

# The Impact of Employee Empowerment on Job Satisfaction of Commercial Banks of Ethiopia, Dire Dawa Branch

Girmay Aklilu

CollFSCDege of Business and Economics, Dire Dawa University, Ethiopia

## Abstract

Different authors argue that empowering employee using different facets of empowerments like information sharing, trust, reward, training and autonomy have an impact on job satisfaction and service quality where as other authors disagree with this idea .thus this study with the title of "*The Impact of Employee Empowerment on Job Satisfaction of Commercial Bank of Ethiopia, Dire Dawa Branch*" has an objective of testing whether the facets of empowerment have a relation with overall job satisfaction. Questionnaires were distributed to the entire population of the bank. From the distributed questionnaires 71% were collected back and used for interpretation. To analyze the data inferential statistics like Pearson correlation and multiple regressions were employed. The researcher found that all facets of employee empowerment have contributed to employee job satisfaction. Particularly training and reward have a significant contribution to job satisfaction. The researcher recommend the bank to develop short term and long term training program as well as develop a reward system that motivate its employees so as to increase their employee's job satisfaction and to provide quality service to its customers and become competent in the market.

**Keywords:** Employee empowerment, job satisfaction, service quality, commercial bank.

## 1. Introduction

Employees are one of the most vital aspects of an organization and therefore a good human resources management policy can become a competitive advantage. This is especially true in case of service organization as they depend heavily on their front line staff to provide high quality services to their customers (palmer, 2001, p.76). Therefore, there is a need for manager to satisfy their employees as they in turn satisfy the most important external stakeholder the customer

Therefore, managers must be in a position to understand and provide for the needs of their employees. Thus an increase in job satisfaction will more than likely be the main factor employees will consider when contemplating whether to stay in their jobs or move elsewhere (Robbins, 2005, P.84).

A satisfied customer and employees are of important value to the organization, it therefore, become the duty of the management to put in place a system that would ultimately satisfy employees. Since the employees have a major role to play in determining whether a customer would enjoy the experience or turn to their competitors for better solutions. Thus organizations re-think of their strategy, because companies today recognize that they can compete more effectively by distinguishing themselves with respect to service quality and improved customer satisfaction.

Now a day a banking service industry has grown considerably making it an intensive industry. Banks can boost the competitiveness of their service quality by upgrading service quality and improving its reputations. As indicated by (Heskett et al 1994, pp582-593) a customer will more likely be satisfied if employees are satisfied. Due to this competitiveness, service firms are continuously in search of finding better ways to satisfy their customers.

As previously mentioned, most managers and scholars emphasize that an organization's most important tool for gaining a competitive advantage is its people. In order for the firm to attain success those people have to be involved and active (Lawler, 1996, P.97).

Employee empowerment in its basic form is a term used to describe how staff can make autonomous decisions without consulting upper management. Example is given to employees that show the direction to solve work related problems "on the spot" rather than consulting their immediate supervisors or upper management.

The concept of employee empowerment has also been associated with employee job satisfaction. Ugboro and Obeng (2000: Pp.247-273) found that in general, empowered employees exhibit higher levels of job satisfaction in comparison with those who are not empowered. It has also been shown that empowered employees feel better on their job and are more eager when it comes to serving customers. This in turn quickens customer needs responses which in turn result in customer satisfaction (Bowen & Lawler, 1992: Pp.31-39). Generally, empower employees self efficacy level increase as they are in a position to evaluate the best approach to perform tasks.

Different authors argue that using employee empowerment techniques (methods) like trust, information share, training, reward and autonomy have an impact on job satisfaction and service quality. But other authors disagree with this idea.

Argyris (1998; p 62) states that regardless of all the "talk", the idea of empowerment has remained an

illusion:

"...despite all the best efforts that have gone into fostering empowerment, it remains very much like the emperor's clothes: we praise it loudly in public and ask ourselves privately why we can't see it...." (Argyris, 1998; p, 63).

Empowerment of service employees has also been met with a great deal of skepticism. Although most organizations praise the concept of employee empowerment, the benefits, although well expressed in detail in the media, have not been well documented (Quinn & Spreitzer, 1997;pp 37-49).

Others have stated that flexibility among employees in service firms may lead to loss of quality. Edgett and Parkinson (1993;p,21) document that service heterogeneity creates difficulties in controlling the output and its quality whereas Lee (1989;p,12) asserts that firms with a high heterogeneity of services should standardize their services so as to maintain quality in service production.

Despite the above controversies among different authors, the performance record of the bank shows that the customer's weight line reduced significantly, this means the service quality of the banks improved from time to time and the management believes that this improvement comes from employee's job satisfaction which is the ultimate result of employee empowerment.

Thus, the above controversy initiated the researcher to know whether job satisfaction is the result of empowerment which is implemented by the bank.

## **2. Data and Methodology**

### **2.1 Data (Materials)**

The basic variables of the study were the four facets of employee empowerment as outlined by Bowen and Lower (1992: P.31-39) and autonomy as outlined by Sims et.al. (1976, p200) and explore how they lead to job satisfaction. The four facets outlined by Bowen and Lawler (1992:P.31-39) include receiving and sharing information, trust and having the ability to make decision based on information received, training received on site in order to improve work performance and rewarding employees for their performance at work.

