

Employee empowerment, job satisfaction and organizational commitment: An empirical investigation on the relationship

¹ Dr. M Dhanabhakya, ² R Rekha

¹ Associate Professor & Guide School of Commerce Bharathiar University Coimbatore, Tamil Nadu, India

² PhD Research Scholar, Department of Commerce, R & D centre, Bharathiar University, Coimbatore, Tamil Nadu, India

Abstract

Providing the autonomy to the employees in making managerial decisions within their capacity in day-to-day activities is called as the employee empowerment. Performance of the employee can be assessed with their satisfaction and commitment levels. A higher satisfaction and commitment quotient shall lead an employee to a great height. A satisfied customer turns to a regular customer for service and thereby increases the brand loyalty of the organization. 150 automobile sales and service personals of Coimbatore city are taken as samples. Employee empowerment, Job satisfaction and Organizational Commitment are the variables tested along with the individual profile of the respondents. The results of the study found that there is a significant positive correlation between Employee Empowerment, Job Satisfaction and Organizational Commitment. The regression model proves that Employee Empowerment and Organizational Commitment are the predictors of Job satisfaction.

Keywords: employee empowerment, job satisfaction, organizational commitment, correlation, multiple regression

1. Introduction

The concept of employee empowerment came up in late 1990s. Providing the autonomy to the employees in making managerial decisions within their capacity in day-to-day activities is called as the employee empowerment. For any organization, human resource is the greatest asset and managing such a valuable asset is an art. Human resources are the storehouses of knowledge, skill, abilities, diversified attitude and a bandwagon for the organization. More studies have proved that the employees are not fully utilized to their capacity and most of them are deprived even their decision making powers even within their capacity. It is also observed by most of the researchers that employees hesitate to take responsibilities for the fear of additional pressure in their work as a consequence of empowerment. On the contrary, many research studies also found that employees who are not empowered, have a feel of frustration and think themselves low and cannot contribute to the organizations. Such a low feeling in them do not give them a self-satisfaction and ultimately affects their job satisfaction. This in turn reflects in their commitment level towards their organization. Performance of the employee can be assessed with their satisfaction and commitment levels. A higher satisfaction and commitment quotient shall lead an employee to a great height. On the same hand, given an authority in the job boosts his confidence too. With the rampant poaching of two-wheeler and four-wheeler models and showrooms to meet out the demand of growing population in tier II city like Coimbatore, there are more job opportunities growing up. With more modern and latest models of both two wheelers and four wheelers, it the responsibility of the front-end sales persons to attend the customers and satisfy their needs. Moreover, a post-sales services need to be attended with the utmost care as these high end models cannot be serviced by local mechanics. Hence, the job of sales and service persons of such automobile outlets are crucial and need

to be empowered to close the sales and achieve their business targets. Hence, the current research paper aims at finding out the employee empowerment, job satisfaction and organizational commitment of such automobile sales and service personals of Coimbatore city.

2. Review of literature

Employee Empowerment

Employee Empowerment' means 'to give authority to the people'. Employee employment involves less hierarchical and gives the employees more freedom in their jobs. This enables them to make quick decisions and not wait for decisions to flow from their top managers. It is the process of enabling or authorizing an employee to think, take action, and control work and decision making in an independent or autonomous way. It is the state of mind when one feels that he is self-empowered to control one's own destiny (Verma. R, 2006) [8]. It is the collection of required capacity in staff for enabling them to create value in organization and role playing and responsibilities are responsible in the organization, with efficiency and effectiveness (Doaei, 1998) [2].

Among the various approaches of Employee empowerment, Mechanical approach and Organic approach are the most prominent ones. Mechanical approach is the process during which senior management develops a clear vision, paint programs and specific tasks in the organization. It provides information and resources that are needed to perform duties and allows them to practice change the process improvement. It is a 'Top-Bottom' approach. Organic approach is a 'Bottom-Top' approach, whereby the empowerment is defined in terms of personal beliefs.

Employee empowerment acts as a catalyst in the four important elements of employee performance that includes employee importance, efficiency, the ability to choose and the influence on the decision making (Sayed, 2010) [6]. The purpose of

empowerment is to increase the authority, knowledge, motivation related to the work of employees, therefore to enhance the contribution of employees to company and customers' satisfaction (Juhl, Kristensen, Dahlgarrd, & Kanji, 1997) [3]. Thus employee empowerment satisfies both external customers and internal customers. Empowerment of employees may be carried out at various levels namely, at the individual level, group level, team level, unit level or even at branch levels.

