An Analysis of Employee Empowerment and Job Satisfaction: A Review

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AN ANALYSIS OF EMPLOYEE EMPOWERMENT AND JOB SATISFACTION: A REVIEW

Dr. Anu Kohli*
Ms. Alka Sharma**

ABSTRACT

Employee empowerment is considered as an important human resource management practice because of its assumed relationship with job satisfaction. This research paper reviews the literature related to the relationship between employee empowerment and job satisfaction. Various definitions, approaches and dimensions of employee empowerment and job satisfaction are considered for the period 2000 –2015. Studies pertaining to individual level, work unit level and organizational level have been included in order to examine the relationship between them. Literature shows positive relationship between employee empowerment and job satisfaction in different sectors like hospitality, BPO, banking, and educational sector. It can be concluded that employee empowerment is positively related to job tenure while negatively with the emotional exhaustion, while job satisfaction is negatively related with both job tenure and emotional exhaustion. The paper also vindicates that public sector employees are more satisfied with their jobs as compared to private sector employees. The study indicates that the factors, which contribute to Job satisfaction, are gender specific in nature. Finally it can be concluded that in order to provide job satisfaction to the employees, employee empowerment can be used as a powerful tool. This paper helps the practitioners and other researchers to enhance their knowledge about empowerment and its impact on job satisfaction.

JEL: M12, J28

Keywords: Employee empowerment, job satisfaction and mediator

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INTRODUCTION

Due to intense competition in the market, business organizations are facing major challenges like changing technology, shortage of manpower, retention, etc. Highly dedicated employees are needed in order to meet these challenges. Management has started to use different strategies to make their employees proactive, rather than reactive (Narang & Singh, 2010). One of such strategies is employee empowerment. Initially 'empowerment' was a part of different researches related to participative management, motivation, job autonomy (Hackman & Oldham, 1980) and employee enrichment (Herzberg, Mausner & Snyderman, 1959). But in last two decades, Employee Empowerment has been studied as a separate entity. It can be defined as a process of giving decision-making authority to the subordinates. It assists the employees to take responsibility of their outcomes. There are various attitudinal outcomes of empowerment like increased job satisfaction (Pelit, Öztürk & Arslantürk, 2011), motivation (Caudron, 1995), organizational commitment (Han, Moon & Yun 2009; Spreitzer & Mishra 2002), individual commitment and team commitment (Kirkman & Rosen, 1999).

Thus, this paper reviews various definitions, approaches and dimensions of employee empowerment and job satisfaction. It studies the relationship between Employee Empowerment and Job Satisfaction. It is also an attempt to analyze the impact of Employee Empowerment on job satisfaction.

EMPLOYEE EMPOWERMENT

Employee Empowerment's main focus is on the enhancement of the feeling of self-efficacy. This can be done by first identifying the conditions, which creates powerlessness and then removing these conditions through formal organizational practices and informal techniques for providing efficacy information (Conger & Kanungo, 1988).

On the basis of past literature, it can be observed that there are two fundamental approaches of empowerment. First is Behavioral dimension (Honold, 1997), which is concerned with the role of top management in employee empowerment. Second is the Psychological dimension, which deals with the perception of employees towards the empowerment (Conger & Kanungo, 1988; Thomas & Velthouse, 1990; Spreitzer, 1995; Spreitzer, 1996). Thomas & Velthouse (Thomas & Velthouse, 1990) defined empowerment in a multifaceted way. According to them empowerment is an increased intrinsic motivation, having four cognitions, reflecting an individual's orientation to his or her role-meaningfulness, competence, impact and choice.

Meaningfulness: Meaningfulness is the value of task goal, judged in terms of an individual's own value. Thomas & Velthouse (Thomas & Velthouse, 1990, pp. 666-681) define meaningfulness as “the value of a work goal or purpose, judged in relation to an individual's own ideals or standards”.

Competence: Competence is an individual’s belief in his/her own capability to perform the task successfully. Gist (Gist, 1987 pp.472-485,) defines competence as “an individual's belief in his or her capacity to perform activities with skill.”