Regarding source of data, the researcher use both primary and secondary sources. Primary source obtained from the investigated population or sample, and secondary source of information obtained from company website, different academic journals, previous researches and Books.

Since the objective of this research was to check whether facets of empowerment are the cause of job satisfaction of employees of commercial bank of Ethiopia, The appropriate research approach is causal research. Using this approach the researcher checked how empowerment is connected with job satisfaction and tying them to the particular case of commercial bank of Ethiopia, DireDawa branch was the aim of the study.

### **2.2. Method of data collection**

Primary data from the targeted source was collected using survey approach which is the most common data collection methods. Since it's difficult to analyze open ended questions using SPSS, only close ended questions with a seven point likert scale type were employed.

#### **2.2.1. Instrument Design**

The questions were designed based on measure of job satisfaction and facets of empowerment like training, reward, information, trust and autonomy.

Respondents were asked to indicate how much they agreed or disagreed with each statement using a seven point likert scale with 1= fully disagree to 7 = yes fully agree. Demographic question including experience, age, gender, qualification, specification and job title were placed at the beginning of the questionnaire.

### **2.3. Method of Sampling and Sample Size**

The target population consisted of employees of commercial bank of Ethiopia Dire Dewa branch. Since the total population is small and manageable the entire population was used to collect the required information. In support of this Gupta Santose (2007; p 101) stated that when the universe is a small, one can not resort to sampling method. In such a situation completeness and accuracy can ensure by the census method. This idea also supported by the work of Argyrous G. (2005 P, 203) stated that full scale census may amplify the error generated by sample.

The designed questionnaires were distributed to the entire population of 90 employees. However, the research did not collect all questionnaires. From the distributed questionnaires, 64 (71%) were collected back and used for analysis.

### **2.4 Data Analysis**

The analysis of the data enables to examine the relationships between dependent and independent variables. In addition, it shows which set of independent variables would predict the best outcome for dependent variable.

The dependent variable of the study was job satisfaction. The element of overall job satisfaction was used

as a single item measurement. Wonous, Reichers and hudy (1997, pp: 247-252) argue that single item measures can be acceptable measure of job satisfaction.

The independent variable of the study was employee empowerment. Employee empowerment was measured by constructing question based on the facets of employee empowerment as put forward by (Bowen & Lawler 1992, Pp31-39). These facts are level of information sharing, rewards, training, and trust and also autonomy as outline by (Sims et.al. 1976, p. 200). In order to analyze the data obtained from the questionnaires the statistical program SPSS 20 was used.

#### 2.4.1. Statistical analysis

Statistical analysis was employed to examine the relationships among study variables and to test whether those independent variables have a positive relationship on dependent variable.

In order to achieve the purpose, both descriptive statistics (mean and percentage) and inferential statistics (like Pearson correlation and multiple regressions) were employed. Morgan et.al (2007, p.134) and (Argyrous George, 2005 P: 189) state that multiple regression usually investigate the relationship between a dependent variable and several independent variables. Multiple regressions explore relationships between one dependent variable and a number of independent variable. Multiple regressions can be used not only to assess the relationship between these variables but also which employee empowerment facets predicted the most likely impact on job satisfaction. Thus, In order to carry out the regression analysis, multiple regressions were used. The functional specification for multiple linear regression model deals where response Y is related to a set of qualitative independent variables. The general lineal model has the following structure (Ott, 2001):

$$Y = B_0 + B_1x_1 + B_2x_2 + \dots + B_kX_k + \xi$$

Then, the main relationships between dependent and independent variables can be seen below:

$$Y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \beta_5x_5 + e$$

Where:

*Y = is job satisfaction*

*$\beta_0$  = is the Y intercept when x is zero*

*$\beta_1, \beta_2, \beta_3, \beta_4$  and  $\beta_5$  are regression weights attached to the variables;*

*$X_1$ = autonomy;  $X_2$ = training;  $X_3$ =reward;  $X_4$  = information;  $X_5$  = trust;  $e$ = error term*

On the other hand, Pearson correlation coefficient deals with analyzing patterns of relationships between variables. Argyrous George (2005:p.170) state that the value of Pearson correlation tells us about the strength as well as the direction of association among variables. Thus the correlation can be used to determine the level of strength as well as the direction of association among study variables. By employing the above techniques, the data become more manageable to interpret easily.

### 3.Data Presentation, Analysis and Interpretation

#### 3.1 Reliability and Validity Analysis

According to Morgan et.al (2007: p.129) the reliability of a measure refers to its consistency and often entails the external and internal aspect of reliability with multiple item scales. The internal reliability is important as it helps ascertain whether each scale is measuring a single idea and whether all the items with that scale are internally consistent. Thus, to ensure that the measures of this were internally reliable, a reliability analysis is performed on the items of empowerment.

