Budapest University of Technology and Economics

Faculty of Economic and Social Sciences

ON THE WAY TOWARD EMPOWERMENT

The Research of Applicability of Empowerment
in Hungarian Business Culture

PhD Thesis Summary

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1. AIMS OF RESEARCH

My doctoral research was designed to examine which elements of culture support and which obstruct the applicability of empowerment in domestic business culture. I have also set it as a further goal to draw such conclusions from the results of the research that provide useful knowledge for executives on how to successfully apply the delegation of decision-making in their organisation.

I have reviewed national and international literature preceding primary researches. I have discovered and presented in my dissertation those relevant theses that define thinking about empowerment in management science. As the results of my secondary researches I have found that I will not base my primary analyses on one single literature theory, but by synthesising known approaches I will build a model which contains every factor of empowerment defined and emphasised in literature.

During my secondary researches I have found myself facing a new element several times which appeared in an explicit way in theories, but researchers often mentioned it in reference with the other four factors. This element is networking. This way I have established my empowerment model from the following five factors: mutual trust, the free flow of information, taking responsibility, value harmonisation and networking.

I have devoted a separate part to the results of national business culture in my dissertation with the intention to formulate a preliminary hypothesis concerning the expected outcome of my primary research.

I have built the survey of the applicability of empowerment on the five-factor empowerment model. I have chosen online questionnaire as the mean of my examinations. Two enterprises got involved into the research. I have evaluated 324 questionnaires during analyses. I have processed data by statistical means.

I have built and proved the theses of my research in regard to the empowerment model, the research methodology and the studied companies.

The significance and timeliness of researching empowerment is supported by several facts. I confirm topicality with the following statements on the basis of literature and competitiveness studies particularly.

1. Management's willingness to delegate authority is a decisive factor of the competitiveness of national economy.
2. Another decisive factor of the competitiveness of national economy is the reliance on professional management.
3. The credibility of managers, corporate values, and entrepreneurship affect the potential of national economy to leave the crisis and increase competitiveness.
4. Innovation closely related to empowerment is a critical factor of economic growth.
5. The rate of highly qualified and white collar workers is continuously increasing in Hungarian national economy.

The needs and attitudes of employees change as the level of education increases. Graduated workers seek broad autonomy. They expect challenging tasks from their managers, and to be able to control their own careers as well as influence decisions concerning the

organisation. Managers need to put aside their traditional paradigms and learn modern managing skills and tools instead, in order to meet new expectations of employees and to achieve that highly qualified employees act in favour of the organisation. Empowerment is one of these managing tools, which can be effectively utilised to satisfy employees' changing needs and to encourage them to perform.

2. MODEL OF EMPOWERMENT

In order to study the applicability of empowerment I created a five-factor empowerment model as a result of my researches in literature on the basis of which I started my primary research. I defined factors establishing the empowerment model the following way:

1. *Mutual trust*
2. *Free flow of information*
3. *Willingness to take responsibility*
4. *Value harmonisation*
5. *Networking*

I illustrated the five factors of empowerment model on Figure 1. The illustration represents a holistic approach, according to which empowerment becomes effectively applicable by the simultaneous and unified presence of elements.
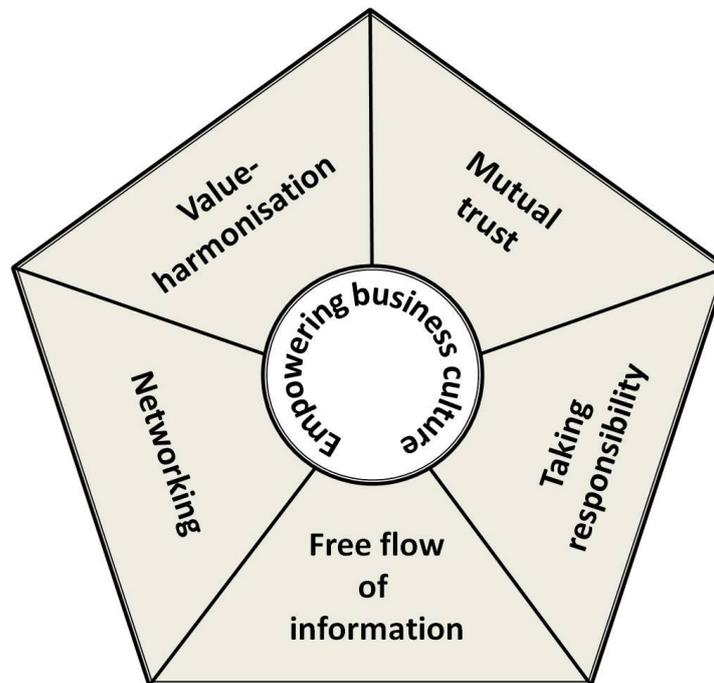

