SUMMARY

This study examines factors affecting power distance in Singapore construction firms. Power distance as a cultural phenomenon has been studied and discussed across cultures, but there is insufficient knowledge of factors influencing power distance in organizations. An understanding of these factors will enable management to design and implement measures to influence power distance towards higher work productivity.

From the literature review, 12 factors comprising value systems, cultural exposure, economic status, organizational seniority, and organizational climate dimensions are hypothesized to affect power distance. A sample survey design was carried out and 104 middle level employees from consulting firms, contracting firms, and government institutions completed questionnaires assessing factors explaining power distance.

Factor analysis employing orthogonal (VARIMAX) rotation generated 12 factors that account for power distance in organizations. They are:

- perceived employee-centred management;
- seniority of employees;
- perceived multi-layered hierarchy reflecting wide disparity in rewards;
- respect for authority;
- perceived challenge and learning at the workplace;
- ability to initiate communication in the classroom;
- fear to express disagreements in front of teachers;
- having an open mind;
- submissiveness to older siblings;
- country’s power distance orientation;
- perceived open-concept office design; and
- perceived importance of job status in organizations.

Organizational climate dimensions do influence power distance and they may affect employees’ organizational commitment and overall organizational performance. An employee-centred approach taken by management to involve and allow participation of employees in decision making could be the key response in narrowing existing power distance.

Keywords: Power distance, Organizational climate, Employee-centred management.