



**PERCEPTION OF EMPLOYEES REGARDING EMPOWERMENT AT
WORKPLACE AND ITS IMPACT ON JOB SATISFACTION IN SELECT
ORGANIZATION OF SERVICE INDUSTRY**

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Abstract

The purpose of this study is to determine the relationship between employee empowerment and job satisfaction in Punjab state Co-operative bank and its 17 branches in Chandigarh. This study also examines the difference between Job satisfaction level of male and female employees. The questionnaire consisting 18 statements was used for collection of data and was distributed among 75 employees of PSCB Bank in Chandigarh. The t-test, Correlation and regression analysis (using stepwise method) indicated that employee empowerment has positive and significant impact on job satisfaction. The results also confirmed that no significant difference between male and female employees exist job satisfaction level.



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INTRODUCTION: In recent years the speed of organisational change has been creatively fast, the competitive pressures from outside the organisation have improved, and almost all the organisations are operating in more complex, impulsive, and energetic environments (Lewin 1951). Hence, in today's rapidly changing and very threatening environments, organisations always harp for the competitive advantage. They understand that they must continually improve the way they organise and manage themselves to be successful and competitive. They have realized that organisational competitiveness depends on their capability to prepare the people and design a system for optimal execution of strategy. "The growing consensus is that an effective approach to management is a powerful competitive advantage for a corporation" (Lawler et al., 1998).

For the past 20 years, companies have invested in technology as they felt that technology would provide competitiveness. Unfortunately, they found that anyone can acquire and utilize the latest technology. The fact is that competitors reproduce most technological advances within a year. This is applicable for both products and processes. As a result, the competition for technological dominance usually ends in equivalence. Technology may be desirable to stay in the competition, but by itself, technology is hardly ever the main basis of competitive

success. Hence, the means which are the source of competitive advantage must be found somewhere else (Stanley et al. 2004).

In this age of globalization, there is necessity of employee empowerment in the organisation so that employees will make quick decision and take action quickly to any changes in the business environment. Organisations which are committed to employee empowerment, they are able to motivate and retain their employees. Although employee empowerment is a complex management tool which needs to be cultivated and used with a lot of care (Nick et al., 1994). Employee empowerment pilots for enhancing productivity, performance and job satisfaction (Nick et al., 1994). In a free market empowerment is very much required. The employee empowerment literature emphasizes that empowered employees will lead in achieving a competitive advantage (Conger and Kanungo, 1988; Quinn and Spreitzer, 1997; Sundbo, 1999; Forrester, 2000). Scholars and leaders globally have prescribed for the empowerment of employees to assist their organisation to compete effectively in the highly competitive environment (Kirkman & Rosen, 1999). In spite of the appeal of empowerment, many employees do not experience empowered by their managers. Research has not made much clear the circumstance under which managers are enthusiastic and able to empower employees (Kirkman & Rosen, 1999).

The purpose of this study is to establish the relationship between employee empowerment and

job satisfaction in select services industry in Chandigarh and to examine the difference between job satisfaction level of male and female employees.

REVIEW OF LITERATURE:

The current study aims at established the relationship between employee empowerment and job satisfaction in select service industry. Moreover it establish that employee empowerment has positive relationship with job satisfaction among the employees. Various studies have been conducted on Impact of Employee Empowerment on Job Satisfaction of Employees in India as well as abroad.

EMPLOYEE EMPOWERMENT:

A holistic definition of Employee Empowerment was given by Kinlaw (1996), it is the process of achieving continuous improvement in an organization's performance by developing and extending the competent influence of individuals and teams over the areas and functions that affect their performance and that of the total organization. He adds that

empowerment also requires structural and systematic changes in the organization, like shortening the lines of communication and modifying reward systems.

Spreitzer (1995) developed the measure to describe the extent to which employees believe they are empowered in their jobs. Empowerment has been defined as intrinsic motivation resulting from four cognitions reflecting an individual's orientation to his or her work role.

The four cognitions are meaning, competence, self-determination and impact. Meaning involves a fit between the requirements of work role and a person's belief, values and behaviors. **Competence** refers to self-efficacy specific to work, a belief in one's capability to perform work activities with skill, analogous to personal mastery. **Self-determination** reflects autonomy over the initiation and continuation of work processes and make decisions about work methods, pace and effort. **Impact** is the degree to which a person can influence strategic, administrative, or operating outcomes at work.