Figure 1: Model of Empowerment

Mutual trust

Empowerment is non-functional without creating the atmosphere of mutual trust. It has to be built between the empowerer and the empowered. The empowerer must trust the problem-solving and decision-making competence of the empowered, while the empowered must believe in the empowerer's managing skills and motivation.

Self-confidence also plays a key role in the effective delegation of decisions besides the mutual trust of participants in empowerment. With the lack of self-confidence empowerment causes frustration for both the empowerer and the empowered.

Free flow of information

The co-existence of several factors makes the free flow of information possible within empowerment. Above all, managers must be willing to deliver information. Second of all, if managers' attitude for giving information is supportive, it is essential that regulation, systems as well as formal and informal networks promote the free flow of information.

Willingness to take responsibility

Empowerment requires higher than average level of responsibility with different content from the empowerer and the empowered. The empowerer delegates not only the right for individual problem-solving and decision-making to the empowered, but also responsibility that accompanies them.

The delegation of responsibility does not mean that the empowerer entirely exempts taking responsibility. The empowerer's new type of responsibility aims at selecting the empowered and the delegated problem, and defining the level of the delegated responsibility.

Value harmonisation

I define value harmonisation as the phenomenon when the individual and the organisation are able to accept each other's value systems and tolerate differences in values. Value harmonisation does not require matching values of the individual and the organisation point by point. If the objectives of the organisation become available by the achievement of the values, norms and goals of the individual, their value systems become harmonious.

Networking

Networks consist of elements as well as strong and weak relations that connect them. I define the evolvement and development of formal and informal networks as networking. In regard to the spread of information in hierarchical structures, networks provide the flow of knowledge and information inside alternative channels, between organisations and coming from outside. Knowledge and information without informal network relations even despite the noblest intentions stops at the borders of silos.

Empowerment in modern organisations aims at making such complex business decisions which require the representatives of several functions to cooperate. Co-workers to be involved in decisions are more likely to find each other more quickly in the organisation, if there are more weak relations connecting them to experts in other business units and to employees of outside companies.

3. METHODS OF RESEARCH

I have carried out the empirical examination of the applicability of empowerment during my doctoral research by involving two companies. The participants of the survey were employees of companies where the notion of empowerment is no stranger to leaders and experts, moreover, the willingness to delegate decision-making competence to employees appears in the operation of the organisation.

I have made an online questionnaire to survey the five-factor model of empowerment. I studied four out of five factors – mutual trust, willingness to take responsibility, free flow of information and networking – in the form of statements. I have created a 5-grade Likert-scale next to the statements, so respondents indicated how valid the statements they think to be along this scale.

I accomplished mapping organisational values concerning the fifth research model, value harmonisation, according to their frequency of appearance on a 7-grade Likert-scale. In the case of individual values, respondents had to rank values directly depending on how significant they are considered to be in terms of their job. I have used statistics to evaluate questionnaires.

In regard to the companies studied, I have involved two in my survey. Each of the examined companies is multinational, employing over a thousand people. One of them is a financial company, while the other represents the industrial sector. I identify the financial institution as *company "A"* and the industrial one as *company "B"* in my dissertation.

300 people have filled out the questionnaire at company "A" and 187 employees at company "B". In the case of company "A" 71% (214 pieces) of electronically filled-out questionnaires were good for evaluation, and 59% (110 pieces) in company "B".

According to the research sample distribution 86% of employees at company "A" are graduates from tertiary education. The majority of respondents are executives concerning their position. The rate of non-executive employees is 13% in the sample. Distribution according to age is 5-5% in the case of 25-30 and over 60 year-olds. 51-55 year-olds are in the research sample in the highest rate – more than one-fifth of all respondents.