Choice: Choice may be defined as freedom to select your work within the organization. Spector (Spector, 1986, pp.1005-1016) defines choice as “autonomy in the initiation and continuation of work behaviors and process.”

Impact: Impact may be defined as degree to which an individual believe that his/her task influence the organizational outcome. Ashforth (Ashforth, 1989, pp.207-242) defines impact as “the degree to which an individual can influence strategic, administrative, or operating outcomes at work.”
Figure 1 represents various cognitions of psychological empowerment.

<table>
<thead>
<tr>
<th>Meaning</th>
<th>Competence</th>
<th>Self-determination</th>
<th>Impact</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Psychological empowerment</td>
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</table>

**Figure 1: Cognitions of psychological empowerment (Spreitzer 1995)**

Bowen & Lawler (Bowen & Lawler, 2006) have focused on behavioral approach of empowerment. According to them, empowerment may be defined as the process of sharing information with the front line employees, the information related to the performance of organization, its reward system and at last giving employee the power to take decision so that organization performance can be improved.

In past researches it has been found that psychological empowerment has been affected by various factors like job tenure, emotional exhaustion (Dickson & Lorenz, 2009; Schermuly, Schermuly & Meyer, 2011). Job tenure is one of the major factors that affect empowerment. Dickson & Lorenz (2009), in his study of “Psychological empowerment and job satisfaction of temporary and part time nonstandard workers: A Preliminary investigation” found out that psychological empowerment increases as the tenure of non-standard worker increases in the organization. Schermuly, Schermuly & Meyer (Schermuly, Schermuly & Meyer, 2011), in their study “Effects of vice-principals psychological empowerment on job satisfaction and burnout” concluded that people feel less empowered due to high level of emotional exhaustion. In different countries, people perceive empowerment differently. According to Humborstad & Perry (Humborstad & Perry, 2011), employees working in Chinese organizations are not stimulated by empowerment. This study also suggested that empowerment can lead to lower turnover intention among employee if it is mediated by employee’s positive attitude towards job. Lin & Tseng (Lin & Tseng, 2013) in his study focused on the influence of leadership behavior and psychological empowerment on job satisfaction. They found that there were no significant differences in the cognition of psychological empowerment in campus security work executives due to difference in demographic factors like- marital status, age, education, current position etc. while significant differences were observed due to gender specifications and year of services. Kumar & Moorthy (Kumar & Moorthy, 2015) indicated that, “there is no relationship between age and psychological empowerment.”

Thus from the literature it can be concluded that there are mainly two approaches of employee empowerment – structural empowerment and psychological empowerment. There are various factors affecting employee empowerment such as job tenure, emotional exhaustion but there is no difference in the level of empowerment of employee due to marital status, age, education, and current position.
JOB SATISFACTION

Job satisfaction is the primary factor that influences an individual's job and is one of the main reasons for the employee to remain in the job. There are various definitions of job satisfaction. According to Hackman & Oldham (Hackman & Oldham, 1975) "Job satisfaction refers to the degree to which employees are satisfied and happy with their job (pp.159-70)". Locke (Locke, 1976) defines job satisfaction as "an enjoyable or optimistic emotional state resulting from the assessment of one's job or job experiences (pp.288-99)". Although various researchers and practitioners have given different definitions of job satisfaction but all definitions provide same sense. In general, Job satisfaction can be defined as feeling of an individual about his/her job.

There are a number of factors affecting job satisfaction of employees in the organization (Spector, 1997; Dickson & Lorenz, 2009; Bercu, 2017). Salary, promotion, supervision and relationship with the coworkers are few factors, considered important by Spector (Spector, 1997) in his research. Dickson & Lorenz (Dickson & Lorenz, 2009), in their study titled “Psychological empowerment and job satisfaction of temporary and part-time nonstandard workers: A preliminary investigation” focused on the effect of job tenure on employee job satisfaction. They observed that job satisfaction of employees decrease as their tenure increases. According to Gregory, Albritton & Osmobekov (Gregory, Albritton & Osmobekov, 2010), for the success of any organization, there should be compatibility between qualities of workers and their organizations. This P-O fit (person-organization) has a positive effect on in-role performance and job satisfaction of employees. According to Schermuly, Schermuly & Meyer (Schermuly, Schermuly & Meyer, 2011), people are not satisfied with their job due to emotional exhaustion. Lin & Tseng (2013) argued that job satisfaction of campus security executives could differ due to various factors such as current position, school history and year of services. Kumar & Moorthy (Kumar & Moorthy, 2015) found no relationship between age and job satisfaction of employee.