Empowerment is a new employee involvement initiative controlled and implemented by management to enhance employee commitment and to increase the quality of product and services (Lashley, 1995; Wilkinson, 1998). Empowering employees makes them to take decisions at their own which in turn creates a belief that they control their work and its environment. This resulted into more self-motivation and autonomy at the work place which is transformed into loyalty and Endeavour beyond their work for the organization. Employee Empowerment is a tool by which an employee thinks for himself about his nature of job and goes beyond the things which he has been told to do. Employee Empowerment leads to individual success at his work place through is persistent efforts which yield better results for the organization.

Empowerment means encouraging the people to make decisions with least intervention from higher management (Handy, 1993). Employee empowerment is defined as giving the power t employees to make decisions. It is a form of freedom in which employee takes decisions to ensure maximum satisfaction to customers. Empowerment is the initial, fundamental and an extraordinary aspect for achievement of success and growth for any business and enhances the productivity. Employees and customer satisfaction is, therefore, effected by empowerment using it as a tool through which businesses goals could be obtained. Employees are the assets of an organization (Davidson, 2004) and can make or break the organization; highly motivated employees give the unexpected output while an employees with low motivation level can drag the company growth downwards (Deal, 2005). Lawler & Mohram (1989) defined the employee involvement as it a proper procedure to compete the

capability of worker for enhancing their ommitment and achievement of growth and success of organization.

JOB SATISFACTION:

Job satisfaction is a term used to describe how content an individual is with his work. It is a positive emotion about job and shows what makes people come to work (Ramayah, Jantan, & Tadisina, 2001). It is an important indicator of how employee feel about their jobs and predicts the work behaviors. For an organization, job satisfaction of its employee's means that it is motivated and has commitment towards high level of productivity (Mehndiratta & Tripathi, 2012). It can be termed as an attitude towards job, satisfaction with supervisor, colleagues, pay and opportunities at job. It can vary from person to person and across geographical regions. To achieve job satisfaction, one must have optimistic approach, commitment and responsibility which are the result of values and belief system they follow (Ravri, Mirzaei, Kazemi, & Jamalizadeh, 2012).

Job satisfaction describes how content an individual is with his or her job. A person's general attitude towards their job. the feelings or 'affective response' someone experiences in a job role.

IMPACT OF EMPLOYEE EMPOWERMENT ON JOB SATISFACTION :

Bowen and Lawler (1992, 1995) argued that empowerment practices improve job satisfaction, in part by giving employees a sense of control and making work more meaningful. Empirical evidence from manufacturing industries seems to confirm this proposition. The feedback and granting autonomy are positively related to job satisfaction. Studies from the public sector also reveal a positive relationship between employee empowerment and job satisfaction (Savery and Luks, 2001; Lee, Cayer and Lan, 2006; Kim, 2002; Wright and Kim, 2004; Fernandez and Moldogaziev, 2013b), Amir Abou Elnaga, Amen Imran (2014) has develop three main guideline to create effective empowerment which lead to high degree for job satisfaction General Guidelines for Empowering Managers , guidelines for delegation and guidelines for participative leadership.

Aman Khera(2015) concluded that employee empowerment has positive and significant impact on employee job satisfaction and there is significant difference among gender wise job satisfaction level and recommended that in order to achieve higher productivity and job satisfaction Employee Empowerment should be encouraged in banking sector of India.

Ameer M.H. (2014), in his paper measured the factors affecting the performance of employee by discussing impact of employee empowerment on job satisfaction. The paper reveals that

there existed the relationship between the performance of employee and factors affecting in employee performance in Bahawalpur.

Swarnalatha and Sureshkrishna (2012), have examined the management practices by introducing employee empowerment, teamwork, employee compensation, management leadership into a research model for studying employee job satisfaction among the employees of automotive industries in India. The research is conducted among 234 employees of automotive industries in India and the result of this study shows that the job satisfaction level of employees is medium and the top management leadership need to take attention of enhancing the employee job satisfaction level. The result also shows that there is a significant relationship was approved between 1) employee empowerment, 2) teamwork, 3) employee compensation and 4) management leadership.

Kamal R. and Sengupta D. (2009), in their work have assessed the level of job satisfaction among bank officers. The survey responses indicate that with the change of satisfaction determinants, level of job satisfaction also varies. It is also observed that as a person ages, his job satisfaction shows an increasing trend. With age, spiritualism of the person increases, but his alternatives for change decreases. Younger employees have more energy, more expectations and more options, and hence have lesser satisfaction with the job. Overall the job satisfaction of bank officers though is not very high but still satisfactory.