On the basis of sample distribution, 82% of respondents have a diploma at company "B". Most of the people who have filled out the questionnaire are not executives. The rate of non-executives is 75% in the sample. Distribution according to age is under 10% of 25-30 year-olds, 56-60 and over 60 year-olds. In the highest rate – more than one-third – employees between 51-55 years old are present among respondents.

4. THESIS POINTS

I have built the theses of my dissertation on literature examinations aiming at the factors of the applicability of empowerment, and based on the results of the primary research. My theses target the empowerment model, the method of the research, and case studies discovered during the research.

4.1 THESIS 1

T1: Empowerment models applied in literature has to be completed with the independent factor of networking.
Publications: Ando (2011), Ando (2008c)

Examining the role of networks in the operation of companies, their relation with the flow of information is the most obvious. The informal relation system of organisations provides an alternative channel to share information. However, networks' functions of creating new knowledge and innovation have become accentuated as information technology developed.

Empowerment and creating knowledge are closely related to each other. The aim of empowerment is to solve such novel and complex problems to which no answer is available in the given moment, in the given organisation. It is necessary to create new knowledge in order that the solution of unknown and complex problems requiring the application of empowerment becomes possible.

Those experts are able to create new knowledge who see the certain problem with dissimilar skills and approach. These co-workers, who work in different organisational units of the company, are connected by networks. Networks make it possible for experts of remote organisations to find each other, and to produce new knowledge that solves unknown problems of empowerment by sharing their ideas and experiences. Consequently, the establishment and development of networks, which is called networking, is a principle of empowerment like mutual trust, the free flow of information, the willingness to delegate or take responsibility and value harmonisation.

The operation of informal networks is in close relation with empowerment besides sharing information and knowledge concerning trust. In order that an expert is willing to invest their "tacit" knowledge into solving a certain problem they must trust their partners' competence. Trust being formed during cooperation promotes the evolvement, development and subsistence of informal networks' weak links. Broad networks and further collaboration strengthen trust between experts, thus increasing the applicability of empowerment.

I have proved the independence of the networking factor by the means of factor analysis during primary researches. I have supported the presence of the networking factor in the empowerment model and its justification by correlation analyses revealing its connection with further factors.

- In the questionnaire factor analysis has put statements regarding the networking factor into a separate group, as my original intention was. The fact that statements about the networking factor has appeared as a separate factor rather than connected to other factors proves that the networking factor is independent from the other factors of the empowerment model.
- By examining the correlation coefficients of statements within the networking factor between each other in the questionnaire, it has become clear that statements are organised into two separate groups. In accordance with the original intention three statements are in connection with weak relations, while one with strong ones. Consequently, results of the research support not only the independence of networking, but its internal, content validity as well.
- The independence of the networking factor alone does not justify its inclusion to the empowerment model. However, analysing correlation coefficients among the statements about the factors of the empowerment model in the questionnaire it can be established that the networking factor is positive and on $p = 0.05$ level it is significantly in connection with other factors of the empowerment model, particularly with mutual trust and the free flow of information. The close relationship between the networking factor and other factors of the empowerment model proves that the new factor really influences the applicability of empowerment; therefore its presence in the model is justified.

4.2 THESIS 2

T2: The role of weak relations is primary to strong ones in empowerment concerning the networking factor.

Publications: Ando (2011)

Strong and weak relations connect the elements of networks. Strong relations are defined by hierarchy and structure regarding the operation of organisations. Therefore, strong relations are formal. Horizontally, there is strong relation among the co-workers in a given organisational unit, while the same co-workers are in weak relations with other organisations' employees. Vertically, there is strong relation between the executive and their employee, while the same executive has weak relation to a co-worker working on a level lower than the direct one. Contrary to hierarchical relationships weak relations are informal.

The role of weak relations is primary in empowerment. The road to solving unknown and complex problems of empowerment leads through creating and sharing new knowledge. For new knowledge, a new idea to be born the different approaches of remote experts as well as their dissimilar knowledge and experiences are required. Those, co-workers connected with strong relations, who work on the same tasks, take part in the same meetings, and develop their skills on the same trainings have almost the same knowledge. On the basis of the same knowledge, new one is not characteristically achieved.

