THE INVESTIGATION OF THE PERFORMANCE EVALUATION AND EMPOWERMENT OF THE ACCOUNTING UNITS ACCORDING TO THE ACCOUNTANTS
(CASE STUDY OF COMPANIES ACCEPTED IN TEHRAN'S STOCK EXCHANGE)

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ABSTRACT

Today, paying attention to the performance improvement is more valued due to the globalization and the competitiveness of the affairs. Companies try to implement training systems to promote the staff ability for decision making. Of course the senior managers in these companies should delegate and encourage team work and performance evaluation to promote the performance. In addition managers in different levels should establish the underlying in order to improve job security and job satisfaction for personals who work in accounting units. The population studied in this research includes companies accepted in Tehran's stock exchange. The targeted non-probabilistic method (the elimination method) was used to obtain the sample size, and finally 120 companies in 8 different industries of those accepted in Tehran's stock exchange met our requirements. Questionnaires were used to collect data and for this purpose, they were distributed among 370 accounting personnel in accounting unit of these companies. After they were gathered, 308 questionnaires were accepted. SPSS Software and student's t-test were used to test the hypotheses. The results of the research show that the personnel of the accounting units of the joint stock companies have job satisfaction, are empowered in collecting information, are accountable for their performance and pay attention to get a feedback from the others. Our results also show the performance improvement of accounting units and that the senior managers should implement the rewarding system and monitoring and controlling system for performance improvement.

KEYWORDS: job satisfaction, performance evaluation, empowerment, delegation

INTRODUCTION

Today, companies operate in a very competitive global environment, and given the rapid changes occurring in the market place, they have to do everything possible to become and remain competitive. In such a competitive environment, managers have to concern with employees’ satisfaction as a key factor for organizational effectiveness and efficiency, as well as for the
successful implementation of the corporate strategy. Previous works recognize, in addition to employee’s satisfaction, the value of knowledge for the competitiveness of any organization (De Geus, 1997; Drucker, 1964, 1998). According to Mohammadi & Ameri Shahrabi (2013) spend most of their lives in their work environments and working conditions play essential role on how they feel about their job satisfaction (Bowditch & Buono, 1982; Akdere, 2006).

According to Brewer et al. (2008) organizations pursue leveraging training outcomes to foster competitive workplace performance in rapidly changing business environments (Branham, 2005). As noted, employee training and development is a key factor in the human resource management (HRM) area to improve organizational effectiveness (Hays & Kearney, 2001). One critical approach of business strategy involves developing and retaining talented people. Qualified, properly trained employees become empowered to perform their jobs confidently, develop a stronger sense of accomplishment and, in turn, become loyal to the organization through increased job satisfaction (Mason, 1999; Peterson, 1999). The correlation between job satisfaction and business success has generated renewed interest among researchers and human resource (HR) practitioners (Reiner & Zhao, 1999). Van Buren (2002) indicated that corporations recognize the necessity of identifying unique ways to develop the workforce of today and tomorrow, an organization that provides challenging opportunities for individual growth generates employee satisfaction, employability of the best performers, and simultaneously, adds to net income (Pfau & Kay, 2002) by increasing productivity and organizational effectiveness (Spears & Parker, 2002).

In this research we propose job satisfaction as a measure of economic performance and relate it to a variety of social institutions that fall under corporatism and capitalism. We are interested in testing to what extent capitalist institutions may enhance job satisfaction and economic performance while corporatist institutions that hamper with the allocation of resources and income may act to lower performance. We will test to see whether some signature features of corporatist and modern-capitalist economies – features such as the high employment protection in a country and the collective bargaining favored by corporatism; the large public sector; the bureaucratic red tape; and the individual freedoms relied on by capitalism – are conducive or inimical to job satisfaction (Phelps & Zoega, 2013).

