

IMPACT OF EMPLOYEE EMPOWERMENT ON JOB SATISFACTION: AN EMPIRICAL ANALYSIS OF BANKS IN CHANDIGARH, (INDIA)

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ABSTRACT

The purpose of this study is to determine the relationship between employee empowerment and job satisfaction in Banks in Chandigarh. This study also examines the difference between Job satisfaction level of male and female employees. The questionnaire consisting forty eight statements was used for collection of data and was distributed among 180 employees of Banks in Chandigarh. The t-test, ANOVA and regression analysis 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.

Key words: Employee Empowerment, Job Satisfaction, Service industry, Employees, Banks.

Introduction

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 behaviours. 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.

Job Satisfaction

Spector (1997) described job satisfaction as how people feel about their jobs and different aspects of their jobs. Motivation to perform the job will increase, when people consider their jobs as meaningful and enjoyable. The nature of job satisfaction implies that an individual would tend to stay with a job which is satisfying him and quit a job which is dissatisfying him. He measured the Job Satisfaction using 36 items to describe nine job facets (four items per facet). The job factors include pay, promotion, supervision, benefits, contingent rewards, operating procedures, co-workers, nature of work and communication. It was originally developed to assess job satisfaction in human service, non-profit and public organizations.

Job satisfaction is the feelings a person has about her or his job. Job satisfaction is an assessment of overall job experience, and arises from many factors such as one's relationship with a supervisor, the sense of fulfilment of work, perceived congruence between pay and work production, and physical conditions of the working environment (Spector, 1997). Job satisfaction was one of the earliest anticipated outcomes of empowerment (Spreitzer, et al, 1997). Employee satisfaction is the term used to describe a situation when employees are satisfied and contented with the job and their environment. Employee Satisfaction plays an important role in any organization be it small or large. Thinking that employee satisfaction is important only for the employee then it is not right. It is equally important for the organization for which the employee is working as well.

Review of Literature

Laschinger H.K.S., Finegan J.E., Shamian J. And Wilt P. (2004), in their paper used longitudinal predictive design to test a model linking changes in structural and psychological empowerment to changes in job satisfaction. Structural equation modelling analyses revealed a good fit of the data from 185 randomly selected staff nurses to the hypothesized model. Changes in perceived structural empowerment had direct effects on changes in psychological empowerment and job satisfaction. Changes in psychological empowerment did not explain additional variance in job satisfaction beyond that explained by structural empowerment. The results suggest that fostering environments that enhance perceptions of empowerment can have enduring positive effects on employees.

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.

Naeem A. (2013), in her paper examined the sound effects of employee attitudes on customer satisfaction. This study found that employee empowerment is optimistically connected with job satisfaction. This study also checked the links between the employee empowerment and organizational commitment.

Kanwar Y. P. S. et al (2009), have examined the impact of work life balance and burnout on job satisfaction in the context of the Information Technology (IT) and IT Enabled Services (ITES) industries. Burnout is measured through three dimensions, i.e., meaninglessness, de-motivation, and exhaustion. The findings reveal that while work-life balance and job satisfaction were positively related to each other, de-motivation, exhaustion and meaninglessness were negatively related to job satisfaction. The significant contribution to job satisfaction came from work life balance in both the IT and ITES industries. However, it was higher in the ITES group compared to the IT group. Further, job satisfaction was higher among the male respondents in comparison to the female respondents. The IT group had lower work-life balance and job satisfaction, while it had higher meaninglessness, de-motivation and exhaustion compared to the ITES group.

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.

Objectives of the Study

The objectives of the study are:

- 1) To assess the dimensions of employee empowerment and job satisfaction among the bank employees.
- 2) To determine the relationship of employee empowerment and its dimensions with job satisfaction.
- 3) To find out whether existence of employee empowerment have any association with the demographic background of employees such as age, gender and education and level of employees.

Problem Statement

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.