Networks and weak relations within promote the application of empowerment by creating a possibility for experts working in different organisational units to find each other and share

their specific knowledge. Connecting representatives of different disciplines is a very important element of empowerment, since new knowledge essential for solving unknown problems cannot be established without their approach and knowledge different from each other.

I have examined the connection between the networking factor and the other factors of the empowerment model to prove thesis 2. I have analysed the existence, direction and strength of relations with the help of correlation coefficients supplemented by tests of independence. I have studied the correlation between values on organisational level, too, besides statements concerning the factors of the empowerment model.

- To study the features of strong and weak relations independently from each other, first I have to justify that statements about them in the questionnaire are separated from one another within the networking factor. Correlation coefficient analyses mentioned in regard to thesis 1 clearly prove that statements within the networking factor are organised into two separate groups. In accordance with the original intention three statements are in connection with weak relations, while one with strong ones. Therefore, it has become possible to examine the characteristics of weak and strong relations separately.

- The correlation coefficient analysis in regard to the networking factor has shown that both strong and weak relations are positive and on $p = 0.05$ level they are significantly connected to information and knowledge sharing. The value of correlation coefficients in the case of weak relations is nearly twice as much $r = [0.2; 0.26]$ as values counted in the case of strong relations $r = [0.11; 0.15]$. The result above indicates that the factor of the free flow of information is in closer interaction with networks' weak relations than strong ones.

- Concerning the mutual trust factor, correlation and independence tests proved positive and significant correlation in terms of weak relations of networking ($r = [0.16; 0.24]$, $p = 0.05$). Consequently, the level of trust in corporate culture is affected primarily by weak relations beyond strong ones.

- On the basis of analysing correlation coefficients, connection is significant only between the willingness to take responsibility and statements regarding weak relations of the networking factor ($r = [0.21; 0.34]$, $p = 0.05$). According to the result above the more characteristic the cooperation of experts working in different organisational units is to the operation of the company, and the subsistence of relationships established during projects after the projects are closed, the more willing employees are to make decisions on higher than average responsibility level.

- The analysis of correlation coefficients among values of organisational level have resulted in a higher correlation coefficient between cooperation and sharing knowledge ($r = 0.66$, $p = 0.05$) than in the case of cooperation and flow of information ($r = 0.56$, $p = 0.05$). The close relationship between cooperation and sharing knowledge suggests that networks being in connection with cooperation have a more characteristic role in sharing knowledge than in the flow of information. Since cooperation within the examination of organisational values does not split into cooperation within the organisation and between organisations, the prominent role of weak relations in sharing knowledge, and through it in empowerment is not directly evident. However, the above result of the research

supports the emphasised role of sharing knowledge within networks, contributing to the justification of both theses 1 and thesis 2.

4.3 THESIS 3

T3: The questionnaire based on the empowerment model is valid and reliable, that is to say is a proper tool for researching the applicability of empowerment.
Publications: Ando (2011), Ando (2009b)

I have tried to answer two questions while justifying thesis 3. I have studied during the examination of validity whether statements in the questionnaire refer to empowerment factors according to the original intention. I have chosen the mean of factor analysis to justify the validity of the questionnaire, supplementing with the study of correlation coefficients between intra-factor elements.

While proving the validity of the questionnaire I have examined whether the results of the research are consistent with the characteristics of corporate cultures presumed prior to the survey. I have studies the latter presumption partly by analysing the results of the research thoroughly and partly by comparing the expected value of two independent samples of hypothesis tests. Table 1 shows the results of factor analysis.

Table 1: Factor analysis

	Factor 1	Factor 2	Factor 3	Factor 4
Question 4	0,092702	*0,748069*	-0,027312	0,328802
Question 5	0,220363	*0,647588*	0,057502	0,186667
Question 6	0,224370	0,165151	-0,066398	*0,723363*
Question 7	0,379306	0,134229	0,000734	*0,681207*
Question 8	*0,613290*	0,199303	0,118684	0,217326
Question 9	*0,784184*	0,027777	-0,024788	-0,011182
Question 10	*0,711636*	0,154594	0,051750	0,236688
Question 11	*0,683636*	-0,045977	-0,026136	0,133796
Question 12	*0,611450*	-0,028986	-0,083415	-0,151618
Question 13	*0,682746*	0,089994	0,103561	0,175455
Question 14	0,415314	-0,003337	*0,713777*	0,105729
Question 15	0,229981	*0,539384*	-0,142586	-0,410077
Question 16	-0,160936	*0,566669*	0,352106	-0,052739
Question 17	-0,110481	0,115060	*0,834531*	-0,093155
Expl. Var	3,319718	1,725013	1,394435	1,496103
Prp. Totl	0,237123	0,123215	0,099602	0,106865

