

Domination of Employee Empowerment Toward Organization Agility in Oil Palm Plantation Sector

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Abstract

Employee empowerment is a well-known employee management style nowadays, while organizational agility is a newer methodology. This is a revolutionary concept in the oil palm plantation management sector. Employee empowerment is achieved by giving employees decision-making authority to meet organizational goals. Agility is viewed as a competitive advantage and is adopted to improve organizational management. This study aims to determine the factors that are influencing employee empowerment, to identify the relationship of employee empowerment on the organizational agility and to determine the dominant factor of employee empowerment that affect organizational agility in the oil palm sector. This study's questionnaire examines four aspects of employee empowerment: competence, meaning, effectiveness, and self-determination. The questionnaire received 53 responses from managers, assistant managers, supervisors, and workers. SPSS was used to evaluate the survey data. Results show that characteristics impacting employee empowerment are working independently and commitment. Then, through correlation analysis, it shows self-determination and competence have a significant relationship towards organizational agility. Dominant factors of employee empowerment are influenced by competence and self-determination, according to multiple linear regression analysis. Thus, creating organizational targets, recognition, providing information, and coaching can improve empowerment: competence, meaning, and organizational agility.

Keywords: *Employee Empowerment, Agility, Competence, Self-Determination, Effectiveness*

Introduction

Today, agriculture sector is becoming more challenging as well as the oil palm sector. In Malaysia, oil palm is the source of national income alongside with other major crop such as rubber. Therefore, all of the oil palm organization either public or private sector need to work hard in order to obtain the desired target. Yet, it depends on the management of estate if they want to achieve high profit. The higher the profit, the higher the demands. Rome does not build in a day. This idiom reflects the challenges that the estate management faced such as lack of cooperation and ineffectiveness in decision making.

The challenges can be overcome by conducting employee empowerment. Employee empowerment is one of the prominent behaviours of the modern era that organizations have adopted. Empowerment is usually the transfer of responsibility and authority from managers who do the job on a regular basis for decision making and execution of work duties to employees (Dahou & Hacini, 2018). It means employee able to understand their responsibilities well before they are ordered what to do.

Organizations have faced different threats and opportunities over time. Nonetheless, the modern market climate changes more rapidly than ever and companies must continually adjust to new circumstances. Agility may be a solution to these problems for organizations that are geared towards sustainable growth. In other words, organizational agility is an important aspect of business which contributing to success in a competitive environment (Munteanu et al., 2020). Managers should realize that when transforming to organizational agility, only employee can help to achieve it. When employee was given the privilege to make decision, it shows that the organization is in the right path to success. Thus, the objectives of this research are to determine the factors that are influencing employee empowerment in the oil palm plantation sector, to identify the relationship of employee empowerment on the organizational agility in the oil palm plantation sector and to determine the dominant factor of employee empowerment that affect organizational agility.

Materials and Methods

Sample Size

This research was conducted at Felcra Berhad Kampung Kurnia, Ayer Tawar, Perak and the Krejcie and Morgan table was used to determine the population and sample. The population for this research is 60 and only 53 respondents was selected.

Questionnaire

Questionnaire is vital for research data collection. It involves asking structured questions to gather data on one or more specific subjects. This is a key data collection approach for this research. This study's questionnaire will include 30 questions on employee empowerment and organizational agility.

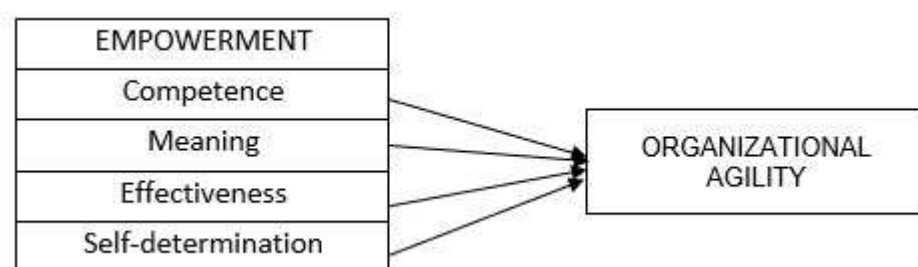


Figure 1: Conceptual framework

Reliability analysis and pilot study

Objective of the reliability test is to decide if the questions set out in the questionnaire lead to this research. A pilot study is smaller research to assist in the preparation and adjustment of the main study. Therefore, it is essential to conduct a reliability test so that the scale is free from error. The reliability test for this research is tested through Cronbach's alpha coefficient test.

