman, B.R. (1999).

### 3.5- Model of the Study

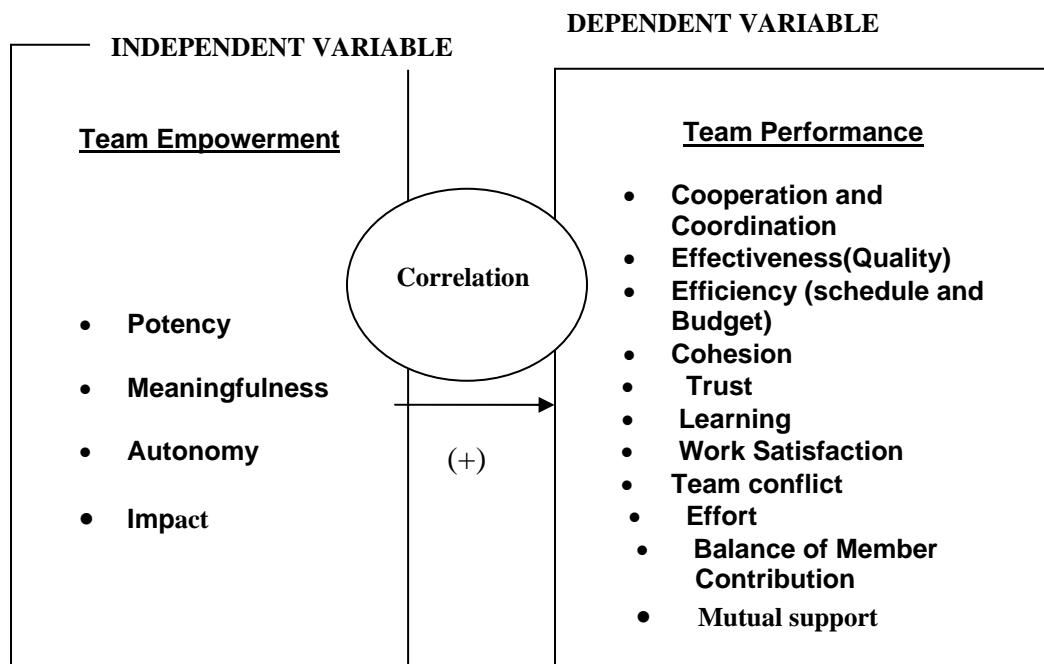
This study uses cross-sectional data. The intended impact on team performance by team empowerment is considered using the following model:

$$P = f(TE) \text{ with } f(TE) = \alpha + \beta TE + \varepsilon \quad (\text{Eq: 1})$$

Where: P = Team performance.  
 TE = Team empowerment.  
 B = Coefficient of Team empowerment  
 = Model Error factor

The performance factor can be determined by non financial indicators. For non- financial indicators, the study considers the quality, budget, time, cohesion, trust learning, work satisfaction, team conflict, effort, balance of member contribution and mutual support. Team empowerment has elements such as potency, meaningfulness, autonomy impact. Regression analysis is used to determine relationship between the dependent and independent variables .It shows the dependence of variable on the independent variable.

Fig 1 : Schematic Diagram



#### 4- Discussion and Findings

Both descriptive and quantitative analyses of the study findings are given. Questionnaire has been the only source of data. Questionnaires were personally administrated to team members working in telecom companies. Data was collected from 10 different telecom companies operating in Islamabad city. A mix of manufacturing and service oriented companies are selected. Likert interval scale is used in analyzing the questionnaires content. Respondent’s participation in this study was voluntary. The questionnaire was handed over to respondent to be completed without supervision. On average, three members of each team responded.

##### 4.1- Descriptive Statistics

Descriptive analysis displays relevant aspects of team empowerment, team performance and provides detail information about each relevant variable. It shows the average and standard deviation of different variables of interest. The average of team empowerment and team performance from 10 Telecom companies is approximately 5 which show that respondents agree that when the team is empowered its performance of team gets increase. Table 1 provides the results:

**Table 1 : Over all Descriptive Statistics**

Variables	N	Mean (Actual)	Mean (Approx)	Standard Deviation
Team Performance	87	5.0917	5	0.329378
Team Empowerment	87	5.6561	5	0.46246
Valid N	87			

Using Seven point scale: 7 = Very Strongly Agree to 1 = Very Strongly Disagree N= number of respondents

The mean value of team empowerment is 5 with standard deviation 0.329378 and of team performance is 5 with standard deviation 0.46246. This shows respondents agree that team empowerment increases team performance. Standard deviation values are very small indicating that most of observations in a data are close to mean value.