NEED OF THE STUDY:

In Indian scenario banking sector is emerging sector be it a private or public sector bank. The employees of the bank represent their bank and being a highly service oriented sector the employees are trained to provide quality services to the customer. With increasing number of customers it becomes essential that the employees are satisfied with their jobs and are empowered to make decisions at their own with respect to their job. At this point, the study has been undertaken to determine the effect of implementation of empowerment dimensions and job satisfaction.

RESEARCH OBJECTIVE:

The purpose of this study is to ascertain the relationship between employee empowerment and employee Job satisfaction. More specifically this study pertains to the employees of PSCB, Chandigarh:

- 1) To study dimensions of employee empowerment and job satisfaction,
- 2) To find out whether there have any association between job satisfaction of employees across gender.

3) To determine the relationship of employee empowerment and its dimensions with job satisfaction.

4) To determine the impact of employee empowerment and job satisfaction among the bank employees.

CONCEPTUAL MODEL:

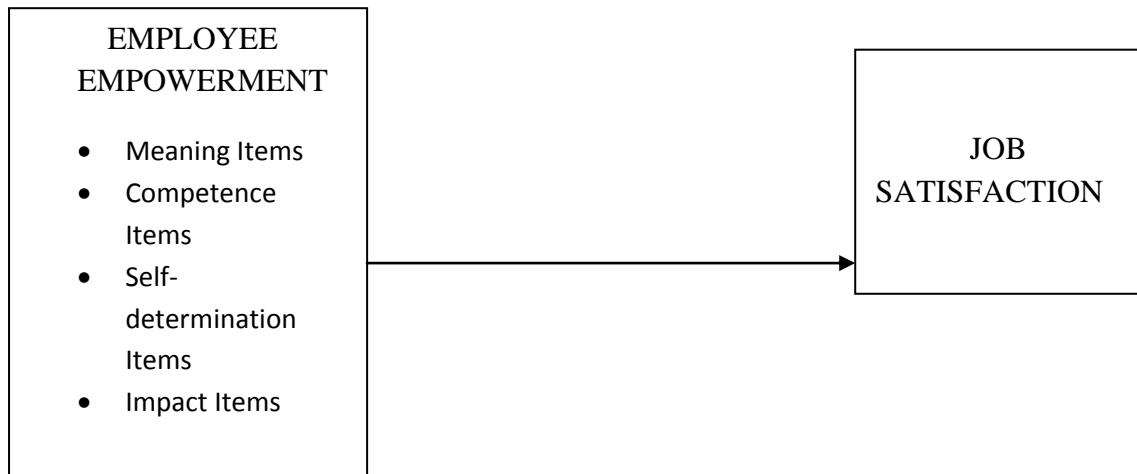


Figure:1 Conceptual Model

HYPOTHESES OF THE STUDY:

H1: There is significant relationship between Employee Empowerment and job satisfaction among employees.

H2: There is significant relationship between Meaning dimension of Employee Empowerment and job satisfaction among employees.

H3: There is significant relationship between Competence dimension of Employee Empowerment and job satisfaction among employees.

H4: There is significant relationship between self-determination dimensions of Employee Empowerment and job satisfaction among employees.

H5: There is significant relationship between Impact dimensions of Employee Empowerment and job satisfaction among employees.

H6: There is a significant impact of Employee Empowerment on job satisfaction among employees.

H7: There is a significant impact of the Meaning dimension of Employee Empowerment on job satisfaction among employees.

H8: There is a significant impact of the Competence dimension of Employee Empowerment on job satisfaction among employees.

H9: There is a significant impact of the Self-determination dimension of Employee Empowerment on job satisfaction among employees.

H10: There is a significant impact of the Impact dimension of Employee Empowerment on job satisfaction among employees.

H11: There is significant difference between job satisfaction among employees with regard to gender.

RESEARCH METHODOLOGY:

Research Design

In order to achieve the objective of this study a quantitative research methodology was chosen.

The proposed study was designed as causal study with statistical control research design to study the relationship between variables. The independent variables are dimensions of employee empowerment and the dependent variable is job satisfaction.

Sources of data:

The data has been collected from both secondary and primary sources.

The secondary sources include data from various journals, books, reports of reliable standards, online sources with appropriate bibliographic standards, previous researches related to the topic etc.

Primary sources include employees of Punjab state co-operative banks in Chandigarh provided with pre validated and structured questionnaire. The reason for choosing Punjab State Co-operative Bank for this research was that it has been awarded "**BEST PERFORMANCE AWARD**" by **NABARD** and **NAFSCOB on number of occasions**. . It has 17 branches and 1 extension counter in the city of Chandigarh.

