

# Impact of Employee Empowerment on Job Satisfaction

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## Abstract

**Purpose:** The purpose of this study is to measure the factors affecting the performance of employee by discussing impact of employee empowerment on job satisfaction.

**Design/methodology/approach:** Being descriptive study, survey method was adopted for data collection to find out the factors. The methodology comprised research design, Target population for the study, sampling techniques, sampling Method, sample size determination etc. Data was analyzed by using Cronbach's Alpha, correlation and regression in SPSS software.

**Findings:** The independent variable empowerment was weakly moderate correlated with dependent variable job satisfaction. Hence it is concluded that employee empowerment has a positive impact on the job satisfaction.

**Originality/value** – The paper reveals there exist relationship between the performance of employee and factors affecting in employee performance in Bahawalpur.

**Keywords:** Performance of employee, job satisfaction, training, empowerment.

**Paper type:** Research paper

## 1. INTRODUCTION

Interaction between management and employees affects many facets within the business environment. Categorizations of these relationships have been identified, with employee empowerment and employee satisfaction among the more prominent.

These categories do not stand alone; certain subsets can be considered antecedents or enablers to other subsets. For this reason, the interactions between these categories are also important. These subjects involve human feelings, emotions, and behaviors; there are not always definitive answers for all iterations.

Employee empowerment describes the perception of an employee regarding his identity or importance in the work group. Empowerment can be considered a combination of several various initiatives, such as Total Quality Management. Employee empowerment is often considered process oriented, although it can be a motivational system or participative management. Lawler (1986) argued that employee empowerment consists of four separate processes: knowledge, information, power, and rewards.

Employee empowerment appears to be a strong enabler of employee satisfaction. During the analysis, however, there appears to be differences of opinion in the definitions of these two facets, making the relationship more difficult to understand. Some studies use the terms in an interchangeable fashion, which naturally adds to the confusion of the discussion. Employees deemed to be empowered are generally associated with characteristics similar to self-motivation and commitment, feeling a sense of responsibility to perform to high levels of effort and a sense of quality.

Empowerment is associated with intrinsic motivation, and while it is included as an aspect of empowerment, it goes beyond self-efficacy. Two main types of empowerment surface in the literature: structural empowerment and psychological empowerment. Structural empowerment is associated with the delegation of power by managers to employees, where psychological empowerment is based largely on self-determination and intrinsic value. Employee empowerment was segregated into four distinct cognitions by Thomas and Velthouse and was described to be additive in nature competence, meaningfulness, choice, and impact. In addition to the association between employee involvement and employee empowerment previously mentioned, analyses have demonstrated a relationship that continues this association to employee satisfaction. The concept of employee satisfaction within the framework of the linear relationship to employee empowerment is a relevant topic to research.

Job satisfaction is an emotional state resulting from experiences an employee has at work. These types of satisfaction levels occur along three threads: (a) emotional responses to the work environment, (b) the relationship between expectations and reality, and (c) satisfaction with compensation. A relationship between psychological empowerment and job satisfaction was found in previous research.

Other factors, including personality, have an effect on job satisfaction. If a person was generally content, he was more inclined to be satisfied at work. Motowidlo (1996) argued there were three factors that could describe a large proportion of job satisfaction: (a) the immediate work environment, (b) the social environment, and (c) the organizational environment. The emotions involved in job satisfaction can migrate into more lasting feelings, which can affect the decision of an employee to remain or leave the company.

### 1.1 Problem Statement

#### How employee empowerment effect the job satisfaction level?

While there are contributions in the areas of employee empowerment and its relationship to job satisfaction and

intent to leave a relatively few studies attempt to combine the two relationships into a larger relational flow between employee empowerment, and job satisfaction. The relationship between these two elements; however, the sample population involved a small facility and did not make distinction between job-types in the analysis. Thus, the relationship between employee empowerment, and job satisfaction in a large manufacturing environment involving complex production processes had not been thoroughly investigated. The examination of both relationships independently in a large manufacturing environment appears to be relevant and can have applicability to other businesses.

## 1.2 Research Objectives

The main purpose of this research study is to establish viable and concrete information regarding the impact of employee empowerment on job satisfaction. The research will be able to identify the real benefits of employee empowerment in enhancing the overall performance of the business. The assumptions and theories explaining the concept of employee empowerment will also be reviewed. Significantly, the research is also focused on identifying strategies of enhancing employee empowerment so as to ensure attainment of the identified benefits. The research will be able to draw a correlation between the issue of employee empowerment and the job satisfaction.

The aim of the study is to investigate the role of empowerment towards job satisfaction. In order to assess the role of the empowerment on the employee's job satisfaction, there are objectives that need to be considered.

- Discussing and analyzing the concept of empowerment in organizations.
- Evaluation and identification of the benefits of employee empowerment in organizations.
- Discussion on the strategies of ensuring high levels of employee empowerment in organizations.
- To deliver the theories and models of empowerment in the organization

## 2.Literature view

Bowen and Lawler (1992, 1995) argued that empowerment practices improve jobsatisfaction, in part by giving employees a sense of control and making work more meaningful. Empirical evidence from manufacturingindustries seems to confirm this proposition. The feedback and granting autonomy are positively related to job satisfaction. Studies from the public sector also reveal a positiverelationship between employee empowerment and job satisfaction (Savery and Luks, 2001; Lee,Cayer and Lan, 2006; Kim, 2002; Wright and Kim, 2004; Fernandez and Moldogaziev, 2013b). Empowerment programs have been established in a number of organizations in order to increased efficiency, enhance customer satisfaction and develop competitive advantage. Employee empowerment has become a trend from last decade, approaching the status of a movement depending on one's perception.

