

THE RELATIONSHIP BETWEEN HUMAN RESOURCE EMPOWERMENT AND ORGANIZATIONAL PERFORMANCE IN FITNESS CLUBS

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Abstract

Aim of paper and research questions

The purpose of this study was to examine: (a) the extent to which human resource empowerment is applied to Greek fitness clubs, and (b) the relationship between human resource empowerment used by Greek fitness clubs and organizational performance (profit, ROI, sales volume and market share).

In particular, the questions this research wants to address are:

1. To what extent is the human resource empowerment process being used in Greek fitness clubs?
2. Is there a relationship between the key factors of empowerment and performance of Greek fitness clubs?

Literature review

In a globalized, economical, social and technological environment, the organizations will be efficient only if they have at their disposal the required resources (material resources, facilities and equipment, and human resources that include employees and managers) (Kriemadis & Papaioannou, 2006). The managers and the organizations should consider three elements which are vital for their development. These elements are: 1) precise goals to be achieved, 2) limited resources and 3) the contribution of people to achieve the organizational goals (Certo, 1992). The heightened levels of global competitiveness have alerted all organizations to the fact that all their resources must be utilized well. Consequently, academicians and HRM professionals have begun to devote more attention in this field. They have also identified several human resource (HR) activities that are critical for the survival of

the organization (Rangriz, 2010).

Methodology, Research design and data analysis
The particular research project is an on-going research and up to now data has been gathered from a random sample of 200 managerial and technical directors of 50 Greek Fitness clubs in Attica. For the purpose of this study a survey instrument was used (developed by Vogt & Murrell, 1990), in order to provide information on how managerial and technical directors see themselves in terms of the empowerment process. The empowerment construct consisted of 30 questions, which included six units based on areas of research mentioned above and demographic characteristics. The questions were answered using a five point scale (G, B, Y, O, and R). Each letter of the scale represented different managerial styles and depicted the respondent's behaviour and actions. Each respondent tried to determine his/her behaviour that most often occurred between the two endpoints. The reliability of the scale was found to be: $\pm = .80$. Also, the particular research used the subjective way of measuring performance. This means that managerial and technical directors were asked to evaluate the performance of their fitness clubs in relation to their current years objectives, in relation to their last financial years objectives and finally, in relation to their major market competitors on a five-point Likert scale. On each of the three bases, performance was judged against four criteria two financial (profit and ROI) and two market based (sales volume and market share). The study was a quantitative design. Descriptive statistics and Spearman correlation was performed to examine variables relationship using SPSS software (version 16).

Results

From the analysis it is shown that the managerial and technical directors of fitness clubs used 42.5% empowering style, 50% middle-ground style (combines the two styles of controlling and empowering in equal proportions) and 7.5% controlling style in the six key factors of empowerment. Also, as shown in the table 1, there were significant relationships between the key factors of empowerment and performance indicators.

Discussion and conclusion

The results of the study indicated that there were significant and positive relationships between the empowerment and performance indicators in fitness clubs. More specifically, the key factor "Management-information /communication system skills" had a significant and positive relationship with ROI, sales volume (satisfaction in relation to current year's objectives), and profit (satisfaction in relation to the last financial year's objectives), while the key factor "Project-planning, organizing, & system-integration skills" had a significant and positive relationship with market share (satisfaction in relation to competitors' objectives). Furthermore, the key factor "Selection, placement, and development of people skills" had a significant and positive relationship with profit, ROI and market share (satisfaction in relation to competitors' objectives). These findings are consistent with previous studies on empowerment and organizational performance, in sport sector and more particular in Greek football clubs (Papaioannou, Kriemadis, Alexopoulos, Vrondou, & Kartakoullis, 2009), and show that the level of empowering style which technical and managerial directors exercised in fitness clubs is related to the clubs performance. The present findings add credence to the argument that human resources represent an important capital, which should be

managed effectively in order to constitute for organization a source of competitive advantage (Bowen & Lawler, 1992).

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