Hypothesis

The objective of this study is to measure the relationship between job satisfaction and employee empowerment. Therefore, the following hypotheses are developed:

H0: There is no significant difference between male and female job satisfaction level.

H1: There is a significant difference between male and female job satisfaction level.

H2: Employee empowerment leads towards higher level of Job.

H3: The four dimensions of Employee Empowerment are positively related to Job Satisfaction.

H3a: Meaning dimension of Employee Empowerment is positively related to Job Satisfaction

H3b: Competence dimension of Employee Empowerment is positively related to Job Satisfaction

H3c: Self-determination dimension of Employee Empowerment is positively related to Job Satisfaction

H3d: Impact dimension of Employee Empowerment is positively related to Job Satisfaction.

H4: There exists a significant relationship between age and Employee Empowerment.

H5: There exists a significant relationship between education and Employee Empowerment.

H6: There exists a significant relationship between level of employees and Employee Empowerment.

H7: There exists a significant relationship between gender and Employee Empowerment.

Research Methodology

The sample size was consisted of one hundred eight respondents from branches of different banks in Chandigarh. The respondents were the employees in Banks both men and women aged more than 20 and less than 60 years. They were private sector banks, public sector banks and new generation banks. The banks were State Bank of Bikaner and Jaipur, ICICI Bank and State Bank of Patiala in Chandigarh. The survey was conducted by distributing the questionnaire among the respondents. All questions were explained to the participants before giving the questionnaire so they may easily complete it and give the relevant response. Each respondent had only one questionnaire. Due to time and budget constraints, distribution of questionnaire to a large number of respondents was very difficult; hence, the convenient sampling method was used. The questionnaire was composed of three sections, the first section solicited general information about respondents i.e. gender, age, status and work experience. Whereas, in the second part was associated to Employee empowerment and the third part to Job Satisfaction and had forty eight items. The items were measured on 5 point Likert scale, where 5 was the largest level agreement and 1 was smallest level agreement. The tests used are Psychological empowerment is measured using a 12-item scale developed by Spreitzer (1995a) and Job Satisfaction is measured using the 36-item scale developed by Spector (1995) having

nine constructs viz. Pay Satisfaction, Promotion Satisfaction, Supervision Satisfaction, Benefits Satisfaction, Reward Satisfaction, Operating Procedures Satisfaction, Co-worker Satisfaction, Work Itself Satisfaction and Communication Satisfaction. The items were measured on 5 point Likert scale, where 5 was the largest level agreement and 1 was smallest level agreement. To explore the relationship between independent variable (Employee Empowerment) and dependent variable (Job Satisfaction), various statistical methods like Percentage analysis, Independent Sample t-test, Pearson Correlation, One way ANOVA and Post-Hoc test, multiple regressions were used.

Analysis of Results

The level of job satisfaction between male and female employees is analyzed out of total 180 respondents, 128 are male and 52 are female participants having age bracket between 20 to 60 years while majority of the employees are in between 30-40 years.

Job Satisfaction among male and female

The level of job satisfaction of male and female is measured through Independent sample t-test. The results of mean value prove that female employees are highly satisfied with their jobs as compare to male employees. There is significant difference between male and female job satisfaction as the p- value is less than 0.05. This revealed that null hypothesis (H₀) is rejected and alternative hypothesis (H₁) is accepted showing that a significant difference lies among male and female employees job satisfaction level. However, the mean difference shows that females are more satisfied than males.

Relationship between Employee Empowerment and Job Satisfaction

Pearson correlation is worked out to see whether there is any relation between employee empowerment and job satisfaction among the bank employees. The table shows that the correlation between Employee Empowerment and Job Satisfaction is 0.293 which indicates that there exists a positive relationship between Psychological Empowerment and Job Satisfaction at 1% level of significance.

