Impact of Employee Empowerment and Motivation on Employee Performance

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Abstract. Employee empowerment and motivation are essential factors that influence employee performance. The aim of this research is to investigate how employee empowerment and motivation affect employee performance. The research sample consisted of 50 employees at the Faculty of Digital Economy, Tashkent State University of Economics (TSUE). The research method used in this study employs quantitative methods with both descriptive and statistical analysis. The result of the analysis shows that empowerment and motivation have significant effects on employee performance.

In the realm of higher education in Uzbekistan, there is a growing level of competition among universities and institutions, leading to significant achievements even on an international scale. These accomplishments are influenced by various factors, including not only the resources and infrastructure of the universities but also the individual employees themselves. The workforce is an integral part of every organization and plays a vital role in its functioning. Therefore, it becomes essential to establish a dedicated program for the development and management of human capital to ensure that the personal objectives of employees align with the organizational goals. In educational institutions, human resource management is often reduced to functions such as hiring, moving employees, providing vacations, and paying salaries. This set of functions greatly reduces the effectiveness of human resource policy. After all, the desire of employees to work with dedication becomes a key condition for achieving results by the institution. You can set attractive goals, develop long-term plans for the transformation of the university, install modern equipment, but all this will be in vain if the employees do not want to work at full strength.

The Tashkent State University of Economics (TSUE) is renowned as the largest educational institution in Uzbekistan, known for producing a significant number of leaders. Many highly skilled professionals aspire to be a part of this university. With its ample resources and advanced infrastructure, TSUE has the capacity to recruit employees from various categories, including professors, lecturers, and administrative staff. However, attracting talented individuals is one thing, while retaining them and ensuring their commitment to the university is another challenge altogether. Human resources cannot be controlled like buttons; their decisions are influenced by socio-economic and emotional factors that impact their quality of work. Employee motivation is a crucial factor and a set of incentives that significantly influence the behavior and performance of individuals within the organization.

Employee empowerment and motivation are essential factors that influence employee performance. Understanding the impact of these two constructs on performance is critical for organizations seeking to create a productive and engaged workforce. Abraham Maslow's hierarchy of needs is the most well-known motivational theory. It suggests that human motivation stems from the desire to achieve goals, which allows individuals to fulfill their personal wants and needs. Maslow proposed that needs are prioritized in a hierarchical fashion, where less immediate needs must be satisfied before higher-level needs can be addressed (Maslow, 1943). The theory identifies five types of needs: physiological, safety, love and belonging, esteem, and self-actualization. These needs are activated in a specific order, with the lowest-level need requiring fulfillment before the next level is activated, and the process continues. Individuals' actions are driven by the pursuit of satisfying lower-level needs before progressing to higher-level needs. According to Maslow, understanding an individual's position within the hierarchical pyramid is crucial for motivating them. It is necessary to focus on meeting their needs at their current level in order to facilitate motivation (Robbins, 2001).

Kanter's theory of structural empowerment centers around the organizational structures rather than the individual's personal qualities (Bradbury-Jones, Sambrook, & Irvine, 2007). Kanter argues that leaders can enhance their power by sharing it with others and empowering them, leading to improved organizational performance (Fox, 1998). Additionally, Kanter suggests that providing individuals with tools, information, and support can enhance their skills, enable them to make informed decisions, and ultimately achieve more, benefiting the organization as a whole (Fox, 1998). Kanter identifies two sources of power within organizations: formal power and informal power. Formal power is associated with high-visibility roles that involve independent decision-making. On the other hand, informal power is derived from building relationships and alliances with peers and colleagues (Wagner et al., 2010).

Bernardin Russel's theory of employee performance emphasizes the multifaceted nature of performance, taking into account individual characteristics, abilities, motivation, and environmental factors. According to this theory, employee performance is influenced by several key factors.

Firstly, skill level plays a significant role in determining performance outcomes. Employees who possess the necessary skills and competencies for their roles are more likely to perform well. Organizations need to ensure that employees receive adequate training and development opportunities to enhance their skills and capabilities.