Strategies of employee empowerment (Ugboro & Obeng, 2000) [7] (Karakoc & Yilmaz, 2009) [4]

- By changing the job definition by widening the meaning and framework of job and increase the authority.
- By enlarging the span of control of the job, to facilitate authority transition from managers to subordinates
- By increasing the qualification of managers
- By increasing the qualification of employees
- By increasing the team spirit
- By restructuring the work process
- By redefining the performance appraisal system, giving utmost authority for appraisers
- By reforming the rewards and recognition system for better motivation

Job satisfaction

Job satisfaction is an attitude that individuals have about their jobs. It results from their perception of their jobs. (R, 1935) was the person who propounded the concept of job satisfaction. He says that it is the employee's feeling about the environment both in psychological and physical and the employee's subjective reaction to the working situation, including the overall satisfaction. Job satisfaction is also defined as the extent to which an employee likes hi/her current job. (P, 1987) (Spector E.) Job satisfaction has a significant and positive relationship with three dimensions of organizational commitment and turnover intention has a significant relationship with job satisfaction and organizational commitment (Lacity C M, 2008).

Organizational commitment

Organizational commitment has received considerable attention due to its significant impact upon work attitudes, such as job satisfaction, performance, absenteeism and turnover intention. (J.O. Opkara and Wynn P., 2008). Commitment refers to attachment and loyalty. It is associated with the feelings of individuals about their organization (Armstrong, 2010). (Porter, 1974) defined commitment as the relative strength of the individual's identification with and involvement in, a particular organization. The three characteristics of commitment identified by (Mowday R, 1982) are:

- i) A strong desire to remain a member of the organization
- ii) A strong belief in, and acceptance of, the values and goals of the organization
- iii) A readiness to exert considerable effort on behalf of the organization

3. The study

3.1 Statement of the problem

Automobile servicing and repairs are the need of the hour in the rapid run of everyday life. Automobile mechanics face hardships day in and day-out in servicing the automobiles and satisfying their customers. A satisfied customer turns to a

regular customer for service and thereby increases the brand loyalty of the organization. Coimbatore is considered as a hub of textiles mills, educational institutions and hospitals. New automobile showrooms with latest models have their outlet here and there is always an increased customer ship for such luxury products. Selling such high-end models of automobiles and providing prompt service to the customers is an art. Such customer facing employees are to be empowered in order to make them to take quick and timely decision that shall enhance their job satisfaction and productivity. Hence, the current study is based on empirically testing the relationship between the Employee empowerment, Job satisfaction and Organizational commitment of such automobile sales and service personals of Coimbatore city.

3.2 Objectives of the study

Following are the research objectives of the current study:

- i) To understand the profile of automobile sales and service personals of Coimbatore district
- ii) To examine the relationship between Employee empowerment, Job satisfaction and Organizational Commitment of automobile sales and service personals.

3.3 Research Hypothesis

Following are the hypothesis of the current study:

- **Ho1:** There is no correlation between Employee Empowerment, Job satisfaction and Organizational Commitment among the sales and service personals.
- **Ho2:** There is no impact of Employee empowerment and Organizational commitment on Job satisfaction

3.4 Research Methodology

In order to meet the research objectives, a semi-structured questionnaire with the dimensions of Employee empowerment (12 items adapted from Hayes, 1994), Job satisfaction (17 items adapted from Sepctor, 1997) and Organizational Commitment (12 items adapted from Allen and Meyer, 1993) along with other demographic profile indicators such as age, position in the organization, experience in the current job. A five point Likert scale type was used to measure the agreement with each statement. The items were summed up to scales to create a composite measure. 150 samples were drawn from the two-wheeler and four-wheeler sales and service persons employed with the leading brands in their respective showrooms of Coimbatore city. The data thus obtained is further processed with appropriate statistical tools to meet the research objectives.

4. Data analysis and results

4.1 Reliability of the instrument

As the instrument developed for the study is adopted from various sources and rephrased according to the sample of the study, it is necessary to check the reliability of the instrument. Cronbach Alpha measure is applied to check the reliability and the following table depicts the reliability indices which are much satisfactory in comparison to the prescribed limits (>0.70) (Cronbach, 1951) [1].