Data Collection:

Snowball Sampling was applied to collect the data from 17 branches of PSCB, Chandigarh. The data primarily comprises of employees working at various levels in PSCB, Chandigarh. Approximately 5 responses were gathered from each branch. The standardized questionnaire of Dimensions of Employee Empowerment and job satisfaction was used, consisting of two parts, First part containing demographic information and Second part consists of structured questions related to employee empowerment and job satisfaction.

Sampling and Size of Sample:

The sampling method used in the study was Snowball Sampling. Data has been collected from 85 respondents including both males and females out of which 75 respondents data was

found to be useful, therefore a sample of 75 was taken in the study.

Data Collection Tools:

The description of the tests and materials used in the present study:

- 1. Employee Empowerment scale:** psychological empowerment in the workplace was developed by Spreitzer,G.M.(1995),the scale has four dimensions which is based on seven point Likert scale. Each dimension has 3 items.
- 2. Job satisfaction scale:** This measure was developed by Schriesheim and Tsui (1980). It uses six items to form an index that describes overall job satisfaction. The scale includes single questions to assess the degree of satisfaction with the work itself, supervision, co-workers, pay, promotion opportunities, and the job in general.

Psychometric properties of scale:

The internal consistency and reliability of the scale was measured using Cronbach Alpha. According to the Nunally, a Cronbach Alpha of 0.70 or higher is good but above 0.55 was acceptable (Nunally 1978). Cronbach Alpha for all the scales i.e Meaning items, Competence items, self-determination items, impact items and job satisfaction were found to be 0.723, 0.684 0.759, 0.690 and 0.616 respectively.

The Cronbach Alpha values for all the dimensions range from 0.616 to 0.759, exceeding the minimum alpha of 0.55. Thus the dimension measures are deemed reliable.

Analysis And Interpretation Of Results:

Relationship between Employee Empowerment and Job Satisfaction :

Correlations

		employeeempower	jobsatsum
employeeempower	Pearson Correlation	1	.602**
	Sig. (2-tailed)		.000
	N	75	75
jobsatsum	Pearson Correlation	.602**	1
	Sig. (2-tailed)	.000	
	N	75	75

** . Correlation is significant at the 0.01 level (2-tailed).

Table 1

Pearson correlation is worked out to see whether there is any relation between employee empowerment and job satisfaction among the bank employees. The table 1 shows that the correlation between different and Job Satisfaction is 0.602 which indicates that there exists a positive relationship between Psychological Empowerment and Job Satisfaction at 1% level

of significance. Hence **H1**: There is significant relationship between Employee Empowerment and job satisfaction among employees is accepted.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.602 ^a	.362	.353	2.03710

a. Predictors: (Constant), employeeempower

Table 2

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	171.814	1	171.814	41.403	.000 ^b
	Residual	302.933	73	4.150		
	Total	474.747	74			

a. Dependent Variable: jobsatsum

b. Predictors: (Constant), employeeempower

Table 3

The relationship among employee job satisfaction and employee empowerment is measured through regression analysis. The result of regression analysis reveals that the model is significant ($p < 0.05$), Adjusted R-Square is 0.353 (Table 2) and F-statistics is 41.403 (Table 3). It is proved that there is positive and significant relationship between employee empowerment and job satisfaction. The value of R-Square shows the fitness of the model as employee empowerment contributes 35.3% of employee job satisfaction. Hence **H6**: There is a significant impact of Employee Empowerment on job satisfaction among employees is accepted.

Four Dimensions of Employee Empowerment and Job Satisfaction :

The Table 4 below shows that correlation between meaning dimension and job satisfaction is 0.573, correlation between competence dimension and job satisfaction is .0593. The correlation between self-determination dimension and job satisfaction is 0.541 and between Impact dimension and job satisfaction is 0.422. This reveals that all the dimensions of employee empowerment -meaning, competence, impact and self determination have a significant positive correlation with job satisfaction. Thus, the Hypothesis, **H2**: The Meaning dimension of Employee Empowerment are positively related to Job Satisfaction is accepted. The Hypothesis, **H3**: Competence dimension of Employee Empowerment is positively related to Job Satisfaction is accepted. The Hypothesis, **H4**: Self-determination dimension of Employee Empowerment is positively related to Job Satisfaction is accepted. The

Hypothesis, **H5**: Self-determination dimension of Employee Empowerment is positively related to Job Satisfaction is accepted.