LITERATURE REVIEW

The issue of achieving maximum productivity is perpetually significant, yet it poses a challenging task. Identifying the precise factors that influence the professional performance of individuals and the outcomes they achieve relative to their salaries is no easy feat. The measurement of employee performance growth provides insights into the organization's development efficiency and dynamism. However, the question remains: how can this growth be increased? What factors contribute to its progression? According to Kanter (1977), the theory of structural empowerment serves as a valuable framework for elucidating concepts related to negative work behavior, such as employee turnover. Empowerment entails aiding individuals in enhancing their self-confidence, addressing feelings of powerlessness and helplessness, and fostering enthusiasm and intrinsic motivation to carry out tasks (Blanchard, 2003, 39). In the present day, employees seek autonomy and decision-making authority to fulfill their responsibilities, while organizations strive to boost productivity through their workforce (Quinn & Spereitzer, 1997). Empowerment is an ongoing process and its significance continues to grow. It serves as the foundation for development in today's business landscape and evolves in response to social changes, technological advancements, and the demands of a competitive environment. In the new century, the dynamics have shifted significantly, with foreign competitors being perceived as major threats. Consequently, numerous businesses operating in global markets find themselves in precarious positions. Thus, organizations now require empowered individuals who can help them thrive in competitive settings (Smith, 2000, 26). Employee empowerment leads to employees demonstrating a willingness to embrace change and adopt a proactive approach. Empowering employees fosters a sense of ownership and commitment towards the organization and its overall success.

Employee motivation refers to the level of enthusiasm, energy, dedication, and creativity demonstrated by an employee in their daily contributions to the organization. The term "motivation" originates from the Latin word "movere," which translates to "movement." As a result, various definitions found in books and dictionaries emphasize that motivation is a form of behavior that needs to be directed towards specific goals and outcomes. Motivation is defined differently by various authors based on their perspectives. Abraham Maslow's hierarchy of needs theory is widely recognized as one of the most renowned theories regarding human needs. Maslow posited that motivation arises from an individual's endeavor to satisfy five fundamental needs: physiological, safety, social, esteem, and self-actualization. Maslow suggested that these needs can generate internal drives that impact an individual's behavior. Cheng and Cheng (2012) describe motivation as the driving force that leads to subsequent actions. Gard (2001) defines motivation as the entirety of factors that propel and sustain human behavior. Hays and Hill (2001) define motivation as the desire to attain specific goals. In the context of employee work motivation, it becomes a crucial element that influences a company's success in achieving its objectives. The provision of encouragement by companies is necessary to raise awareness and foster willingness among employees to work in alignment with the company's expectations. This form of encouragement is referred to as work motivation (Ryani Dhyan Parashakti1 & Muhamad Ekhsan, 2020). According to Yeti Kuswati (2020), the decline in employee performance is often attributed to a decrease in their level of motivation. Rakes and Dunn (2010) view motivation as a process that sets an individual's needs and desires into motion.

Human resources play a crucial role in the production process. The success of an organization relies on having a well-trained, motivated, and empowered workforce. Therefore,

management must not only provide raw materials, facilities, and equipment but also focus on motivating and empowering their employees. Motivation, leadership, rewards, and training are pivotal factors for achieving success, and they are contingent upon the performance of the employees.

The employees serve as the driving force propelling the progress of a company. Consequently, it is expected that the daily performance of the workforce significantly impacts the success or failure of an organization. Enhancing employee performance is an ongoing endeavor that entails the assessment, evaluation, and strategic planning, constituting a crucial aspect in accomplishing organizational objectives. According to Al Mehrzi and Singh, performance refers to the level of success an individual achieves in carrying out tasks during a specific period, compared to established benchmarks, targets, or predetermined criteria. Similarly, Yang et al emphasize that performance is essentially the actions taken or not taken by employees. Performance management encompasses all activities aimed at enhancing the performance of a company or organization, including the performance of individuals and work groups within the company. Boxall and Purcell (2011) highlight the significance of implementing a well-defined process for evaluating employee performance, as it greatly contributes to the smooth functioning of a firm. Furthermore, Nguyen et al. (2015, p. 567) note that while numerous studies have examined the impact of various factors on employee performance, only a few have explored more than three factors simultaneously. Creating, refining, and executing performance appraisal systems require more than just blindly adopting current trends or replicating systems used by other organizations (Bernardin & Russel, 1993). Additionally, Mathis and Jackson (2002) identified several key elements of employee performance, including quantity, quality, accuracy, attendance, cooperation, and loyalty.