Advocates of a devolution strategy suggest that it can save costs, speed decision making, and link HR activities with other aspects of day-to-day management (Larsen & Brewster, 2003; Renwick, 2003), benefiting the organization as a whole. The reputation of an HR unit has important implications for the attitudes and behavior of HR managers within the unit, HR effectiveness, and organizational performance. But reputations are malleable, and devolution may be a strategy for positively influencing an HR unit’s reputation. Specifically, devolution may change the nature of the work performed by an HR unit and, as a result, change the way the HR unit is perceived in the organization. When organizations effectively manage their stakeholders’ expectations, they enjoy more positive reputations and are perceived by the stakeholders as more effective performers (Tsui, 1984b, 1990). As a result, organizations invest considerable time and energy in trying to create positive reputations in the minds of their stakeholders (Elsbach & Sutton, 1992; Ferris et al., 1998; Ginzel, Kramer, & Sutton, 1993).
Construed image has a direct and immediate impact on organizational members’ attitudes and behavior (Bhattacharya, Rao, & Glynn, 1995; Brown et al., 2006; Hatch & Schultz, 2000). Members feel proud to belong to an organization that is viewed positively by important stakeholders (Dutton et al., 1994; Smidts, Pruyn, & van Riel, 2001), and a favorable construed image has been associated with organizational identification, job satisfaction, and intention to stay an organizational member (e.g., Lipponen, Kelkama, Olkkonen, & Juslin, 2005; Riordan, Gatewood, & Bill, 1997; Smidts et al., 2001; Wan-Huggins, Riordan, & Griffeth, 1998). But if members’ construed image is extremely unfavorable, they may experience negative personal outcomes such as depression and stress (Carol T et al., 2008).

1-1 TEAM WORK

Teams are characterized as having joint and integrative accountability, processes, and reward structures in accomplishing tasks (Solansky, 2011). They have become important building blocks of organizational effectiveness and gain benefits by increasing productivity in the workplace, improved product/service quality (Somech, 2005) a reduced management structure, lowered levels of absenteeism, reduced employee turnover, and increased industrial harmony. The opening discussions of the teams doing similar or the same task are likely to develop distinctive approaches, which structure the progression of their activities (Wood et al., 2011).

According to Bektas & Sohrabifard, (2013) team vision is important for a team (Wahid et al., 2011). Because product development requires coordination and alignment of the functions involved, all team members must be able to make sense of project goals so that they can support them and internalize them as being aligned with their own (Revilla & Knoppen, 2012). Cultural miscommunication and lack of understanding or ignorance are typical cultural diversity conflict factors (Opute, 2012).

1-2 EMPOWERMENT

According to Seibert et al. (2004) employee empowerment has become a trend over the last decade, approaching the status of a movement or of a fad, depending on one's perspective (Abrahamson, 1996; Block, 1987). At its core the concept of empowerment involves increased individual motivation at work through the delegation of authority to the lowest level in an organization where a competent decision can be made (Conger & Kanungo, 1988; Thomas & Velthouse, 1990). Thus, the empowerment concept has roots in such substantive issues as intrinsic motivation, job design, participative decision making, social learning theory, and self-management (Liden & Tewksbury, 1995). Empirical support has begun to accumulate regarding the relationship of employee empowerment to important work-related outcomes (Liden, Wayne, & Sparrowe, 2000; Sparrowe, 1994; Spreitzer, 1995; Spreitzer, Kizilos, & Nason, 1997).

1-3 PERFORMANCE EVALUATION

Performance management is a continuous process of managing the performances of people to get desired results. High-performing organizations require effective performance-management
systems to promote and develop the values, principles and competencies needed to sustain optimal outcomes. Performance management encompasses activities such as joint goal-setting, continuous progress review and frequent communication, feedback and coaching for improved performance, implementation of employee-development programs and rewarding achievements (Sahoo & Mishra, 2012)

Horngren, Datar, Foster, Rajan, and Ittner (2009) suggest that “performance evaluation and rewards are key elements for motivating individuals in an organization. They also regard performance evaluation and employees' compensations as intricately linked and conclude that “many management accounting practices, such as the design of responsibility centers and the establishment of financial and nonfinancial measures (Chong M. Lau, Brigitte Oger, 2012).

According to Tariq H. Ismail (2007) traditional methods of measuring a company’s performance by financial indices alone have virtually disappeared from large organizations (Basu, 2001). Currently, non-financial measures are at the core of describing strategy and of developing a unique set of performance measures that clearly communicate business strategy (Kaplan and Norton, 1992).

LITERATURE OF THE RESEARCH

Job satisfaction has been found to be closely related to life satisfaction (see Judge and Watanabe (1993)). The economics literature on job satisfaction was started by Freeman (1978) and Borjas, (1979). Freeman found job satisfaction to be a major determinant of labor market mobility and found it to be dependent on union membership. These results were consistent with those of Borjas who also found that while union members were less satisfied, the magnitude of the effect was stronger at higher tenure levels. Phelps (1968) described the relationship between job satisfaction and quit behavior (Phelps & Zoega, 2013).