- Factor analysis and correlation analysis results clearly support the classification of statements in the questionnaire among empowerment factors based on the original intent. *Factor 1* combines the factors of mutual trust and the free flow of information, the close interaction of which is indicated by their appearance in the same factor, while correlation tests prove their separation as well. *Factor 2* can be identified as the factor of networking,

within which statements about strong and weak relations become separated based on correlation coefficients. *Factor 3* and *Factor 4* can be explained as the elements of taking responsibility, separating statements according to factors aiming at delegating and taking responsibility. The above results of factor analysis clearly prove that the research method built on the empowerment model is valid for studying the applicability of empowerment.

- As the starting point of the hypothesis examination I have concluded – by the qualitative analysis of the features of the companies included in the research – that the corporate culture of both companies is practically the same concerning the factors of the empowerment model. The z-test in reference to large samples in Table 2 confirmed that differences in the culture-evaluation of companies concerning statements in the questionnaire (13 out of 17 statements), and the majority of corporate values (7 out of 10 values) can be known to coincidence, that is to say they are not significant on $p = 0.05$ level. Results of statistic examinations support that studied corporate cultures are identical from the aspect of the applicability of empowerment, justifying the reliability of the questionnaire.

- The Kendall's ranking examination of the value harmonisation factor has shown that the organisational-level values of companies included in the research are identical, confirming corporate cultures' agreement and consequently the accountability of the questionnaire.

4.4 THESIS 4

T4: The corporate culture of companies examined within the research partly supports the applicability of empowerment.

Publications: Ando (2009a), Ando (2009b), Andó (2008a), Ando (2008b), Ando (2008c), Ando (2007a), Ando (2007b), Ando (2007c)

T4a: The willingness to take responsibility is stronger than the willingness to delegate it.

T4b: Mutual trust and power between executives and employees is almost on the same level in staff management.

T4c: Executives' willingness to share knowledge and information is almost on the same level, as the regulation and systems support it.

T4d: Strong relations are more characteristic than weak ones.

T4e: Organisational-level and individual-level values are not necessarily harmonious with one another.

I have justified the statement in thesis 4 by those sub-theses (from T4a to T4e) which I established on the basis of corporate cultures' characteristics having mapped during my research. I have proven sub-theses primarily through the empowerment culture profile of companies. I have analysed with the means of statistics the valuation of statements regarding the 4 factors of empowerment – mutual trust, free flow of information, taking responsibility and networking – in other words the figures indicated on a Likert-scale by respondents. I have displayed arithmetic means belonging to certain statements on diagrams.

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Statements shown with their numbers in the questionnaire are along the horizontal axis of diagrams. I have classified statements according to the factors of the empowerment model. The vertical axis shows the arithmetic mean of ratings given to statements by respondents participating in the survey.