Reliability analysis was employed to check the internal consistency of the scale. In order to achieve this, the cronbach alpha coefficient obtained from the statistical program SPPS 20 was observed and compared. The recommended cronbach alpha coefficient of a scale should be at least 0.70 and above (Morgan et.al 2007, p.129)

The cronbach's alpha coefficient value for all dependent and independent variables in the study within the range of coefficient value from 0.823 to 0.984. The coefficient value dependent variable (job satisfaction) has a reliability coefficient of 0.984. The coefficient value of all facets of employee empowerment has a reliability coefficient value of 0.880. The result also indicates that the reliability of the scale used in this study is high and above the recommended value of 0.7. This shows that the scale is considered to be reliable. The following Table shows the summarized result of items internal reliability of overall job satisfaction and the facets of employee empowerment scale.

Table1 Item-specific descriptive statistics and reliability

Items	mean	reliability
<b>Job satisfaction</b>		
Are you completely satisfied with your current job?	5.70	0.984
You are generally satisfied with the nature of work you do in your job	5.69	
Generally speaking you are very much satisfied with your manger	5.83	
<b>Autonomy</b>		
you have a significant autonomy in determining how I do my job	5.09	0.878
Can you decide on your own how to go about doing your work	4.844	
<b>Trust</b>		
The trust you have with the bank is the cause for your satisfaction	5.265	0.823
You have the possibility to suggest different alternatives to your supervisor on how to handle work related problems	5.375	
When faced with work problems, you are restricted to using define guidelines that direct you how to handle such problem	3.547	
<b>Training</b>		
Do you think that the training you receive is the cause for your satisfaction	4.750	0.858
you have sufficient practical knowledge and skills to manage to provide a good service to banks client without any supervision	5.765	
Do you received training or receive training on regular basis	4.530	
Do you feel that you can take more responsibilities with your current level of skills and the training provided you	5.109	
<b>Information</b>		
The free flow of information in your work place the cause for your satisfaction	5.000	0.844
You are regularly informed if the bank performs good or bad.	5.516	
Do you know the vision of the bank for the next 5 years?	4.391	
<b>Reward</b>		
The reward you receive is the cause for your satisfaction	4.970	0.780
Do you think you are fairly rewarded in relation to your salary for the work you perform?	4.187	
Do you think you are fairly rewarded in relation to the responsibilities you have in your job	4.563	
Do you think you are fairly rewarded in relation to what your Colleagues receive for the same job	4.484	

### 3.2. Descriptive Statistics and Analysis

In this section a summary of the empirical findings derived from the questionnaire is presented. The data has been categorized into three parts. These are demographic data, job satisfaction data and employee empowerment data.

#### 3.2.1. Demographic characteristics of the population

The distribution of male respondents from the total is 34(53.135%) whereas the distribution of female respondents 30(46.875%). From this one can understand that there is considerable percentage of male workers in the banks that provide service to their customers

The age range of respondents shows that most of total respondents are composed of young workers whose age does not exceed 35 years. Specifically, there are 32(50%) respondents between age of 25 to 30 years, those with the age range between 31 to 35years are 19 (30%) of the total respondents, 9 (14%) of the respondents are between the age of 36 to 40 years, and 3 (4.6%) of them are in the range of 41to 45 years.

By examining the above table, it's found that almost half of the employees are composed of young workers whose age does not exceed30 years.

The experience of respondents shows that 36% of the total respondents have experience of less than three years, and 30% of them an experience between 3 to 6 years. This shows that most of employees have an experience of less than six years. This is due to the fact that currently the banks have employed more customer service officers so as to reduce the waiting line.

As far as the qualification of respondents concerned around 85%of the total respondents have a college diploma and degree. Specifically 36 (56.3%) of the respondents have a college diploma, 18(28.125%) respondents have bachelor degree, and only 6(9.36%) of the respondents have TVT 10+2 certificate.

From the table above even though no one qualifies in higher studies, the banks have qualified employees to

provide quality service to their customers.

Data concerning specialization of respondents shown that, more than 78% of the total respondents specialized in accounting and banking. Specifically half of the total respondents 32 or 50% were specialized in accounting followed by 18 respondents or 28.125% specialized in banking. And finally 12 respondents 18.78% qualified in management and the rest 2 respondent's mention other.

As expected from the study, it is not unusual to find that most of the workers are specialized in accounting and banking because of the nature of work

More than 87% of the total respondents are customer service officer and only 12.5% of the total respondents have supervisory position.

In any service encounter, the larger portions of the workers are front line employees who provide service to their customers.

### 3.3. Pearson correlation matrix among study variable

To investigate if there are statistically significant association between the five independent variables and a single dependent variable a correlation is computed.

Because each of the four facets of employee empowerment variable normally distributed and the assumption of linearity was not markedly violated, Pearson correlations computed to examine the inter correlations of the variables.

The result shows that all the empowerment variables are significantly correlated with each other. Specifically there is a significant correlation between training and reward with  $r = 0.760$ ,  $p < 0.000$ . This is due to high interrelationship between training and reward.

From the empowerment point of view, different authors also support the interrelationship between training and reward. As Chaudron (1996, p12) who states that if training leads to employees being given additional roles and responsibilities (with a view to empower them), then such additional load on the employees should be appropriately rewarded. If not, they may in turn lead to a decrease in job satisfaction and a decline in performance.