RESEARCH METHODOLOGY

Sampling and Data Collection

The population in this study was the employees at the Faculty of Digital Economy, TSUE, a total of 50 people. The sample size and sampling technique will be considered to ensure the representativeness of the sample while keeping the cost and time required for data collection under control. Data was carried out by surveying through the distribution of questionnaires, form December 2022 until January 2023. 45 items were measured by using a Likert scale of 1 (strongly disagree) to 5 (strongly agree)

The aim of this research is to investigate how employee empowerment and motivation affect employee performance at the Faculty of Digital Economy, Tashkent State University of Economics (TSUE). The study will focus on three variables: employee empowerment, employee motivation, and employee performance. The research method used in this study employs quantitative methods with both descriptive and statistical analysis. The study will gather information from the population and collect it directly from the source in order to understand some of the population's opinions towards the subject being studied.

The employees of the Faculty of Digital Economy were chosen to assess how empowerment and motivation affect their performance. A sample size of 50 was justified using Slovin's theory for several reasons: relevance, accessibility, sample size calculation, and practicality. Overall, the employees and the sample size provide a solid foundation for studying the impact of empowerment and motivation on their performance.

Multiple regression analysis

Multiple regression is a statistical method that predicts a dependent variable based on two or more independent variables. The dependent variable relies on the other variables, which can be obtained from a population or sample. The analysis assumes that errors follow certain criteria, such as normal distribution, independence, constant variance, and a mean of zero. This technique enables prediction by modifying one variable at a time.

The regression equation will typically take the form of: y = b0 + b1x1 + b2x2 + ... + bnxn where y is the dependent variable, b0 is the intercept or constant, b1, b2,...bn are the coefficients for each independent variable, and x1, x2, ...xn are the independent variables.

Interpret the coefficients in the regression equation to determine how much of an impact each independent variable has on the dependent variable.

F-test

The F-test is a statistical test used to compare the variances of two or more groups or to assess the overall significance of a regression model. It evaluates whether the means of the groups or the regression coefficients are significantly different from each other.

The research hypothesis for the F test claims that there is some predictive relationship between the X variables and Y in the population. Thus, Y is more than just pure randomness and must depend on at least one of the X variables. Thus, the research hypothesis claims that at least one of the regression coefficients is not zero. Note that it is not necessary for every X variable to affect Y; it is enough for there to be just one.

Hypotheses for the F Test

$H_0: \beta_1 = \beta_2 = \cdots = \beta_k = 0$

H_1: At least one of $\beta_1, \beta_2, \ldots, \beta_k \neq 0$

In the context of comparing group variances, the F-test calculates the ratio of two variances: the variance between the groups and the variance within the groups. If the ratio is sufficiently large, it suggests that the variation between the groups is significantly greater than the variation within the groups, indicating a significant difference among the groups.

T-test

A t test is a statistical method utilized to compare the means of two groups. It is commonly employed in hypothesis testing to determine whether a process or treatment has a significant impact on the target population or if there are differences between two groups.

The t test is specifically designed for comparing the means of two groups, often referred to as pairwise comparison. If you need to compare more than two groups or conduct multiple pairwise comparisons, alternative tests such as ANOVA or post-hoc tests should be employed.

The t test is categorized as a parametric test for detecting differences and shares the same assumptions as other parametric tests. These assumptions include:

Independence of data: The observations in each group are unrelated and do not influence each other.

Approximate normal distribution: The data in each group follows an approximately normal distribution, allowing for valid inference.

Homogeneity of variance: The variance within each group being compared is reasonably similar, ensuring comparable dispersion of data.

By adhering to these assumptions, the t test can be effectively used to assess differences between two groups and make informed statistical conclusions.