There is no commonly agreeable definition of empowerment. However, it includes so many ways, forms, sources, tools and levels of granting power and enabling employees to best perform their jobs at workplace. According to The Free Dictionary (2000) empowerment includes authorization (delegation of power), enabling or permission and providing opportunities. Business Dictionary provides detailed and comprehensive definition of the term "empowerment" to include all management practices related to sharing information, rewards and power with employees so they can take initiative and make decisions to solve problems and improve service and performance. Empowerment, according to Business Dictionary, involves giving employees skills, resources, authority, opportunity, motivation, as well as holding them responsible and accountable for their actions thus contributing to employee's competence and satisfaction (Awamleh, 2013).

According to Bektas & Sohrabifard (2013) Empowerment is a concept that links individual strengths and competencies, natural helping systems and proactive behaviour to social policy and social change. Empowerment links an individual’s motivation (Somech, 2005) and his or her wellbeing to the wider social and political environment in which he or she functions (Thamizhmanii & Hasan, 2010).
THE PURPOSE OF RESEARCH

The purpose of the research is to examine the job satisfaction and staff empowerment of accounting units according to their staff. In other words, we examined that how the personnel of accounting units are behaving according to their job security, delegation and job training. Also, we examined the senior managers’ view about using reward system to improve the performance of the accounting units.

HYPOTHESES OF THE RESEARCH

H1: Accounting staff are satisfied with accounting unit of joint stock companies.

H2: According to the accounting staff, senior managers pay attention to empowerment of staff.

H3: According to the accounting staff, senior managers pay attention to performance evaluation.

H4: According to the accounting staff, senior managers pay attention to team work for performance improvement.

H5: According to the accounting staff, executive and senior managers are monitor and control the accounting staff of joint stock companies.

THE METHOD OF THE RESEARCH

In this research, the descriptive method is used. The descriptive method includes collecting data for the hypothesis or answering the questions related to the current situation being studied. Questionnaire or seven point Likert a spectrum is used to collect data. The scale used in the questionnaire is the rating scale. The data are analyzed in two parts (descriptive and inferential statistics). A. descriptive statistics: it includes presenting the table of frequency, the frequency percent, the column and circle graphs. B. inferential statistics: in this research, the statistical test of the hypotheses and the averages comparison tests are used.

First at a limited level and at the time interval of 7 days, the questionnaires were distributed among ten testees and then, they were collected. Spearman correlation coefficient was used to calculate the reliability and the correlation of the questionnaire obtained was 95%.

A test is valid when its questions introduce all skills, capabilities, concept perceptions and other behaviors. Evidently, the validity of a test is analyzed by the domain experts. If a domain expert confirms the validity after analysis, the test can be used. We gave the questionnaire of the research to some human resource management professors and experts to determine the validity. The reliability of a test is related to the accuracy of measurement and its proof and it has two different meanings. One meaning is the constancy of the test's scores over the time. It means that if a test is taken several times on a testee, its score is the same in all cases. In the second meaning, the reliability implies its internal consistency. It means that how much intercorrelation exists between the questions of the test.
POPULATION AND THE STATISTICAL SAMPLE

The population of the research includes the customers of the companies accepted in Tehran's stock exchange. The sampling was done using the targeted non-probabilistic method (the elimination method). The required conditions for including the companies in the sample of the research are as follows:
- They are constantly active during the period being examined (2013)
- Their financial year ends at the end of March
- They have not changed their financial year during the period
- Their stocks are exchanged during the period of the research.

2- TESTING THE HYPOTHESES

2-1 THE FIRST HYPOTHESIS

According to the accountants, the employees of the accounting units of the joint stock companies accepted in Tehran's stock exchange are satisfied their jobs.

\[ H_0 : \mu \geq 4 \]
\[ H_1 : \mu < 4 \]

According to table 1, the t-value is -18.849 and the level of significance is 0.000 that is less than 5% and indicate that at the level of confidence 95%, \( H_0 \) is rejected and our claim that the employees of the accounting units are satisfied their jobs is supported.