There are also a correlation between information sharing and training with  $r = 0.599$ ,  $p < 0.000$  which is also significant. As pointed out by Radolphin (2000; p103) that without information people can not take on responsibility and it's also very difficult to receive training with the absence of information.

There are also a significant correlation between information sharing and trust with  $r = 0.431$ ,  $p < 0.000$ . This is due to the fact that both variables are highly related with each other and one affects the other. In line with this Zand (1972;p229) reinforces this idea with the expectations of trust and information sharing stating that information sharing supports trust and the resulting trust strengthen information sharing which result in an interrelation of trust and information sharing.

There is a significant correlation between reward and information with  $r = 0.586$ ,  $p < 0.000$ . Finally there is significant correlation between training and autonomy with  $r = 0.506$ ,  $p < 0.000$ .

The result conclude that the four facets of employee empowerment are significantly related and correlated with each other and are moving in the same direction as one variable moves.

The correlation between the four facets of employee empowerment dimension and overall job satisfaction showed that there are significant correlation between overall job satisfaction and training  $r = 0.865$ ,  $p < 0.000$ , this means that as employees get more training their level of job satisfaction also increase. There are also a significant positive correlation between overall job satisfaction and reward  $r = 0.769$ ,  $p < 0.000$ , this means that employees considered reward as the source of their job satisfaction followed by information  $r = 0.552$ ,  $p < 0.000$ . Finally, trust and autonomy correlate with overall job satisfaction  $r = 0.369$ ,  $p < 0.000$  and  $r = 0.305$ ,  $p < 0.000$  respectively. According to Morgan et al (2007: p: 94) this is medium or typical effect.

The results conclude that the four facets of employee empowerment significantly correlate with overall job satisfaction and are moving in the same direction. Training and reward are strong correlation with overall job satisfaction followed by information sharing. In addition, trust and autonomy also correlate moderately with overall job satisfaction. From the above findings one can conclude that all facets of empowerment have an impact on overall job satisfaction.

### 3.4. Multiple Regression Analysis among study variables

Multiple regression was carried out by entering all of the variables simultaneously in to the regression model. The main aim of this step is to measure the relationship between the single dependent variable of overall job satisfaction and the multiple independent variables of the facets of empowerment as indicated in the research questions.

The model summary for the regression has been provided in model summary table. The model is based on the standard multiple regression where all independent variables entered simultaneously. The first task in the evaluation process is to check the value of the adjusted R square. Argyrouris Gearing (2005,p:192) suggest that

when sample sizes involved in regression analysis are small, the R square value tends to be an overestimation of the true value of the population and therefore recommended the use of the adjusted R square value. Since the population size of this study is small, adjusted R square value is used for interpretation.

In this study the adjusted R square value of the regression model is 0.928. This indicates that 92.8% of the variance in overall job satisfaction is explained by the model. According to Morgan et.al (2007: p: 94) this is a large effect.

In addition, the statistical significance of the result is also an important factor to consider when evaluating the regression model. The ANOVAs table indicate that the combination of facets of empowerment variables to predict job satisfaction from training, reward, information sharing, trust, and autonomy is statistically significant,  $F(5, 58) = 72.076$ ,  $p < 0.000$  because as Morgan et.al (2007; p, 137) pointed out that if the significance value of the F statistics is smaller than 0.05 then the combination of independent variables is good predictor of dependent variables.

The coefficient table, in standard regression output provides information about the effects of individual predictor variables. Generally, coefficient and significance are two types of information in the coefficient table. Coefficient indicates the increase in the value of the dependent variable for each unit increase in the predictor value (Morgan et.al 2007; p, 138).

To determine the relative importance of the significant predictor, look at standard coefficients. Trust and information contributes more to the model because the two variables have larger absolute standard coefficient.

From the beta coefficient, one can conclude that information and trust are most significantly predicting job satisfaction followed by rewards when all five variables are included.

#### 4. Discussion

The objective of this study was to examine the relationship between overall job satisfaction and the facets of empowerment. In addition the study also investigated the most significant predictors of job satisfaction within the commercial banks of Ethiopia, Dire Dawa branches.

The result of the study concludes that all facets of empowerment are significantly related and correlate with each other and are moving in the same direction as one variable moves.

Training, reward, information sharing, trust and autonomy have interrelations among themselves.

Employees were more satisfied with their current job. So as to keep up their job satisfaction, they must be empowered by providing necessary support from the organization and the management.

The study was aligned and congruent with the study made by Chaudron (1996). He stated that if training leads to employees being given additional roles and responsibilities with the view to empower them, then such additional loads on the employees should be appropriately rewarded. If not, they may instead lead to a decrease in job satisfaction and a decline in performance.

The study shows that trust is also another important indicator of empowerment and congruent with the study made by Mayer, Davis, and Schoorman (1995). He identified that trust as a critical prerequisite before managers empower employees.

This study is also parallel to Roldan (2000) findings that without information sharing people can not take on responsibility and it is also very difficult to receive training with the absence of information.