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 ($p < 0.05$), R-Square is 0.651 and F-statistics is 13.795. It is proved that there is positive and significant relationship between employee empowerment and job satisfaction. The value of RSquare shows the fitness of the model as employee empowerment contributes 8%

of employee job satisfaction. The regression coefficient for independent variable is 0.214, which suggests that employee empowerment contributes 24% change in job satisfaction. Thus, the Hypothesis, H2: Employee empowerment leads towards higher level of Job is rejected.

Four Dimensions of Employee Empowerment and Job Satisfaction

The Table below shows that correlation between meaning dimension and job satisfaction is .258, correlation between competence dimension and job satisfaction is .298. The correlation between self-determination dimension and job satisfaction is .204 and between Impact dimension and job satisfaction is .229. 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, H3: The four dimensions of Employee Empowerment are positively related to Job Satisfaction is accepted. The Hypothesis, H3a: Meaning dimension of Employee Empowerment is positively related to Job Satisfaction is accepted. The Hypothesis, H3b: Competence dimension of Employee Empowerment is positively related to Job Satisfaction is accepted. The Hypothesis, H3c: Self-determination dimension of Employee Empowerment is positively related to Job Satisfaction is accepted. The Hypothesis, H3d: Impact dimension of Employee Empowerment is positively related to Job Satisfaction is accepted.

Impact of Age on Employee Empowerment

The entire sample is categorized into five age groups. One way ANOVA was computed to explore the impact of age on employee empowerment. To verify the difference that has been observed is significant or not one way ANOVA (F-test) was conducted. The result of one way ANOVA is shown in Table. It clearly indicates that there exist significant differences among different age group as far as employee empowerment is concerned ($F=5.328$, p value = 0.001) implying that the employee empowerment is dependent on age group of employees. Now to verify which ever groups have significant difference, Post Hoc multiple comparison tests were conducted. The result of the test shows that 41-50 age groups have highest significant difference among all other age groups. The age group 31-35 have least significant difference. Thus, the Hypothesis, H4: There exists a relationship between age and Employee Empowerment is accepted.

Impact of Educational Qualification on Employee Empowerment

To measure the impact of education qualification on employee empowerment the entire sample is categorized into four categories. One way ANOVA was computed to explore the impact of education on employee empowerment. To verify the difference that has been observed is significant or not one way ANOVA (F-test) was conducted. The result of one way ANOVA is shown in Table. It clearly indicates that there exist significant differences among different educational level as far as employee empowerment is concerned ($F=14.70$, p value = 0.001) implying that the employee empowerment is dependent on educational qualification of employees. Now to verify which ever groups have significant difference, Post Hoc multiple comparison tests were conducted. The result of the test shows that PhD holders have highest significant difference among all other age groups. The Post Graduates 31-35 have least significant difference. Thus the Hypothesis, H5: There exists a relationship between education and Employee Empowerment is accepted.

Impact of Level of Employee on Employee Empowerment

To measure the impact of level of employee on employee empowerment the entire sample is categorized into three categories. One way ANOVA was computed to explore the impact of level of employee on employee empowerment. To verify the difference that has been observed is significant or not one way ANOVA was conducted. The result of one way ANOVA is shown in Table. It clearly indicates that there exist no significant differences among different level of employee as far as employee empowerment is concerned ($F=1.134$, p value = 0.324) implying that the employee empowerment is not dependent on level of employee of employees. However, the mean plots show that employees at higher level of level are more empowered and employees at lower level of employee are least empowered. Thus the Hypothesis, H6: There exists a relationship between level of employees and Employee Empowerment.

Impact of Gender on Employee Empowerment

To check the Hypothesis, H7: There exists a relationship between gender and Employee Empowerment one way ANOVA is applied. The results show that there is no significant difference between male and female job satisfaction as the p - value is more than 0.05 . This revealed that Hypothesis H7: There exists a relationship between gender and Employee Empowerment is rejected. However, the mean plots shown below measured females are more empowered than males.

Conclusion and Recommendations

On the basis of results, it is concluded that employee empowerment has positive and significant impact on employee job satisfaction and there is 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 behaviour 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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