RESULT

The regression analysis was conducted to examine the relationship between employee empowerment, employee motivation, and employee performance. The regression equation derived from the data is as follows:

Employee performance = -8.445 + 0.764(Employee empowerment) + 0.855(Employee motivation)

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	Employee motivation, Employee empowerment[b]	.	Enter

a. Dependent Variable: Employee performance

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,791[a]	,626	,610	4,90552

a. Predictors: (Constant), Employee motivation, Employee empowerment

The interpretation of the regression analysis reveals valuable insights. The R-square value of 0.626 indicates that approximately 62.6% of the variation in employee performance can be explained by the linear relationship with employee empowerment and employee motivation. This suggests that these two factors together have a substantial impact on employee performance. The adjusted R-square value of 0.61 further supports the notion that the regression model is a good fit for the data, considering the number of predictors and the sample size.

The standard error of the estimate, which is 4.90552, indicates the accuracy of the predicted values. It implies that the predicted values are expected to be within +/- 4.91 units of the actual value. This provides a measure of the precision of the regression model's predictions.

To further explore the influence of employee empowerment and employee motivation on employee performance, additional statistical tests were conducted.

ANOVA[a]

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1892,985	2	946,492	39,332	,000[b]
	Residual	1131,015	47	24,064		
	Total	3024,000	49			

a. Dependent Variable: Employee performance

b. Predictors: (Constant), Employee motivation, Employee empowerment

The F-test for simultaneous influence from employee empowerment and employee motivation to employee performance resulted in an F-statistic of 39.332 with a p-value of 0.000. This indicates that the regression model is significant, suggesting that at least one of the predictors (employee empowerment or motivation) has a statistically significant effect on employee performance.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-8,445	7,811		-1,081	,285
	Employee empowerment	,764	,191	,422	3,994	,000
	Employee motivation	,855	,188	,481	4,554	,000

a. Dependent Variable: Employee performance

Moreover, the t-tests for partial influence were performed to assess the individual impact of each predictor. Both employee empowerment and employee motivation yielded p-values of 0.000, indicating that both predictors have a significant effect on employee performance. The coefficient of employee empowerment (0.764) suggests that a one-unit increase in employee empowerment is associated with a 0.764 unit increase in employee performance, holding other variables constant. Similarly, a one-unit increase in employee motivation is associated with a 0.855 unit increase in employee performance, holding other variables constant.

DISCUSSION

The regression analysis conducted on the data from the Faculty of Digital Economy at TSUE provides valuable insights into the effects of employee motivation and empowerment on employee performance. The regression equation derived from the data reveals that employee performance is influenced by both employee empowerment and employee motivation, as represented by the coefficients of 0.764 and 0.855, respectively.

The interpretation of the regression analysis shows that approximately 62.6% of the variation in employee performance can be explained by the linear relationship with employee empowerment and employee motivation. This indicates a strong association between these factors and employee performance. Furthermore, the adjusted R-square value of 0.61 suggests that the regression model is a good fit for the data, considering the number of predictors and the sample size.

The results of the t-tests indicate that both employee empowerment and employee motivation have a significant effect on employee performance, as indicated by the p-values of 0.000. This implies that increasing levels of employee empowerment and motivation are likely to lead to improved employee performance at the Faculty of Digital Economy. The coefficients associated with these predictors further support this notion, indicating that a one-unit increase in

employee empowerment is associated with a 0.764 unit increase in employee performance, while a one-unit increase in employee motivation is associated with a 0.855 unit increase in employee performance.

Based on these findings, it is evident that employee motivation and empowerment play crucial roles in influencing employee performance at the Faculty of Digital Economy. The results suggest that fostering an environment that promotes and enhances employee motivation and empowerment can lead to improved performance outcomes.

To maximize employee performance, the faculty should consider implementing strategies to enhance employee empowerment and motivation. This could involve providing opportunities for skill development, offering recognition and rewards for accomplishments, promoting a supportive and inclusive work environment, and ensuring effective communication and feedback channels. Additionally, regular assessments of employee motivation and empowerment levels can help identify areas for improvement and guide targeted interventions.