Descriptive analysis

Descriptive analysis is a subset of statistics that seeks to explain a variety of data features that are usually involved in a sample. In other words, descriptive analysis is explaining what data you have recorded.

Correlation Analysis

Correlation analysis assesses the strength of a relationship between two quantitative variables. Based on the results, the R-value can be positive, negative, or zero. Zero correlation is uncommon in study. The correlation coefficient must be -1 to $+1$, or $-1 \leq r \leq +1$ to determine if a correlation is positive or negative. It also indicates a considerable relationship between the two variables.

Multiple Linear Regression

Multiple linear regression predicts the outcome of a response variable. Moreover, multiple linear regression is acquired to define dependent and independent variables. Multiple linear regression serves several functions such as to identify independent variable strength towards dependent variables, predict the influence of changes, and forecast trends and future values.

Result and Discussion**Reliability Analysis**

Results for reliability analysis of the questionnaire is 0.884. Six people (10% of the population) were chosen to answer the questionnaire to assess its dependability. A Cronbach's alpha value of 0.7 or higher is considered adequate in terms of the questionnaire's accuracy and consistency.

Table 1:

Reliability test

Cronbach's alpha	N
0.884	25

Descriptive Analysis

Majority of respondents are male, with only one female. Most of the respondents were aged between 27 to 33 which is 43.4%. Next, 25 respondents or 47.2% had diploma in their educational level. Moreover, 52.8% of respondents had 4 to 6 years of experience in the oil palm plantation industry. Lastly, this survey's majority (43.4%) are supervisors of the oil palm plantation.

Table 2:

Respondent's Demographic Information

Profile		Frequency (n)	Percentage (%)
Gender	Male	52	98.1
	Female	1	1.9
Age	20-26 years	5	9.4
	27-33 years	23	43.4
	34-40 years	13	24.5
	More than 40 years	12	22.6
Educational level	Secondary school	22	41.5
	Diploma	25	47.2
	Degree	5	9.4
	Master	1	1.9
Working experience	Less than a year	3	5.7
	1-3 years	6	11.3
	4-6 years	28	52.8
	More than 6 years	16	30.2
Current position	Manager	6	11.3
	Assistant manager	7	13.2
	Supervisor	23	43.4
	Worker	17	32.1

Table 3 shows that working independently under effectiveness factor (mean= 4.36; sum= 231) has the greatest impact on employee empowerment. When an employee is being empowered, they are given the authority to conduct their work by themselves. Giving an employee autonomy means empowering them which would help the organization reach its goals faster, according to Fatahi-Bayat et al. (2016). Next, the second factor is commitment (mean= 4.28; sum= 227). An employee becomes committed and motivated to accomplish their duties is due to the reward system given by the organization. A rewards system can increase employee commitment and motivation, according to Barsi et al. (2013). Furthermore, commitment can influence empowerment since it increases the employee's sense of responsibility towards the organization, hence enhancing quality and performance (Kumari, 2019). This explanation answered objective 1.

Table 3:

Mean and sum of factors of employee empowerment.

	Mean	Sum
Competence		
I am able to give commitment to perform the work efficiently and effectively.	4.28	227
Effectiveness		
I believe that I can control the working environment by myself without intervention of higher management.	4.36	231

Correlation Analysis

Table 4:

Pearson Correlation Analysis Result

Independent variable	Pearson correlation	Sig. (2-tailed)
Competence	0.396**	0.003
Meaning	0.381**	0.005
Effectiveness	0.115	0.414
Self-determination	0.542**	0.000

Competence has a weak positive correlation, with a correlation value of 0.396 and a significant level of 0.003 (less than 0.05). Result shows there is a significant relationship between competence and organizational agility. This result matches the earlier study by Ghanbari & Keshtegar (2016). Then, the employer's sense of empowerment must be strengthened because these skills can help the organization adjust to shifting plantation climates. The competency will result in the employee being thoroughly trained and grown through time and the employee will be able to respond and easily adapted to the changes in the organization's management (Evwierhurhoma & Oga, 2020). The qualities of a skilled employee help the business achieve its goals. A competent employee will also give the organization with utmost commitment and desirable attitude in accomplishing the goals of the organization. Hence, regardless of the result, competence will always be considered as a higher demand in employee empowerment so the organizational agility can be achieved.