Past researches have focused on the difference in the satisfaction level of employees of public and private sector. Salary satisfaction is an antecedent of job satisfaction both in public and private organizations (Sharma & Bajpai, 2011). According to them public sector employees are more satisfied with their job in comparison to the employees of private sectors organizations. Similar results were observed by Latif et al. (Latif et al., 2011) for public and private college teachers. They found that teacher of public colleges are more satisfied with their jobs as compared to the teachers of private colleges.

Various researches have been conducted to judge the difference between satisfactions level of male and female employees. Thompson & McNamara (Thompson & McNamara, 1997) found no significant difference between the job satisfaction level of male and female employees. There are many studies, which oppose them. Some argue that males are more satisfied while other emphasized on high level of job satisfaction of female employees. Crossman & Zaki (Crossman & Zaki 2003), in their study titled “Job satisfaction and employee performance of Lebanese banking staff” focused on the relationship between job satisfaction, individual job facets, socio-demographic variables and job performance in Lebanese commercial banking sector. They indicated that female employees are more satisfied with their pay in comparison with their male counterpart. Sharma & Sehrawat (Sharma & Sehrawat, 2014) concluded that males are more satisfied with their jobs as compared to female employees.

Level of job satisfaction of employee differs from country to country. Saif & Saleh (Saif & Saleh, 2013) conducted their study to judge the level of job satisfaction of employee among different countries. They found that there is a significant difference between level of job satisfaction of employees in Jordan and England. In England, employees are more satisfied than in Jordan.
Different researchers use different scales to measure job satisfaction. Some of these are:

a) Job descriptive Index (JDI) by Smith (Smith, 1969). According to this scale job satisfaction can be measured by five dimensions-pay, promotion and promotion opportunities, coworkers, supervision and work itself.

b) Job Diagnostic Survey (JDS) by Hackman & Oldham (Hackman & Oldham, 1975). They included five areas to measure job satisfaction, namely - skill variety, task identity, task significance, autonomy and feedback.

c) Job satisfaction survey (JSS) developed by Spector (Spector, 1997). He included nine dimensions of job satisfaction-pay, promotion, supervision, fringe benefits, contingent rewards (performance based rewards), coworkers, nature of work, communication, operating procedure (required rules and procedures).

d) Most commonly used scale is Minnesota satisfaction questionnaire (MSQ), developed by Weiss et al. (Weiss et al., 1967). It was based on 20 dimensions namely- advancement, authority, achievement, system policies and practices, compensation, creativity, independence, moral values, recognition, coworkers, responsibility, supervision-technical, security, social services, social status, supervision-human relation variety, ability utilization, activity and working conditions.

RELATIONSHIP BETWEEN EMPLOYEE EMPOWERMENT AND JOB SATISFACTION:

A number of researches have been conducted to establish the relationship between employee empowerment and employee job satisfaction. It is observed that both dimensions of empowerment - behavioral and psychological, have a positive impact on employee's job satisfaction. Studies conducted in different industries showed positive relationship between employee empowerment and job satisfaction (Abdissa & Fitwi, 2016). In call centre (Holdsworth & Cartwright, 2003) generally employees are more stressed and less satisfied with their jobs and they posses poor physical and mental health, as compared to the employees of traditional offices. They also have negative perception about empowerment. It is also observed that empowerment have direct relationship with job satisfaction. In hotel industry, generally employees are less satisfied with their job due to unfair wages and salaries. From the study, it is found that employee empowerment can motivate them and provide them job satisfaction (Pelit, Öztürk & Arslantürk, 2011). Hashmi, Hashmi & Irshad (Hashmi, Hashmi & Irshad, 2014) conducted his research in Pakistan and found that there is a positive relationship between psychological empowerment and job satisfaction at all levels of management. Bordin, Bartram & Casimir (Bordin, Bartram & Casimir, 2006) conducted their study on Singaporean IT employee and concluded that Job satisfaction is positively correlated to psychological empowerment.

