



IMPACT OF EMPOWERMENT OF EMPLOYEES ON JOB SATISFACTION: A STUDY OF EMPLOYEES OF PRIVATE SECTOR BANKS IN BANGALORE CITY

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Abstract

Empowerment of employees and Job satisfaction has been always an interesting area for research. Empowerment ensures that employees are highly motivated towards their job and get the benefit of their performance. The present study finds that the noteworthy positive impact of empowerment on job satisfaction of employees working in Private sector banks in the city of Bangalore. The study population was employees working in private sector banks in the city of Bangalore. A convenience sampling method was applied to select the sample size for the research. Primary data was collected from the employees working in different branches of private sector banks in the city of Bangalore. Different statistical techniques such as Descriptive analysis, Reliability analysis, Correlation analysis and Regression analysis were used to interpret the data.

Keywords: Job Satisfaction, Employee Empowerment, Psychological Empowerment, Banking Sector.

Introduction

Job satisfaction can be explained as a gratifying and positive emotional state of mind as a result of one's job or job experiences (Locke, 1976). It is the attitude of an employee towards his work. Satisfaction creates lots of intangible payback to the organization which may include commitment, drastic reduction in employee grievances, absenteeism, turnover etc. Employee Job satisfaction is a key tool to gauge the health of the organization as quality of service largely depends upon the human resources in the organization Saker et al (2003). Employee Job Satisfaction is the key word in today's corporate scenario. Since the last few decades new and innovative concepts related to human capital has been emerging every day. Few decades ago the concept of employee satisfaction was not considered important as the employees were loyal to their organizations and use to have a long career there. Most employees were not much concerned about the job satisfaction. Over the period of last few decades the employees have witnessed drastic changes in the concept of considering humans resources as assets of the organization, thus resulting in emergence of concept of Job satisfaction as a tool of retaining high performing employees. The very idea of job satisfaction has many factors contributing to it which are monetary and non-monetary in nature. Employee Job satisfaction is the favorableness or un-favorableness with which an employees look at their job. Employee Job satisfaction is influenced by both the internal as well as external environment of the business organization. Job satisfaction is highly influenced by Job design. Jobs that are loaded in elements such as freedom, role importance and feedback have a say in employee's satisfaction. Moreover the employee's acceptance by the peer group is most important element in job satisfaction. To sum up each and every element of the organization's work environment and system can contribute to job satisfaction William & Keith (2000). Locke (1976) has defined employee job satisfaction as "unique pleasurable or highly positive emotional state of mind, resulting from appraisal of job experiences." Therefore, employee job satisfaction refers to a highly positive emotional reaction to a particular job. It is a reaction to a particular job that emerges from the comparison of actual outcomes of the job with that of anticipated Opkara (2002). Employee Job satisfaction has significant impact on human health. All Employees spend a considerable part of their life at their workplace therefore the various factors associated with job satisfaction and behavior of employees and their implication are of utmost importance to measure Oshagbemi (1999). Employee Job satisfaction is an approach and attitude of an employee over a period of his job, hence the factors of job satisfaction may vary over the period of time. Nevertheless, in today's fast changing business climate of unremitting changes and vagueness, the importance of job satisfaction to an organizational performance and individual can be of utmost importance". Employee Job satisfaction is an attitude, hence measuring attitude at workplace is not an easy task.



Employee Empowerment is providing employees some degree of autonomy and responsibility for decision making by employees regarding their organizational tasks. It allows decisions to be taken at the lower levels of an organization where an employee has a unique view of the specific issues and problems of the organization at a certain hierarchy.

It is a practice of sharing key information, rewards and authority with employees so that they can take initiative and make informed decisions to solve organizational problems and improve service and performance. Empowerment is not just giving power to employees but letting their power out. Empowered employee in an organization will develop capability to successfully perform their tasks through application of their knowledge and skills. Developing and improving competency among employees in an organization is vital.

Review of Literature

Reddy and Sudheer (2011) found that so many factors affect job satisfaction such as “advancement, job related autonomy, friendly colleagues, creativity, attractive pay, recognition, responsibility, policies, job security, supervision and work conditions”.

Raj and Sengupta (2009) explains employee job satisfaction is an attitude that all employees have towards their job, and it is directly tied to individual psychological needs including challenging assignments, evenhanded rewards and encouraging work environment.

Nirali and Rashmi (1990), revealed a positive relationship between barriers to individuals career advancement and job related stress. When workers perceived a lack of career opportunities, they are more likely to feel uncertain about their future in that organization, which likely to bring more stress.

Origo and Pagani (2008) have discovered that there was a strong correlation between possibility of **promotions and job satisfaction**. The results show that needs, opportunities for promotions, and salary add to job satisfaction and reduction in employee turnover among employees of insurance organizations.

The above studies reveal positive correlation between management, leadership, empowerment, job related satisfaction, and customer satisfaction. Empowerment and improved job satisfaction are provided by top management. Although there are various literatures available relating to employee job satisfaction, the research studying the impact of empowerment on job satisfaction of banking sector employees is limited.

Statement of The Problem and Methodology

An employee being a crucial resource of the organization brings his knowledge and experiences in the form of human capital. The human capital helps the business organizations to grow and achieve their goals and objectives. Employees in the banking sector have to face lots of work and assignments daily, which they need to complete in a very strict schedule. Empowering employees can help enhance the job satisfaction of employees in the banking sector. Employees need to work in a stressed environment and they can perform better if they are empowered psychologically. As employee job satisfaction is most important for any organization, it is imperative to understand the job satisfaction in order to get an insight into their satisfaction.