I have joint discrete points of the diagram with dashed and dotted lines in order that the relationship between certain factors and statements within them can be visually interpreted. Since diagrams display non-continuous functions, I have intentionally used non-continuous lines. In my dissertation I identified discrete points belonging to statements in the questionnaire and the lines connecting them as *empowerment culture profile*. Figure 2 shows the empowerment culture profile of Company "A" and company "B".
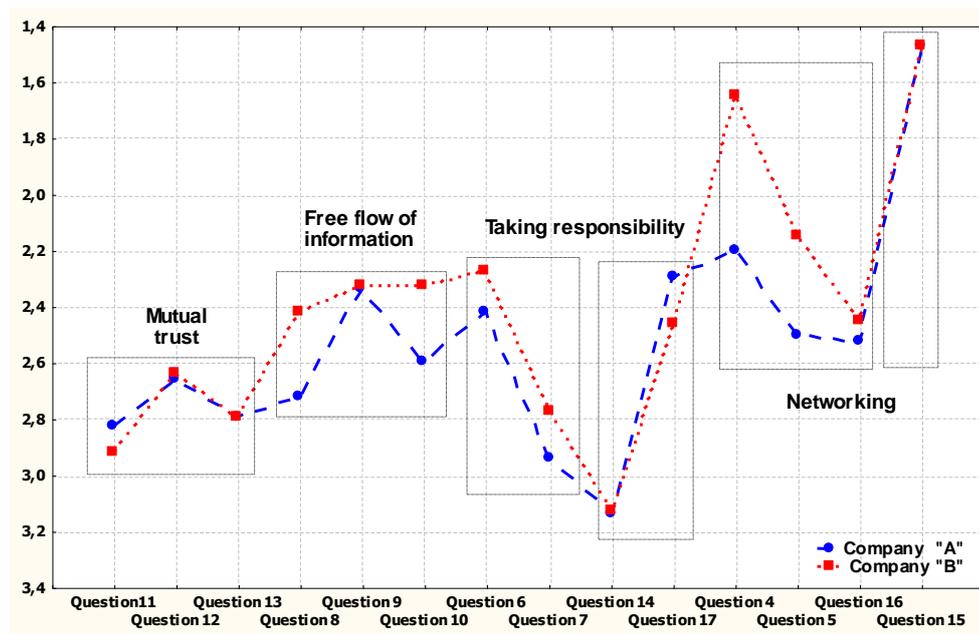

Figure 2: Empowerment culture profiles

T4a: The willingness to take responsibility is stronger than the willingness to delegate it.

Empowerment requires both the empowerer and the empowered to take unusual responsibility. The level and content of responsibility changes in the case of the empowered, since responsibility aims at solving new problems and making risky decisions. On the one hand the empowerer delegates the responsibility of problem-solving and the decision connected to it to the empowered, and on the other hand he becomes responsible for empowerment itself, for selecting the empowered and marking the boundaries of empowerment.

Empowerment becomes applicable when the empowered is willing to take higher-level responsibility, and the empowered is ready to delegate responsibility and to accept the responsibility of empowerment.

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- According to empowerment culture profiles employees at the studied companies are willing to take higher than average level of responsibility in most cases, even though means of motivation only partly encourage them to this attitude.
- Empowerment culture profiles show that project leaders partly have the same decision competence that leaders in hierarchy have, which indicates that whether executives formally delegate decision competence to their employees or not, they practically keep their decision –making privilege partly or entirely.
- The distance between the willingness to take and delegate responsibility is strong, $\Delta = 0.64$ in the case of company "A".
- The study of operation capability of empowerment, which measures how ready executives are to delegate competence, how competent experts are to make decisions, and on which level empowerment operates, it can be seen that the readiness of executives to delegate decision competence is only party typical, and is obviously on a lower level than the suitability of experts to make individual decisions.
- According to the indicators of the *Global Competitiveness Index* (GCI) of the *World Economic Forum* (WEF) Hungary was the 115. in 2009 and 108. in 2010 out of 133 countries from the viewpoint of the willingness to delegate decision-making competence.

T4b: Mutual trust and power between executives and employees is almost on the same level in staff management.

Trust and power are not mutually exclusive features of corporate cultures. There are activities and /or situations in every organisation in which the role of trust becomes primary, and there are situations when using the means of power leads to results, too.

Solving the unknown and complex problems of empowerment does not happen on command. Experts are willing to share their unique and specific knowledge with executives and co-workers exclusively in the atmosphere of mutual trust. It is necessary for the development of trust that values in executives' words are consistent with their acts. Furthermore, it is also important that unintentional, unpredictable faults committed during solving new problems are not sanctioned, but serve the growth of knowledge. Empowerment becomes operational in such organisations and organisational units where trust is stronger than power in the relationship between leaders and employees.

- Empowerment culture profiles show that trust between executives and employees in staff managements does not have a more important role than power concerning the studied companies.
- In accordance with empowerment culture profiles respondents claim that it is partly the characteristic of organisations that values announced and being present in actions are consistent with each other.
- On the basis of empowerment culture profiles learning from flaws is not more typical for surveyed companies than sanctioning flaws.
- According to the indicators of the *Global Competitiveness Index* (GCI) of the *World Economic Forum* (WEF) Hungary was the 85. in 2009 and 67. in 2010 out of 133 countries from the viewpoint of mutual trust put into professional management.