In addition the result was in line with Zand (1972) findings. He found that information sharing supports trust and the resulting trust strengthens information sharing which results in an interrelation of trust and information sharing.

The study also found that information sharing and trust are the most significant predictors of job satisfaction followed by reward.

The study shows that there is a positive and significant influence between facets of employee empowerment and job satisfaction.

The study is also aligned and congruent with the study made by Sandert (2009) that the five facets of employee empowerment are the bases for job satisfaction when they are empowered.

The study shows that to empower employees, there should be some sort of autonomy and freedom to determine their job by their own. This study is supported by the work of Brock (2003) which states that employees are relatively autonomous if they can make most of important decisions relevant to their job without requiring permission from other people in the organization. The study is also aligned with the finding made by Sems (1976) that autonomy is created first to enhance the degree of empowerment among service employees.

The findings show that empowerment results in employee job satisfaction which is congruent with the finding of Rafiq Ahmed (2000) who stated that empowerment of service personnel will enhance job satisfaction.

#### 5. Summary, Conclusion and Recommendation

This part of the study includes summary, conclusion of the findings and recommendations on facets of empowerment that result in job satisfaction.

## 5.1 Summary and Conclusion

The purpose of this study is to examine the relationship between job satisfactions among bank's employees and the facets of employee empowerment and their individual impact in determining on overall job satisfaction, in order to achieve the purpose the data is divided into two parts: job satisfaction, and employee empowerment.

Regarding data concerning job satisfaction as shown in the analysis part, there is high positive response to questions relating to job satisfaction. Thus generally speaking employees of commercial bank of Ethiopia Dire Dawa branch are highly satisfied with their job.

The interrelationships between facets of empowerment and overall job satisfaction are taken in to account. In order to verify this, data collected was conducted using Pearson correlation and the result shows that training correlate highly with overall job satisfaction. This means when employees get more training, their level of satisfaction also increase in the same direction. Next to training, rewards also correlate significantly with overall job satisfaction. In addition information sharing, trust, and autonomy have a positive correlation with overall job satisfaction.

When autonomy compared with the rest of the variables, its contribution for job satisfaction is not significant. Thus being autonomous in the work place alone does not contribute significant effect for job satisfaction unless it was supported by other variables like training, reward, and information sharing. Thus, the finding that all facets of employee empowerment have an impact on overall job satisfaction of employees regardless of their degree of influences

Generally the result shows that there was a positive and significant influence between facets of employee empowerment and overall job satisfaction. This means that employees, who get high level of training, develop work skills and able to get incentive and reward in their work and those who are access for information and develop trust in the work place would be most likely to experience a high level of job satisfaction.

Moreover the interrelationships among facets of employee empowerment are taken in to account. Training and reward highly correlated with each other due to the fact that if training given with a view to empower employees, they should be rewarded. This view is supported by Chaudron (1996, p12) who states that if training leads to employees being given additional roles and responsibilities (with a view to empower them), then such additional load on the employees should be appropriately rewarded.

There are also interrelationship between information and trust because one support the other and vice versa. Zand (1972;p229) reinforces this idea with the expectations of trust and information sharing stating that information sharing supports trust and the resulting trust strengthen information sharing which result in an interrelation of trust and information sharing. In addition both information sharing and autonomy also correlate with training respectively.

Thereafter, multiple regressions indicate that not all facets of empowerment predicted significant relationship to overall job satisfaction. Information sharing and trust was the most significant predictor of job satisfaction among the bank employees followed by reward.

## 5.2 Recommendation

- ☆ The bank has tried to implement empowerment technique without conducting any research on the issue because of this manager did not understand which facts of employee empowerment bring better job satisfaction for their employees. Thus the bank should conduct research before empowering its employees.
- ☆ Even if all facets of empowerment positively correlated with job satisfaction, this study found that all facets of empowerment did not bring equal job satisfaction. The banks should not give equal emphasis to all facts of empowerment, rather it should consider on those facts which have a significant contribution to employee job satisfaction.
- ☆ Among the facets of empowerment training and reward considered by the employees as the main sources of their job satisfaction. Thus, the banks should emphasize more on these variables to increase job satisfaction of employees.
- ☆ In order to further improve job satisfaction of employees, the banks should provide an ongoing training to their employees in the necessary technical skills and knowledge and in-process or interactive skills. The technical skills as related to core of the job and interactive skills that allow them to provide courteous, caring, responsive, and emphatic service.
- ☆ In addition to training, reward also considered as another source for job satisfaction of employees. Thus to increase job satisfaction, the banks should encourage, measure and reward employees based on their excellent and strong service performances that motivate employees to become best performer and able to provide high quality service to their customers.
- ☆ Information sharing also significantly contributed to overall job satisfaction. Thus, the banks should develop a system that employees have effective communication with their supervisors, because employees without information can not be empowered to act with responsibility. But if they have information they almost compound to act with responsibility.