Employee empowerment is positively correlated with various variables such as job satisfaction, leadership behavior, organizational citizenship behavior and organizational performance (Lin & Tseng, 2013; Kasemap, 2013; Hanaysha & Tahir, 2016; Ukil, 2016; Mukhles Al-Ababneh et al., 2017). Lin & Tseng (Lin & Tseng, 2013) conducted their study on the campus safety task executives in private universities of Taiwan. They selected a sample of 120 respondents. Through Pearson correlation analysis, it was found that there is a positive correlation between three variables namely leadership behavior, psychological empowerment and job satisfaction. Regression analysis shows that leadership behavior and psychological empowerment have a significant positive impact on job satisfaction.
Psychological empowerment shows a stronger impact on job satisfaction than leadership behavior. Kasemap (Kasemap, 2013) indicated that there is a relationship between psychological empowerment, job satisfaction, organizational citizenship behavior and organizational performance; also job satisfaction and psychological empowerment are positively related. Hanaysha & Tahir (Hanaysha & Tahir, 2016) conducted their study on the administrative and academic staff at the public universities and concluded that empowerment have a significantly positive effect on the job satisfaction. Mukhles Al-Ababneh et al. (Mukhles Al-Ababneh et al., 2017) emphasized on the individual as well as combined effect of structural and psychological empowerment on job satisfaction. They found out that both structural and psychological empowerments individually have significant influence on job satisfaction, but it is more significant when both are combined.

Table I represents various factors affecting employee empowerment and job satisfaction.

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>RELATIONSHIP</th>
<th>FACTORS</th>
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<tbody>
<tr>
<td>EMPLOYEE EMPOWERMENT</td>
<td>POSITIVELY RELATED</td>
<td>Quality of Work Life, Productivity, Collaboration</td>
</tr>
<tr>
<td></td>
<td>NEATIVELY RELATED</td>
<td>Turnover, operational cost, retention cost, absenteeism</td>
</tr>
<tr>
<td>JOB SATISFACTION</td>
<td>POSITIVELY RELATED</td>
<td>Pay, promotion, coworkers, organizational justice</td>
</tr>
<tr>
<td></td>
<td>NEATIVELY RELATED</td>
<td>Work stress, emotional exhaustion</td>
</tr>
</tbody>
</table>

Table I: Factors affecting employee empowerment and job satisfaction (developed through literature)

There are various variables, which work as a mediator between psychological empowerment and job satisfaction. Bitmis & Ergeneli (Bitmis & Ergeneli, 2011) stated that Leader-member exchange works as a mediator between psychological empowerment and job satisfaction and it fully mediates competence dimension of psychological empowerment and job satisfaction while other dimensions are partially mediated. Organizational citizenship behavior can work as a positive mediator between psychological empowerment and organizational performance as well as between job satisfaction and organizational performance.

Kumar & Moorthy (Kumar & Moorthy, 2015) investigated the relationship between psychological empowerment and job satisfaction. They concluded that there is a positive relationship between psychological empowerment and job satisfaction. Fock et al. (Fock et al., 2011) supported the result except for ‘impact’ dimension.

Previous researches have also indicated group relationship among employee empowerment, job satisfaction and various job outcomes. Razavinejad & Najafzadeh (Razavinejad & Najafzadeh, 2014) argued that employee’s performance could be enhanced if they have job satisfaction and job satisfaction can be achieved if organization provides them empowerment and they feel empowered. According to Ugboro & Obeng (Ugboro & Obeng, 2000), two important principles of TQM: Top management leadership and Employee Empowerment, have positive impact on employee job satisfaction, which ultimately results in high customer satisfaction. Customer satisfaction can be measured by an organization’s ability to fulfill customer expectation.
Employee empowerment leads to various job outcomes. Narmada (Narmada, 2016) indicated that employee empowerment has significant effect on various job related factors. It leads to increased organizational quality of work life, employee satisfaction, collaboration and productivity. At the same time, it also results into decreased turnover, operational cost, organizational cost and retention cost. Kadyan (Kadyan, 2014) in her research of “employee empowerment, job satisfaction and corporate employee performance: A literature review” have presented the summery of various researches and concluded that increased employee empowerment will result into increased productivity, high quality of work life and job satisfaction. It also has a negative impact on employee turnover and their absenteeism.