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- A survey called Stress Test carried out by IMD (*International Institute for Management Development*) rated Hungary as the 55. out of 57 countries from the aspect of managers' credibility.

T4c: Executives' willingness to share knowledge and information is almost on the same level, as the regulation and systems support it.

The availability of information and knowledge is an essential condition for the applicability of empowerment. Nowadays, advanced tools of information technology support knowledge and information sharing. Infrastructure, which allows employees to have the necessary and sufficient knowledge to execute their tasks, is available for every company. Therefore, executive attitude came into the focus of the free flow of information, instead of systems, since no information technology application is capable of flowing knowledge and information, if executive intention and willingness to share is not behind it.

- The support of information sharing by regulation and the systems is the least characteristic feature of the surveyed companies concerning the factor of the free flow of information on the basis of empowerment culture profiles.
- Empowerment culture profiles show that systems and regulation support the sharing of knowledge on a higher level than the sharing of information in both companies.
- According to empowerment culture profiles the support of knowledge sharing at company "B" by systems and regulation is on the same level as the willingness of executives to share information.
- Based on empowerment culture profiles in the case of company "A" respondents considered executive competence to share information more characteristic than its support by systems and regulation.

T4d: Strong relations are more characteristic than weak ones.

Thesis 2 proved that networks' weak relations influence the applicability of empowerment. Experts in empowerment find each other through weak relations, and share their unique and specific knowledge with one another, which is the key of solving novel and complex problems.

In the studied companies, projects through organisations provide an obvious opportunity for weak relations to evolve. Following the development of weak relations, their long-term subsistence helps the creation of networks through which it becomes possible to share new knowledge and confirm mutual trust.

Empowerment can be successfully applied in organisations where executives start cross-functional projects to consciously initiate and support with executive tools the evolvement and development of weak relations of networks.

- Concerning the networking factor, empowerment culture profiles have shown that companies' least characteristic feature is cooperation with other organisations' employees.

- According to empowerment culture profiles it is the characteristic of both companies' operation that they launch projects through organisations annually, which creates opportunity to form weak relations.
- Although the possibility of building weak relation is given, empowerment culture profiles indicate that professional relationships resulting from projects only partly live on after finishing projects.
- Starting cross-functional projects is more characteristic to both companies than the subsistence of weak relations evolved in projects after completing them.
- On the basis of empowerment culture profiles, the operation of strong relations, so cooperation with direct colleagues is an entirely characteristic feature of both companies.
- In accordance with empowerment culture profiles the numerical difference between weak and strong relations is the biggest of all characteristic features, $\Delta = 1$ unit.

T4e: Organisational-level and individual-level values are not necessarily harmonious with one another.

An organisation becomes able to empower if executives develop cultures in which individuals' values are harmonious with values of the organisation. Since empowerment aims at solving unknown problems and making new decisions no such models exist along which the empowerer can control the intuitive professional actions of the empowered. In empowerment common objectives and norms of the empowerer and the empowered makes the goodness of decisions probable, not control. Empowerment cannot be successfully applied in a corporate culture where the values of the individual and the organisation are not harmonious with one another.

- Kendall's rank concordance test done regarding the factor of value harmonisation has not shown significant relationship between organisational-level and individual-level value systems on $p = 0.05$ level in the case of neither of the companies.
- In the case of both companies values of the highest priority in individual-level value ranking, such as mutual trust, open and honest communication, and the free flow of information are on the lowest positions in the organisational-level value system.
- Result-orientation is the most characteristic feature of corporate culture, in the value system desirable for individuals it is the 5. out of 10 examined values.
- The last element of organisational-level values, performance recognition is the 6. among individual-level values.
- According to empowerment culture profiles of companies it is the characteristic of both corporates that announced values and values in actions are only partly harmonious with each other.

Tables 2 and 3 display the organisational-level and individual-level value systems of the companies involved in the research.