It is also important for management to provide the necessary resources and support to enable employees to feel empowered and motivated in their roles. This could include providing access to training and development programs, ensuring clear career progression pathways, and fostering a culture of autonomy and trust.

Furthermore, ongoing evaluation and monitoring of the impact of these initiatives on employee performance is crucial. This could involve conducting regular performance reviews, gathering feedback from employees, and tracking key performance indicators related to motivation, empowerment, and overall performance.

CONCLUSION AND RECOMMENDATIONS
Conclusion

In conclusion, the analysis demonstrates that employee motivation and empowerment have significant effects on employee performance at the Faculty of Digital Economy. By prioritizing and investing in initiatives that enhance these factors, the faculty can create a positive work environment that fosters improved performance outcomes. However, it is important to tailor these strategies to the specific needs and context of the faculty, considering its unique culture, values, and objectives. Continuous evaluation and adaptation of these strategies will contribute to long-term success in enhancing employee performance at the Faculty of Digital Economy at TSUE.

Therefore, based on the findings, it can be concluded that fostering a work environment that enhances employee motivation and empowerment at the Faculty of Digital Economy can lead to improved employee performance. This could be achieved through various strategies such as providing opportunities for skill development, recognizing and rewarding achievements, promoting a supportive and inclusive culture, and establishing effective communication channels.

To maximize the effect of employee motivation and empowerment, it is recommended that the faculty regularly assesses and monitors these factors, identifying areas for improvement and implementing targeted interventions. By investing in resources and support to facilitate employee empowerment and motivation, the faculty can create an environment that promotes higher performance outcomes.

However, it is important to recognize that individual factors and contextual variables may influence the relationship between motivation, empowerment, and performance. Therefore,

ongoing evaluation and customization of strategies based on the unique characteristics of the Faculty of Digital Economy at TSUE are crucial for sustained success.

Overall, understanding and nurturing the link between employee motivation, empowerment, and performance is essential for the Faculty of Digital Economy to enhance the productivity and success of its employees. By prioritizing and investing in these areas, the faculty can create a positive and thriving work environment that drives excellence and achievement.

Recommendations

Based on the analysis of the data regarding the effect of employee motivation and empowerment on employee performance at the Faculty of Digital Economy at TSUE, the following recommendations can be made to enhance employee motivation and empowerment and ultimately improve employee performance:

Establish Clear Goals and Expectations: Clearly define performance goals and communicate them to employees. Ensure that they have a clear understanding of their roles and responsibilities, as well as the expectations for their performance. This clarity will enable employees to align their efforts with organizational objectives and feel motivated to achieve them.

Provide Training and Development Opportunities: Invest in employee training and development programs that enhance their skills, knowledge, and competencies. By offering continuous learning opportunities, employees will feel empowered to take on new challenges and contribute more effectively to their roles. This will also demonstrate the organization's commitment to their growth and development, increasing their motivation to perform at a higher level.

Encourage Employee Autonomy and Decision-Making: Empower employees by delegating decision-making authority whenever possible. Provide them with the autonomy to make decisions related to their work and encourage them to take ownership of their projects. This autonomy will foster a sense of empowerment and enable employees to utilize their skills and expertise, leading to improved performance and job satisfaction.

Recognize and Reward Achievement: Implement a system of recognition and rewards to acknowledge and appreciate employees' achievements and contributions. This can include both monetary and non-monetary incentives such as bonuses, public recognition, or opportunities for career advancement. Recognizing and rewarding employees for their hard work and accomplishments will not only boost their motivation but also reinforce a culture of empowerment and performance excellence.

Support a Healthy Work-Life Balance: Promote work-life balance by offering flexible work arrangements, such as remote work options or flexible scheduling. Encourage employees to prioritize self-care and provide resources for managing stress and maintaining well-being. A healthy work-life balance fosters employee motivation and empowerment by allowing them to recharge and bring their best selves to work.

By implementing these recommendations, the Faculty of Digital Economy at TSUE can create a conducive environment that enhances employee motivation and empowerment, leading to improved employee performance. Regularly evaluating the effectiveness of these initiatives and adapting them to the evolving needs of employees will ensure sustainable success and a positive work culture.

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