- ☆ Autonomy and trust also moderately contribute to over all job satisfaction, because these two variables do not have significant effect on their own to employees job satisfaction. But when these variables backup by other variables like training and information sharing respectively, it should bring a better result for employees job satisfaction.
- ☆ Before autonomous is given to employees, the bank should provide appropriate training to those employees who do not have the necessary skills to perform tasks associated with responsibility.
- ☆ In order to be competent enough, the bank should give proper attention to its employee's job satisfaction.
- ☆ In order to provide high quality service, the banks should improve the job satisfaction of their employees because satisfied employees provide better and quality service to their customers.
- ☆ If employees provide better services, customers become satisfied and remain loyal for the banks.
- ☆ The banks should be use it employees as an internal marketing in promoting the service quality of the bank and build its reputation and become competent in the market.
- ☆ Empowerment is not an impose; it is hard long complex process that needs the commitment, support and understanding of all parties involved. Both management and employees share the responsibility for making it work.
- ☆ Empowerment should be introduced gradually in order to fully integrate into the working environment. It should not be viewed as magical pill that can cure all the organization's problems at once; it needs a long fostering period before one can pick its fruit.

## BIBLIOGRAPHY

- 1, Argyrous George (2005) statistics for research: with guide to SPSS 2ed edition, London sage publication
- 2, Argyris, C. (1998). Empowerment: The emperor's new clothes. *Harvard Business Review*, 76(3), pp. 98-105.
- 3, Bart Van Loony, Paul Gemmel, Roland Van Dierdonck, (2003). Services management; and integrated approach. Great Britain: Pearson education limited. 2 editions.
- 4, Birch, D. (2002). The impact of tangible rewards on empowerment in the service sector. *New Horizon Service Marketing*, 26/28.
- 5, Bowen, D. E., & Lawler, E.E. (1992). The empowerment of service workers: What, why, how and when. *Sloan Management Review*, [online]. 33(3), pp.31-39. Available at: [http://books.google.com/books?hl=en&lr=&id=SDNJzAjyocQC&oi=fnd&pg=PA155&dq=empowerment+and+job+satisfaction+in+service+organization&ots=VbXNNEBdOR&sig=7ehhKNkhTGL14yhWCHp\\_K6zAyE0#v=onepage&q=empowerment%20and%20job%20satisfaction%20in%20service%20organization&f=false](http://books.google.com/books?hl=en&lr=&id=SDNJzAjyocQC&oi=fnd&pg=PA155&dq=empowerment+and+job+satisfaction+in+service+organization&ots=VbXNNEBdOR&sig=7ehhKNkhTGL14yhWCHp_K6zAyE0#v=onepage&q=empowerment%20and%20job%20satisfaction%20in%20service%20organization&f=false) (accessed 5 April 2010)
- 6, Brock, D.M. (2003). Autonomy of Individuals and Organizations: Towards a Strategy Research Agenda. *International Journal of Business and Economics*, 2 (1): pp57-73. Hall, R. H. 1991. Organizations: Structures, Processes, and Outcomes, Englewood Cliffs, NJ: Prentice Hall.
- 7, Bloom, M. R. and B. Laflour (1999). Turning Skills into Profit: Economic Benefits of Workplace Education Programs. The Conference Board, Inc. New York: 1-15.
- 8, Chebat, J.C. & Kollias, P. (2000). The impact of empowerment on customer contact employees roles in service organizations. *Journal of Service Research* 3(1), pp.66-81. Available at: <http://jsr.sagepub.com/cgi/content/refs/3/1/> (accessed 3 April 2010)
- 9, Chaudron, D. (1996). Don't overload the horse. *Human resource Focus*, 73(1), 10.
- 10, Coleman, V.I., & Borman, W.C. (2000) Investigating the underlying structure of the citizenship performance domain. *Human Resource Management Review*, 10(1), pp.25-44.
- 11, Conger, J.A., & Kanungo, R.N (1988.) The empowerment process: Integrating theory and practice. *Academy of Management Review*, 13(3), pp. 471-482
- 12, Edgett, S., & Parkinson, S. (1993). Marketing for service industries: A review. *Service Industries Journal*, 13(3), 19/27.
- 13, Grandey, A. A., Corderio, B. L., & Crouter, A. C. (2005). A longitudinal and multisource test of the work/family conflict and job satisfaction *Journal of Occupational and Organizational Psychology*, 78(3), 305/324.
- 14, Gupta Santose (2007), A research methodology and statistical techniques, Deep, Deep publication pvt.ltd.
- 15, Hickman, J. R. and G. Oldham (1976.) Motivation through Design of Work: Test of a Theory, *Organizational Behavior and Human Performance*, 16: 256.
- 16, Jones R.J., Jones, M.K., Latreille, P.L., Sloan, P.J., (2004 ) Training, Job Satisfaction and workplace Performance in Britain: Evidence from WERS 2004. *Public Administration Review* [online] 73(2), pp.272-291 Available at: <http://ideas.repec.org/p/iza/izadps/dp3677.html> (accessed 3 April 2010)
- 17, Jerry D. Rogers, Kenneth E. Clow, and Toby J. Kash. (1994). Increasing Job Satisfaction of Service Personnel (E-journal) 8(1) available at:



- <http://assets.leeds2.emeraldinsight.com/Insight/ViewContentServlet;jsessionid=65F16CF056CCD4C21FE6BAC5BAA2E77E?contentType=Article&Filename=Published/EmeraldFullTextArticle/Articles/0750080102.html> (accessed 28 March 2010)
- 18, Kim, S. (2009). Participative management and job satisfaction: Lessons for management leadership. *Public Administration Review*, 62(2), pp.231-241
  - 19, Kumara Ranjit (2005) Research methodology 2<sup>nd</sup> edition, Sage publication
  - 20, Lawler, E. E. (1996). From the ground up: Six principles for building the new logic corporation. San Francisco: Jossey-Bass.
  - 21, Lee, M. (1989). Contingency approach to strategies for service firms. *Journal of Business Research*, 19(4), 9/19.
  - 22, Looy Bart Van, Paul Gemmel, Roland Van Dierdonck, (2003). Services management; integrated approach. Great Britain: Pearson Education Limited. 2<sup>nd</sup> edition.
  - 23, Mayer R.C., Davis, J.H., Schoorman, D.F., (1995) An integrative model of organizational trust. *The Academy of Management Review*, [e-journal] 20(3) 709/734 Available at- <http://www.jstor.org/pss/258792> (accessed 2 April 2010)
  - 24, Morgan et al. (2007), SPSS for introductory statistics; use and interpretation 3<sup>rd</sup> edition. Lawrence Erlbaum Associates publication
  - 25, Palmer, A. (2001). Principles of services marketing (3<sup>rd</sup> ed.). Berkshire: McGraw-Hill
  - 26, Quinn E., & Spreitzer, G.M. (1997). The road to empowerment: Seven questions every leader should consider. *Organizational Dynamics*, 26(2), 37/49.
  - 27, Randolph, A. W. (2000) Rethinking empowerment: Why is it so hard to achieve? *Organizational Dynamics*. 29(2) 94/107
  - 28, Rao V.S.P & Narayana P.S (1987) principles and practices of management
  - 29, Robbins, S. P. (2005). Organizational behaviour (11<sup>th</sup> ed.). New Jersey: Pearson Education International.
  - 30, Rafiq, M., & Ahmed, P. K. (1998). A customer-oriented framework for empowering service employees. *The Journal of Services Marketing* 12n(5), 379-396.
  - 31, Sanddra et al. (2009). Empowerment, contextual performance, and job satisfaction. Jonkoping international business school.
  - 33, Schlesinger, L.A., & Zornitsky, J. (1991). Job satisfaction, service capability and customer satisfaction: An examination of linkages and management implications. *Human Resources Planning*, 14(2), 141/149. <http://www.emeraldinsight.com/Insight/viewContentItem.do?contentType=Review&contentId=153004> (accessed 3 April 2010)
  - 34, Sims, H. P., A. Szilagyi, and R. Keller (1976) The Measurement of Job Characteristics, *Academy of Management Journal*, 19: 195-212.
  - 35, Turner, A. N. and P. R. Lawrence (1965). Industrial Jobs and the Worker, Boston Harvard University Graduate School of Business Administration.
  - 36, Turner, A.N. and P. R. Lawrence (1965). Industrial Jobs and the Worker, Boston: Harvard University Graduate School of Business Administration.
  - 37, Ugboro, I.O., & Obeng, K. (2000). Top management leadership, employee empowerment job satisfaction and customer satisfaction in TQM organizations: an empirical study. *Journal of Quality Management*, [online] 5(2), 247/273. Available at- [http://www.sciencedirect.com/science?\\_ob=ArticleURL&\\_udi=B6W5C-433P9FR7&\\_user=10&\\_coverDate=07/01/2000&\\_rdoc=1&\\_fmt=high&\\_orig=search&\\_sort=d&\\_docanchor=&view=c&\\_acct=C000050221&\\_version=1&\\_urlVersion=0&\\_userid=10&md5=df895de66849c1c0496f3bccf9d70ce6](http://www.sciencedirect.com/science?_ob=ArticleURL&_udi=B6W5C-433P9FR7&_user=10&_coverDate=07/01/2000&_rdoc=1&_fmt=high&_orig=search&_sort=d&_docanchor=&view=c&_acct=C000050221&_version=1&_urlVersion=0&_userid=10&md5=df895de66849c1c0496f3bccf9d70ce6) (Accessed 1 April 2010)
  - 38, Valarie A. Zeithaml, Mary Jo Bitner, Dwayne D. Gremler, (2006). Services marketing; the integrating customer focus across the firm. Singapore: McGraw-Hill. 4<sup>th</sup> edition
  - 39, Wanous, J.P., Reichers, A. E., & Hudy, M. J. (1997). Overall job satisfaction: How good are single item measures? *Journal of Applied Psychology*, 82(2), 247/252.
  - 40, Yousef, D. A. (2000). Organizational commitment: A mediator of the relationships of leadership behavior with job satisfaction and performance in a non western country. *Journal of Managerial Psychology*, 15(1), 6-28.
  - 41, Zollers, F. E. and Callahan, E. S. (2003). Workplace Violence and Security: Are There Lessons for Peacemaking? Syracuse University School of Management: 28-32.
  - 42, Bloom, M. R. and B. Lafleur (1999). Turning Skills into Profit: Economic Benefits of Workplace Education Programs. The Conference Board, Inc. New York: 1-15.
  - 43, Brock, D. M. (2003). Autonomy of Individuals and Organizations: Towards a Strategy Research Agenda. *International Journal of Business and Economics*, 2 (1): 57-73.
  - 44, Miller-Stennett, A. M. (2002). In Focus Programs on Skills, Knowledge and Employability. Informal Economy Series, International Labour Office - Geneva: 1-37.