The primary objective of this research is to study the impact of employee empowerment on job satisfaction of selected employees. The primary data required for the study is collected from employees working in private sector banks in Bangalore city. A questionnaire covering issues relating to Job satisfaction and empowerment was administered to 235 employees out of which 83 filled questionnaires were received, thus constituting a response ratio of around 35%. Convenience sampling technique is used. Data was analyzed through SPSS. Data analysis techniques used were Descriptive analysis, Reliability study, Correlation and Regression analysis. This study has major limitations of time and resources. Convenience sampling was another limitation.

Analysis of Results & Discussions

Descriptive & Demographics Analysis:

Table-1 Descriptive & Frequency Distribution

Demographics-N:83				
Frequency	Percentage		Mean Value	Standard Deviation
Gender			.24	.431
Male	62	0.75		
Female	21	0.25		
Age			2.44	1.053
20-24	14	0.17		
25-29	33	0.40		
30-34	17	0.20		
35-39	9	0.11		
40-44	10	0.12		
Education			3.80	1.294
12 years	8	0.10		
14 years	15	0.18		
16 years	31	0.37		
17 years	9	0.11		
17.5 years	20	0.24		
Experience			1.38	.753
0-5 years	47	0.57		
6-10 years	17	0.20		
10-15 years	11	0.13		
16-20 years	8	0.10		

Table-1 shows that there were 75% male respondents while only 25% were female respondents. As far as age of the respondent is concerned, there were 14 employees in the age bracket 20-24, making 17% of total respondents, 33 (40%) were in age bracket 25-29, 17 (20%) were in 30-34, 9 (11%) were in 35-39, while the remaining 10 (12%) out of 83 were having age bracket 40-44 years. Demographics for education shows that there were 8 respondents were having 12 years of education or having intermediate, making 10% of total respondents, 15 (18%) were having 14 years of education or having Bachelors, 31 (37%) were having 16 years of education or having Honors in Bachelors or Masters, 9 (11%) were having 17 years of education and remaining 20 (24%) were having 17.5 years of education or having Mphildegrees. Table-1 shows the experience-wise frequency as almost 47 (making 57%) respondents were having job experience below 5 years, 17 (20%) were having experience between 6-10 years, 11 (13%) were having 10-15 years and the remaining 8 (10%) were having the 16-20 years of job experience.

Reliability Analysis

Reliability of the study constructs are obtained through Reliability analysis using Cronbach's Alpha. Table-2 shows that the reliability of both constructs (job satisfaction and psychological empowerment) is above 0.8 which shows a very good range. It is mentioned in the study by that Cronbach's alpha greater than 0.7 shows an acceptable range.

Table-2 Reliability Analysis

Reliability Statistics		
	Number of Constructs	Cronbach's Alpha
Empowerment	12	0.865
Job Satisfaction	7	0.880

Correlation Analysis

Correlation brings out the interdependence of the study variables. Table -3 shows that empowerment and job satisfaction are moderately positively correlated with each other with the correlation coefficient of 0.561. This means that with the increase of psychological empowerment, job satisfaction also increases. Findings of Table-3 shows that the research hypothesis is accepted, which states that “Employee empowerment significantly positively impact the employee job satisfaction”.

Table-3 Correlation Analysis

Correlation Statistics			
		Empowerment	Job Satisfaction
Empowerment	Correlation Coefficient	1.000	
	Sig. (2-tailed)	.000.	
Job Satisfaction	Correlation Coefficient	0.561**	1.000
	Sig. (2-tailed)	.000	

Regression Analysis

Regression analysis is also used to see the impact of independent variable on dependent variable. This means that this study is inclined to test the impact of empowerment on job satisfaction. Table-4 shows model summary, in which adjusted R^2 is found to be 0.301 or 30.1%. this adjusted R^2 means that “how much variability is explained by the dependent variable job satisfaction in independent variable psychological empowerment”.

Table-4 Model Summary

Model Summary			
R	R Square	Adjusted R Square	Std. Error of Estimate
.561	.561	.301	.63359
a. Predictors: (Constant), PE			

Table-5 shows the coefficients of constant and independent variable (Psychological Empowerment) that results from the regression analysis.

Table-5 Regression Coefficients

Coefficients					
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.891	.864		2.190	.033
Psychological Empowerment	.682	.145	.561	4.699	.000
a. Dependent Variable. JS					

It can be seen from the Table-5, that coefficients for both constant; 1.891 and empowerment; .682 are significant. This lead us to the finding that these can be helpful in predicting the job satisfaction among employees of private banks in the city of Bangalore. Regression analysis also accepts the research hypothesis that there exists a positive relationship between psychological empowerment and job satisfaction. The regression analysis can be shown as a regression equation in a following way



JobSatisfaction= β_0 + β_1 (PsychologicalEmpowerment)

Job Satisfaction = 1.891 + .682 (Psychological Empowerment)

The above equation shows that one unit increase in psychological empowerment increase the job satisfaction by 0.682 units.

Conclusion

This study reveals that there exists a positive relationship between the empowerment and job satisfaction among employees of private banks in the city of Bangalore. If banking organizations empower employees they can enjoy the loyalty of employees towards the organization and job through job satisfaction. The study provides the theoretical contribution to the body of knowledge that there exists a significant impact of psychological empowerment on job satisfaction in the banking industry. This study will contribute towards theoretical and empirical evidence that there is a need to provide employees with psychological empowerment which can help enhance their satisfaction towards job and create a prosperous and conducive work environment.

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