<table>
<thead>
<tr>
<th>Test Value = 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>( H_1 )</td>
</tr>
<tr>
<td>( t )</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>18.849</td>
</tr>
</tbody>
</table>

2-2 THE SECOND HYPOTHESIS

According to the accountants, the employees of the accounting units of the joint stock companies are empowered.

\[ H_0 : \mu \geq 4 \]
\[ H_1 : \mu < 4 \]
According to table 2, the t-value is -9.085 and the level of significance is 0.000 that is less than 5% and indicate that at the level of confidence 95%, $H_0$ is rejected and our claim that the employees of the accounting units are empowered is supported.

### TABLE 2. THE RESULTS OF TESTING THE SECOND HYPOTHESIS

<table>
<thead>
<tr>
<th>Test Value = 4</th>
<th>t</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
<th>Mean Difference</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>H2</td>
<td>-9.085</td>
<td>307</td>
<td>.000</td>
<td>-0.82353</td>
<td>-1.0045 to -0.6426</td>
</tr>
</tbody>
</table>

2-3 THE THIRD HYPOTHESIS

According to the accountants, the senior managers improve the performance of the employees of the accounting units of the joint stock companies.

$H_0 : \mu \geq 4$

$H_1 : \mu < 4$

According to table 3, the t-value is -9.813 and the level of significance is 0.000 that is less than 5% and indicate that at the level of confidence 95%, $H_0$ is rejected and our claim that the employees of the accounting units are performance improvement is supported.

### TABLE 3. THE RESULTS OF TESTING THE THIRD HYPOTHESIS

<table>
<thead>
<tr>
<th>Test Value = 4</th>
<th>t</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
<th>Mean Difference</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>H3</td>
<td>-9.813</td>
<td>307</td>
<td>.000</td>
<td>-0.66176</td>
<td>-0.7964 to -.5272</td>
</tr>
</tbody>
</table>

2-4 THE FOURTH HYPOTHESIS

According to the accountants, the senior managers encourage the employees of the accounting units of the joint stock companies to create the team work.

$H_0 : \mu \geq 4$

$H_1 : \mu < 4$
According to table 4, the t-value is -30.959 and the level of significance is 0.000 that is less than 5% and indicate that at the level of confidence 95%, \( H_0 \) is rejected and our claim that the employees of the accounting units are team working is supported.

### TABLE 4. THE RESULTS OF TESTING THE FOURTH HYPOTHESIS

<table>
<thead>
<tr>
<th>( H_4 )</th>
<th>( t )</th>
<th>( df )</th>
<th>Sig. (2-tailed)</th>
<th>Mean Difference</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-30.959</td>
<td>307</td>
<td>.000</td>
<td>-2.22426</td>
<td>-2.3677 - 2.0809</td>
</tr>
</tbody>
</table>

2-5 THE FIFTH HYPOTHESIS

According to the accountants, the senior managers of the joint stock companies control and monitor the accounting performance.

\[ H_0 : \mu \geq 4 \]
\[ H_1 : \mu < 4 \]

According to table 5, the t-value is -22.092 and the level of significance is 0.000 that is less than 5% and indicate that at the level of confidence 95%, \( H_0 \) is rejected and our claim that the employees of the accounting units are monitoring and controlling is supported.

### TABLE 5. THE RESULTS OF TESTING THE FIFTH HYPOTHESIS

<table>
<thead>
<tr>
<th>( H_5 )</th>
<th>( t )</th>
<th>( df )</th>
<th>Sig. (2-tailed)</th>
<th>Mean Difference</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-22.092</td>
<td>307</td>
<td>.000</td>
<td>-1.15809</td>
<td>-1.2627 - 1.0535</td>
</tr>
</tbody>
</table>

CONCLUSION

Information presented by the accounting units is used in making decisions for improve the performance personnel who work in the accounting units. Therefore delegation in order to empower the accounting staff is always noticeable. Therefore, in this research, the issue that is examined that how the employees can be empowered, to create job satisfaction, and to present accounting information to improve the performance of the accounting units. Also it examined that whether the personnel who work in accounting unit, their job satisfaction and performance is improved by delegation from senior managers of this units. Finally, we examined whether the accounting units use modern accounting systems and teamwork to improve the performance and concluded that the employees of the accounting units:
are empowered and provided to improve the performance through delegation by senior managers.
are participated in decision making and they rely on the people who work in their working group. Employees are satisfied with the performance of the accounting units and the accounting units also use modern methods for the activities and providing services and improving the performance.

REFERENCES