Table 1: Cronbach Alpha scores of the variables

Employee Empowerment (12 items)	0.932
Job satisfaction (17 Items)	0.846
Organizational Commitment(12 items)	0.891

4.2 Profile of the respondents

In order to understand the profile of the automobile sales and

service persons of the study, the frequency and percentage analysis is carried out and the results are provided below:

Table 2: Position

		Frequency	Percent	Valid Percent	Cumulative Percent
Position	Low	25	16.7	16.7	16.7
	Middle	104	69.3	69.3	86.0
	High	21	14.0	14.0	100.0
	Total	150	100.0	100.0	

Table 3: Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Age	Less than 28	15	10.0	10.0	10.0
	28-36	75	50.0	50.0	60.0
	36-44	31	20.7	20.7	80.7
	above 44	29	19.3	19.3	100.0
	Total	150	100.0	100.0	

Table 4: Job experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Job experience	Less than 2 yrs	13	8.7	8.7	8.7
	2-5 yrs	77	51.3	51.3	60.0
	5-8 yrs	31	20.7	20.7	80.7
	More than 8 yrs	29	19.3	19.3	100.0
	Total	150	100.0	100.0	

It is inferred from the above tables that the majority of the respondents (69.3%) are in the middle position with the frequency of 104, while the majority of the respondents (50%) belong the age category of 28years to 36 years with the frequency of 75, and majority of the respondents (51.3%) have an job experience with the current employer of 2 years to 5 years with the frequency of 77. It is to note that all the respondents are male.

4.3 Analyzing the relationship between the variables

In order the analyze the relationship between the Employee empowerment, Job satisfaction and Organizational commitment of the respondents, Karl Pearson’s Correlation analysis is applied and the following table depicts the correlation analysis results.

Table 5: Correlation Analysis

		OC	EE	JS
OC	Pearson Correlation	1	.579**	.587**
	Sig. (2-tailed)		.000	.000
EE	Pearson Correlation	.579**	1	.870**
	Sig. (2-tailed)	.000		.000
JS	Pearson Correlation	.587**	.870**	1
	Sig. (2-tailed)	.000	.000	

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

It is inferred from the above Table 5 that all the three variables are correlated to each other. More specifically, Organizational Commitment has a positive relationship with the Employee empowerment (0.579 at $P < 1\%$) and has a positive relationship

with Job satisfaction (0.587 at $P < 1\%$). Employee empowerment has a high positive correlation with Job satisfaction (0.870 at $P < 1\%$). This implies that when the employee is empowered, the level of job satisfaction of the employee increases thereby increasing his productivity.

4.4 Regression analysis

In order to check the impact of Employee empowerment and Organizational commitment on Job satisfaction, multiple regression with Enter method is applied and following tables depicts the results of regression analysis.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.876 ^a	.768	.764	6.16046

a. - Predictors: (Constant), EE, OC

Table 7: Anova

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	18419.038	2	9209.519	242.667	.000 ^b
	Residual	5578.836	147	37.951		
	Total	23997.873	149			

a. Dependent Variable: JS

b. Predictors: (Constant), EE, OC

Table 8: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-2.817	3.638		-.774	.440		
	OC	.249	.097	.125	2.568	.011	.665	1.504
	EE	1.223	.075	.798	16.353	.000	.665	1.504

a. Dependent Variable: JS

It is inferred from the above regression table 6 that the adjusted R square of the regression model is 0.764 with the standard error of 6.16. This implies that about 76.4% of the variance of Job satisfaction is being explained by the two variables namely, Employee empowerment and the Organizational Commitment. The Table 7 shows the ANOVA test results of the regression model. The F ratio 242.667 is significant and hence it implies that we can further proceed with the model.

The Table 8 shows the regression coefficients and the collinearity statistics of the model. It is observed from the table that the VIF indices for the model is less than the prescribed limit of 4 and hence the fear of multi-collinearity is ruled out. Further, both the predictors of Job satisfaction, namely the Organizational Commitment ($t=2.568$, $p<5\%$) and the Employee Empowerment ($t=16.353$, $p<5\%$) are statistically significant contributors in predicting the Job satisfaction. Hence, it is concluded that the Job satisfaction of the automobile sales and service persons can be rightly predicted with the Organizational commitment (0.249) and Employee Empowerment (1.223) and with the constant of (-2.817). It is further to note that the Employee empowerment is more significant predictor of Job satisfaction than the Organizational commitment.

5. Discussion

The ultimate purpose of employee empowerment concept is to motivate the employees and help them in achieving organizational outcomes. The results of the study envisage that there is a perfect positive correlation between the selected variables of the study, namely employee empowerment, Job satisfaction and Organizational Commitment. This further enlightens that, there is a perfect influence of each variable on the other. A positive correlation between them also states that, an increase in the empowerment shall lead to a higher job satisfaction and organizational commitment quotient in the minds of employees. Converse is also true. Moreover, the results of the regression analysis also envisage that Employee empowerment and Organizational commitment impacts employee's job satisfaction. This implies that, giving some amount of autonomy to the employees, especially to the customer facing employees, in their decision making upto their capacity, shall provide them a sense of pride and confidence. This builds up the morale and commitment of the employees towards the organization. This further paramounds to an increased satisfaction in their work. A satisfied employee always adds patronage to the employer.

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