#### 4.2- Quantitative Analysis

In quantitative analysis, two methods are applied: correlations as well as Regression analysis to estimate the causal relationship between the team performance and team empowerment.

**Pearson’s Correlation Coefficient Analysis** Pearson’s Correlation is used for data to see the relationships between variables such as those between team empowerment and team performance. This study expects to find a positive relationship between team empowerment and team performance. This means that when team empowerment increases then team performance also increases. Table of Pearson’s correlation also explains that there is a significant positive relationship between team empowerment and team performance. The correlation coefficient is 0.76 and *p* value (0.00). It is highly significant at  $\alpha=1\%$ , which means that more empowered teams would perform better, which proves the given hypothesis.

**Table 2: Pearson’s Correlation Coefficient\***

Variables		Team Performance	Team Empowerment
Team Performance	Pearson Correlation	1	.76(**)
	Sig. (1-tailed)		.000
Team Empowerment	Pearson Correlation	.76(**)	1
	Sig. (1-tailed)	.000	.
	N	87	87

\* Using Seven point scale: 7 = Very Strongly Agree to 1 = Very Strongly Disagree N= number of respondents

\*\* Significant at  $\alpha = 1\%$

The results of correlation indicate that team empowerment very significantly affects the team performance.

**Regression Analysis** For the purpose of identifying the important variable influencing the dependent variable this research uses regression analysis. The used model has the team performance as dependent on team empowerment. It is evident from the results that the coefficient of team empowerment is positive and significant. It shows that there is positive relationship between team empowerment and team performance. The beta received of team empowerment is .88. It shows the high contribution of team empowerment to team performance. The value of R-squared ( $R^2$ ) = 78.8 % and Adjusted  $R^2$  is almost 78.6%. This indicates that team empowerment brings sufficient variation in the dependent variable i.e. Team performance, while only 21% variation is caused by other variables. Larger values of R indicate stronger relationships. Table 3 summarizes the results of an analysis of variance. F-value shows that the overall model is statistically significant and variable team empowerment predicts the variation in the dependent variable team performance.

**Table 3 : ANOVA**

	Value	Sig.
F	55.173*	.000*
R -Square	.788	
Adjusted R- Square	.786	

\* Significant at  $\alpha = 1\%$

It is evident from the results that the coefficient of team empowerment is positive and significant. Its means that more team empowerment results in higher team performance. Table 4 shows other significant results.

**Table 4 : t- coefficients**

Variables	Beta Coefficients	T	Sig.
Team Performance		7.510*	.000*
Team empowerment	.888	17.781*	.000*

\* Significant at  $\alpha = 1\%$

The results show highly significant causal relationship between the independent variable (team empowerment) and the dependent variable (team empowerment) of the telecom sector in Islamabad, Pakistan.

## 5- Conclusion

This paper's major finding is that highly empowered teams are effective. In this research it has been established that there is a positive relationship between team empowerment and team performance (see hypotheses  $H_1$ ) as shown by a positive 0.76 correlation coefficient between team empowerment and team performance. The beta coefficient of team empowerment is .88. The overall model is significant. The results of this study will very helpful for team leaders and middle managers to understand why empowerment is important for teams and how to support the team. Managers should be aware of effect of the team empowerment on team performance. Team performance is more than just effectiveness and efficiency; it also captures other critical success factors like cooperation and coordination, learning, satisfaction, effort, cohesion, group conflict, mutual support and balance of member contribution. These are elements of social behavior in terms of activities, interactions and sentiments. Activities are directly observed (e.g. output of project), interaction are related to "being in contact" and sentiments are



motivations and emotions. In addition, this research helps that project managers / team leaders will try to create empowerment for the work teams. Moreover it is expected that researchers will continue to identify conditions necessary for effective teams in organizations.

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