Earlier researches have mainly focused on the effect of employee empowerment on the job satisfaction but some researchers worked on the mediating role of psychological empowerment between various variables (Carless, 2004; Gregory, Abbrtton & Osonmonbekov, 2010; Harris, Wheeler & Kacmar, 2009; Seibert, Silver & Randolph, 2004). According to Seibert, Silver & Randolph (Seibert, Silver & Randolph, 2004), there is a relationship between empowerment climate and job satisfaction of employees and psychological empowerment works as a mediator between empowerment climate and job satisfaction. Similar results were also indicated by Carless (2004). While Gregory, Abbrtton & Osonmonbekov (Gregory, Abbrtton & Osonmonbekov, 2010) focused on the mediating role of psychological empowerment between person-organization fit (P-O fit) and job satisfaction. Harris, Wheeler & Kacmar (Harris, Wheeler & Kacmar, 2009) worked on Leader-member exchange quality and various job outcomes. They concluded that empowerment can work as a mediator between leader-member exchange quality and job outcomes of job satisfaction, turn over intention, job performance and organization-citizenship behavior. Quiiones, Broeck & Witte (Quiiones, Broeck & Witte, 2013) argued that psychological empowerment works as a mediator between various job resources (i.e. task autonomy, skill-utilization and social support from supervisor and colleagues) and work engagement. Some researches focused on the mediation role of job satisfaction (Xiujun, Sun 2016). According to Xiujun Sun (2016) job satisfaction acts as the mediator between psychological empowerment and job performance.

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>MEDIATOR</th>
<th>VARIABLES</th>
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<tbody>
<tr>
<td>Empowerment climate</td>
<td>Employee empowerment (mediator)</td>
<td>Job satisfaction</td>
</tr>
<tr>
<td>Person-organization fit</td>
<td>Employee empowerment (mediator)</td>
<td>Job satisfaction</td>
</tr>
<tr>
<td>Task autonomy, skill utilization, social support from supervisor</td>
<td>Employee empowerment (mediator)</td>
<td>Work engagement</td>
</tr>
</tbody>
</table>

Table II: Role of employee empowerment as a mediator (developed through literature)

CONCLUSION

This study understands the impact of employee empowerment on employee job satisfaction. There are various measuring factors of employee empowerment. All factors can be compiled into four dimensions- meaningfulness, competence, impact and choices. Job satisfaction can be measured through different dimensions like pay, promotion, working conditions, supervision, co-workers and work itself. Literature shows positive relationship between employee empowerment and job satisfaction.
satisfaction in different sectors like hospitality, BPO, banking, and education industry. It can also be concluded that employee empowerment is positively related to job tenure while negatively related to the emotional exhaustion, while job satisfaction is negatively related with both job tenure and emotional exhaustion. There is no relationship between psychological empowerment and age. In public sector people are more satisfied with their job as compared to private sector employees. Job satisfaction is gender specific. In different countries, level of job satisfaction of employees differs from each others. It can also be concluded that there are some mediators between employee empowerment and job satisfaction like-organization citizenship behavior. In some case, employee empowerment works as a mediator between variables such as empowerment climate and job satisfaction, Person-Organization fit and job satisfaction and Leader-member exchanges quality and job satisfaction.

Therefore, it can be concluded that in order to provide job satisfaction to the employees, employee empowerment can be used as a powerful tool which was also demonstrated by previous prominent research works (Seibert, Silver & Randolph, 2004; Harris Wheeler & Kacmar, 2009).

REFERENCES