45, Zand, D. E.(1972). Trust and managerial problem solving. *Administrative Science Quarterly*, 17(2) 229/239.

Demographic characteristics of respondents

Ages of respondents

Age	Frequency	Percentage
25—30	32	50
31—35	19	30
36—40	9	14
41—45	3	4.6
46 or more	1	1.4
Total	64	100

Experiences of respondents

Experience	Frequency	Percentage
Less than 3years	23	35.9
3—6 years	23	35.9
7—10 years	5	7.8
11 years or more	13	20.4
Total	64	100

Qualification of respondents

Qualification	Frequency	Percentage
TVT 10+2	6	9.38
Diploma	36	56.3
Bachelor degree	18	28.1
Higher studies	0	0
Others	4	6.3
Total	64	100

Specialization of respondents

Specialization	Frequency	percentage
Management	12	18.75
Accounting	32	50
Banking and insurance	18	28.125
Other	2	3.125
Total	64	100

Job title of respondents

Job title	Frequency	percentage
Customer service officer	56	87.5
Manager	8	12.5
Total	64	100

### Correlations

		Job satisfaction	trust	autonomy	information	reward	training
Job satisfaction	Pearson Correlation	1	.369**	.305*	.552**	.796**	.865**
	Sig. (2-tailed)		.003	.014	.000	.000	.000
trust	Pearson Correlation	.369**	1	.287*	.431**	.105	.357**
	Sig. (2-tailed)	.003		.021	.000	.408	.004
autonomy	Pearson Correlation	.305*	.287*	1	.322**	.126	.506**
	Sig. (2-tailed)	.014	.021		.009	.322	.000
Information sharing	Pearson Correlation	.552**	.431**	.322**	1	.586**	.599**
	Sig. (2-tailed)	.000	.000	.009		.000	.000
reward	Pearson Correlation	.796**	.105	.126	.586**	1	.760**
	Sig. (2-tailed)	.000	.408	.322	.000		.000
training	Pearson Correlation	.865**	.357**	.506**	.599**	.760**	1
	Sig. (2-tailed)	.000	.004	.000	.000	.000	

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

\* . Correlation is significant at the 0.05 level (2-tailed).

a. List wise N=64

Summery Model of regression

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.928 <sup>a</sup>	.861	.849	.45453

a. Predictors: (Constant), reward , trust , autonomy , information , training

Table . ANOVA table

### ANOVA<sup>s</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	74.455	5	14.891	72.076	.000 <sup>a</sup>
	Residual	11.983	58	.207		
	Total	86.438	63			

a. Predictors: (Constant) , reward , trust , autonomy , information , training

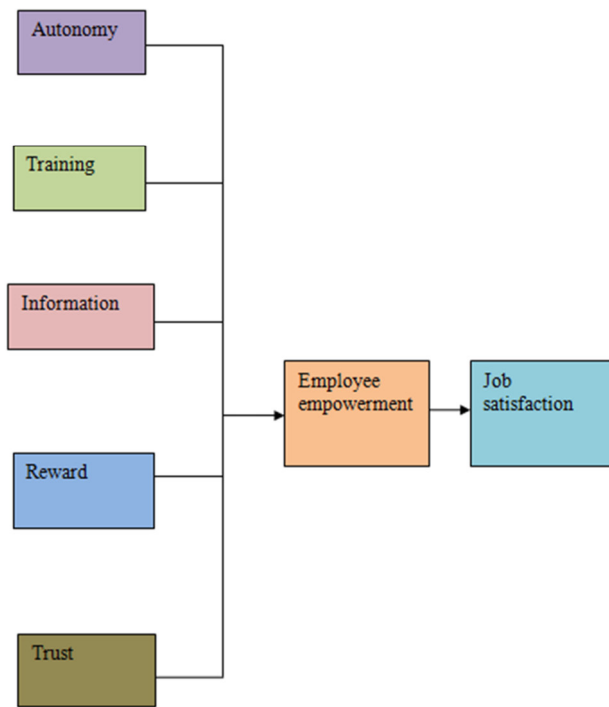
b. Dependent Variable: job satisfaction

Table Coefficients

### Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-1.094	.693		-1.580	.119
trust	.591	.114	.560	5.162	.000
autonomy	-.197	.073	-.181	-2.677	.010
training	.178	.110	.218	1.615	.112
information	.459	.103	.567	4.449	.000
reward	.147	.050	.262	2.942	.005

a. Dependent Variable: job satisfaction



Figer1 empowerment model  
Source; Sandra et.al 2009 page 25