Table 2: Organisational-level and individual-level value systems in company „A"

Organisational-level value system			Individual-level value system
Result-orientation	1	1-2	Mutual trust
Cooperation	2	1-2	Honest communication
Mutual trust	3	3-4	Cooperation
Involvement into decision	4	3-4	Free flow of information
Creativity in problem-solving	5	5-6-7	Result-orientation
Knowledge sharing	6	5-6-7	Recognition for performance
Development of competencies	7	5-6-7	Involvement into decision
Free flow of information	8	8-9	Creativity in problem-solving
Honest communication	9	8-9	Knowledge sharing
Recognition for performance	10	10	Development of competencies

Table 3: Organisational-level and individual-level value systems in company „B"

Organisational-level value system			Individual-level value system
Result-orientation	1	1	Mutual trust
Cooperation	2	2-3	Free flow of information
Creativity in problem-solving	3	2-3	Cooperation
Development of competencies	4	4-5	Honest communication
Involvement into decision	5	4-5	Result-orientation
Mutual trust	6	6-7	Recognition for performance
Knowledge sharing	7	6-7	Involvement into decision
Free flow of information	8	8-9-10	Creativity in problem-solving
Honest communication	9	8-9-10	Knowledge sharing
Recognition for performance	10	8-9-10	Development of competencies

The following research results prove the validity of thesis 4 in summary.

- Employees' willingness to take responsibility is stronger than executives' willingness to delegate decision-making. The willingness to take responsibility characterises corporate culture in almost the majority of cases, while the willingness to delegate responsibility only partly.
- In staff management trust between executives and employees is not a more characteristic feature than the application of means of power. Mutual trust appears partly in the culture of companies involved in the research.
- Executives support information and knowledge sharing almost on the same level as systems and regulation. Leaders' attitude towards sharing information and knowledge partly characterises the corporate culture of the two companies.
- Strong relations among direct colleagues are more characteristic than in the case of weak relations promoting the applicability of empowerment. Strong relations entirely appear in

the operation of both companies, while weak relations appear less than in the majority of cases.

- According to the results of analyses aiming at value harmonisation individual-level values are not harmonious with one another. The difference between organisational-level and individual-level value hierarchies is proved by qualitative and quantitative analyses as well.

On the basis of the above results I accept thesis 4, according to which the corporate culture of companies involved in the research partly support the applicability of empowerment.

5. USE OF RESEARCH RESULTS

The results of the research offer several possibilities for practical usability for executives. Firstly, an empower model was born that – by synthesising literature theses and approaches – includes those elements of culture which affect the applicability of empowerment. Furthermore, a questionnaire was made based on the model which during tests was proved to be appropriate for examining the applicability of empowerment and drawing conclusions from the results of analyses.

Nevertheless, the developed research methodology is also suitable to discover the culture evaluation of groups of employees based on different categories, besides giving information about the whole culture of the organisation. Interests and value priorities of certain groups of employees can be seen, which serve as a starting point in defining culture development directions and methods, based on the results of the research.

Factors defined in the empowerment model are relevant not only from the aspect of decision-making. The prevalence of mutual trust, the free flow of information or networking influences the effectiveness of the organisation from several aspects of operation. Consequently, the research methodology introduced in this dissertation can be applied not only in connection with empowerment, but in every case when executives wish to form corporate culture.

The research on the applicability of empowerment in domestic business culture forecasts new directions.

- The results of analyses have shown that the nature of the studied companies' culture from the viewpoint of the applicability of empowerment does not differ from each other. It is worth including such companies into future surveys whose corporate culture presumably differs from the currently examined companies' culture. These can be companies primarily engaged in research-development, or companies in the public sector, public institutions. By involving them in research it becomes explorable how different cultures help and obstruct the applicability of empowerment. Furthermore, as the result of new researches best practices which positively influence the effectiveness of empowerment can be discovered and shared.

- It is worth designing the samples of future researches that they provide an opportunity to parameter the organisational affiliation of respondents and executive levels. This way it can be surveyed how the functionality of business units and the position of leaders in corporate hierarchy affect the applicability of empowerment.

- The development of the questionnaire is also a further research direction. It should be changed in a way that, regardless of organisational type – business or public sector, enterprise or SME, producing, servicing or researching – it can be suitable for surveying the culture of every corporation.

6. PUBLICATIONS ABOUT THESIS POINTS

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4. Andó, I. (2008a)**:** Úton a felhatalmazás felé. CEO Magazin, IX. évfolyam, 4. szám, pp. 21-26.

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