Next, meaning also has a weak positive correlation, with a correlation value of 0.381 and a significant level of 0.005. Result shows there is no significant relationship between meaning and organizational agility. Table 4 shows that meaning in employee empowerment promotes organizational agility but not as strong as self-determination and the result is similar with Ghanbari & Keshtegar (2016) but not on relationship strength. To increase productivity, an empowered employee must grasp the concept of meaning because they will constantly consider their work as vital in order to boost the organization's productivity (Sjoberg et al., 1983). Indeed, a significant concentration of meaningfulness among employees will improve their involvement in organization-related tasks. Nonetheless, according to the result of this research, employee empowerment through meaningfulness must be increased so that the notion has a major impact on organizational agility.

Effectiveness has a negligible correlation, with a correlation value of 0.115 and significant level of 0.414 which is not significant. Table 4 shows the lowest correlation between effectiveness and organizational agility and Kuo et al. (2010) found similar results. Lack of training leads to ineffective employee participation in organizational operations. A low level of effectiveness will result in poor performance and ineffective employee participation in organizational operations. Rather, management must recognize the employee's capacity to change their stance on empowerment so employee who feels empowered and trusted by their employer will start contributing (Demğrcğ & Erbağ, 2010). Thus, effectiveness will have an impact on the organizational agility and the employee can produce a creative idea and has the ability to make critical decisions in a competitive market.

Lastly, self-determination has a moderate positive correlation, with a correlation value of 0.542 and significant level of 0.000. As a result, self-determination and organisational agility are moderately related the result is comparable with Muduli (2017). Result shows there is a significant relationship between self-determination and organizational agility. Most employees prefer to accomplish their work on their way. So that, the empowered employees

able to learn how to overcome difficulties while remaining productive. Chonko & Jones (2005) cited the same idea of self-determination in relation to organizational agility by responding properly to unexpected consumer requirements. Employees must be able to contextualize external change in order to successfully and quickly shift organizational agility pillars. Thus, self-determination is moderately connected to organizational agility.

Multiple linear regression

Table 5:

Multiple Linear Regression Analysis

Model	Unstandardized coefficients		Standardized coefficients	t	Sig.
	β	Std. Error	Beta		
1 (Constant)	1.278	0.557		2.295	0.026
Competence	0.466	0.158	0.429	2.956	0.005
Meaning	0.232	0.150	0.217	1.548	0.128
Effectiveness	-0.427	0.133	-0.412	-	0.002
				3.210	
Self-determination	0.446	0.079	0.593	5.683	0.000

Consequently, competence has the highest influence on the organizational agility. Competence can influence the organizational study (Mirsofi et al., 2014). Expertise and creativity grow with experience. To commit implies to work hard and help the organization achieve its aims. This sets them apart from employees who lack employer empowerment. Competency-based organizations outperform their competition and so prosper in today's business climate. Next, self-determination is the second dominant factor for organizational agility. Self-determination contributes to organizational agility. Previously, self-determination was linked to organizational agility since it can enhance workplace engagement. Autonomous employees want to do their jobs their way which it demonstrates self-assurance in knowledge and skills to maximize work performance. Hence, empowered and self-determined employees are more likely to contribute pro-actively and successfully.

Conclusion

In conclusion, Felcra Berhad currently underutilizes employee empowerment, from high management to supervisors and workers, with little impact on organizational agility. However, employees at Felcra Berhad appreciate the value of employee empowerment in fostering organizational agility. This study found that competence and self-determination influenced organizational agility. Felcra Berhad should provide employee empowerment training to instruct and empower employees to lead so employees can grow. Agility also encourages employees to improve corporate efficiency, which is counterproductive to employee empowerment. Competence and self-determination are the major qualities that set Felcra Berhad apart from other oil palm plantation companies, according to multiple linear regression. Employee empowerment, especially those two factors, can assist plantation companies run more effectively. Thus, employee empowerment is critical to transforming a company into an agile one and improving work quality.

The study's findings can benefit senior managers who work with frontline managers, which means first line managers have authority and influence over decisions made by managers. It may also help Malaysian employees grasp the relationship between employee empowerment

and organizational agility. Then, it helps to boost employee and company performance. Furthermore, this research can help future oil palm plantation companies to become more viable in the future. An empowered employee is more loyal, and the organization will benefit from an employee's commitment and enhanced production. Finally, the companies will understand the value of empowerment.

To conclude, it stated that competence and determination have a significant relationship with the organizational agility in the oil palm plantation sector while meaning and effectiveness factor has no significant relationship. The study also showed that the dominant factors that influenced organizational agility are competence and self-determination.

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