Correlations

		jobsatsum	emploemp1	emploemp2	emploemp3	emploemp4
Jobsatsum	Pearson Correlation	1	.573	.593	.541	.422
	Sig. (2-tailed)		.000	.000	.000	.000
emploemp1	Pearson Correlation		1	.864	.791	.604
	Sig. (2-tailed)			.000	.000	.000
emploemp2	Pearson Correlation			1	.748	.583
	Sig. (2-tailed)				.000	.000
emploemp3	Pearson Correlation				1	.663
	Sig. (2-tailed)					.000
emploemp4	Pearson Correlation					1
	Sig. (2-tailed)					

Table 4

Impact of four dimensions of Employee empowerment on Job Satisfaction:

Regression method (using stepwise method) was used to examine the significant impact of the dimensions of employee empowerment on job satisfaction among employees. The relationship among employee job satisfaction and dimensions of employee empowerment is measured through regression analysis. The result of regression analysis reveals that the model is significant ($p < 0.05$), Adjusted R-Square is 0.343 (Table 5) and F-statistics is 39.556 (Table 6). It is proved that there is positive and significant relationship between the dimensions of employee empowerment and job satisfaction. The value of R-Square shows the fitness of the model as employee empowerment contributes 34.3% of employee job satisfaction.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.593 ^a	.351	.343	2.05374

a. Predictors: (Constant), emploemp2

Table 5

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	166.843	1	166.843	39.556	.000 ^b
	Residual	307.904	73	4.218		
	Total	474.747	74			

a. Dependent Variable: jobsatsum

b. Predictors: (Constant), emploemp2

Table 6

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12.043	1.208		9.968	.000
	emploemp2	.480	.076	.593	6.289	.000

a. Dependent Variable: jobsatsum

Table 7

Excluded Variables^a

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics
						Tolerance
1	emploemp1	.240 ^b	1.285	.203	.150	.253
	emploemp3	.221 ^b	1.570	.121	.182	.440
	emploemp4	.115 ^b	.995	.323	.116	.660

a. Dependent Variable: jobsatsum

b. Predictors in the Model: (Constant), emploemp2

Table 8

By using regression analysis (using stepwise method) it is clearly seen that on Competence Items dimension of employee empowerment has significant impact on job satisfaction among employees. Hence **H7**: There is a significant impact of the Meaning dimension of Employee Empowerment on job satisfaction among employees is rejected.,

H8: There is a significant impact of the Competence dimension of Employee Empowerment on job satisfaction among employees is accepted.

H9: There is a significant impact of the Self-determination dimension of Employee Empowerment on job satisfaction among employees is rejected.

H10: There is a significant impact of the Impact dimension of Employee Empowerment on job satisfaction among employees is rejected.

Impact of Gender on Employee Empowerment:

To check the Hypothesis, **H11**: There exists a relationship between gender and job satisfaction Independent sample T test is applied. The results show that there is no significant difference between male and female employees job satisfaction as the p- value is more than 0.05. This revealed that Hypothesis **H11**: There exists a relationship between gender and Job satisfaction is rejected.

LIMITATIONS OF STUDY:

1. The study is restricted to Chandigarh only, hence, restricting the scope of study.
2. The study covers only employees of Punjab State Co-operative Banks .
3. There are other factors which influence the job satisfaction of the employees working in the organization which have not been considered in the study.

CONCLUSION AND RECOMMENDATION OF THE STUDY:

On the basis of results, it is concluded that employee empowerment has positive and significant impact on employee job satisfaction and there is not a significant difference among gender wise job satisfaction level. This study confirms that employee empowerment leads towards higher level of employee's job satisfaction. Thus from the above discussion it is clear that various dimensions of empowerment is related to job satisfaction. The finding of this study stated that the dimensions of employee empowerment of the employees of banks (meaning, competence, self-determination and impact) and their job satisfaction are related is in lieu with previous studies. Thus the bank employees like their jobs more when they find their work meaningful, when they feel capable of performing their work well, when they have freedom to make decisions about their work, and when they feel that they can have an impact on organizational outcomes. As in India a lot of problems exist in banking sector due to which stress is inevitable and unavoidable. This in turn will impact the productivity and which act as deterrent not only for the economy but also for banking sector. The productivity is a psychological aspect in service sector which is a predictor of innovative behavior of the employees. Thus to achieve higher productivity and job satisfaction it is recommended that Employee Empowerment should be encouraged in banking sector of India.

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