### 2.1 Empowerment

The word " empowerment", popularized since 1980s, is employed to refer to a new form of Employee involvement (Wilkinson, 1998); it is derived from various approaches and fields of study such as psychology, economy, education, and social and organizational studies (Page and Czuba, 1999). The history of its firstdefinition goes back to 1788, regarding empowerment as the conferment of power to organizational role of the individual. This power should be endowed to the individual or should be observed in his or her organizational role.The term "empowerment" is elastic and so it is not always clears what it means in different organizations. There are many definitions about empowerment.

#### Definitions

Employee empowerment is one of those terms that everyone thinks they understand, but few really do. Ask a dozen different people and you'll get a dozen different answers to the question, "What is employee empowerment?" In fact, research a dozen organizational theorists and you'll get as many answers to the same question.

The common dictionary definition of empowerment, "to give official authority to: delegate legal power to: commission, authorize" (Grove, 1971, p. 744) is the one most understood by most people. As an example, Gandz (1990) writes, "Empowerment means that management vests decision-making or approval authority in employees where, traditionally, such authority was a managerial prerogative." (p. 75) However, this is not the definition of what is usually called employee empowerment. One author notes empowerment is, "easy to define in its absence—alienation, powerless, helplessness—but difficult to define positively because it 'takes on a different form in different people and contexts'" (Zimmerman, 1990, p.169).

According to Nielsen and Pedersen, (2001), "employee empowerment" as defined by (McClelland, 1975; Conger and Kanungo, 1988) may be seen as part of the broader concept of "employee involvement" which also includes "participative management" (Lawler et al., 1992; Cummings and Worley, 1997) "job enrichment" (Hackman and Oldham, 1980), and "industrial democracy" (Poole, 1986. Nykodym et al., (1994) posit that employee empowerment or participative decision-making is neither a new or simple management concept; while Bowen and Lawler, (1992) point out that empowerment enables employees to make decisions and Pastor (1996) emphasizes the taking of responsibility for decisions made. From a mechanist or top-down approach, employee

involvement is about delegation and accountability (Quinn and Spreitzer, 1999). Collins (1996) argues that that is a narrow definition of empowerment since it hinges more on accountability than any wider change in the process of work and decision-making which might be implied by a more active modeling of empowerment.

According to Olshfski and Cunningham (1998), empowerment is about delegation or sharing of power, authority or responsibility by those in the organizational structure to those lower levels of the organization. This in essence is the process of decentralizing decision-making in an organization where managers give more discretion and autonomy to the front-line managers. Wagner (1994) calls it a process in which influence is shared among individuals who are otherwise hierarchically unequal. Collins (1995) sees that as a limiting type of empowerment as at the end of it, the workers are empowered only in the sense that they have a greater responsibility to act within a narrow sphere and then held accountable for their limited action. Hickey and Casner-Lotto (1998:58) state that empowerment is about delegating directly to non-management employees a significant amount of decision-making authority commonly reserved for managers. They further argue that a truly participative organization is characterized by work systems that are structured to make employee involvement ongoing. This is what Estad (1997) refers to as the involvement of everyone, including both management and employees, that results into the disappearance of boundaries between formal and informal leader to that of an inclusive organization where there are “leaders of leaders”. At that level everyone in the organization feels empowered. That kind of participatory management practice in a way balances the involvement of managers and their subordinates in information sharing, decision-making or problem –solving endeavors (Wagner 111, 1994).

Conger and Kanungo (1988), define empowerment as a process of enhancing feelings of self-efficacy among organizational members through the identification of conditions that foster powerlessness and through their removal by both formal organizational practices and informal techniques of providing efficacy information. Brewer (1994), lending support to Conger and Kanungo’s definition, posits that empowerment entails suggestion involvement that culminates into suggestion schemes, quality circles and job involvement where employees are in control of their jobs by designing job content. Collins, (1995) argues that democratic empowerment, represents a much more active, or activist model of empowerment that is representative of a process whereby workers gain or assume power and represent a process in which workers “act with a greater grasp and sense of their own powers”. Consequently, empowerment only truly occurs when workers actively take the initiative and attempt to wrest control from managers (ibid).

Pun, Chin and Gill, (2001) points out that empowerment is a process whereby employees are taking part or having shares in managerial decision - making. They further point out that true involvement draws people on the hierarchy up to the levels above them and then shares the power that is available. They however, point out that many conventional managers would see employee involvement as the giving away of control since true involvement draws people lower on the hierarchy up to the levels above them and then shares the power that is available. Most definitions of empowerment refer to some aspect of control- control over decision making, control over work processes, control over performance goals and measurement, and /or control over other people (Howard and Foster, 1999). Ford and Fottler, (1995) emphasize that the empowerment process necessitates the sharing of information and knowledge necessary to enable employees to contribute to organizational performance.

Taking a holistic approach to defining employee involvement, Kinlaw (1996) points out that it is the process of achieving continuous improvement in an organization’s performance by developing and extending the competent influence of individuals and teams over the areas and functions that affect their performance and that of the total organization. He adds that empowerment also requires structural and systematic changes in the organization, like shortening the lines of communication and modifying reward systems.

### **Empowerment Approaches**

Over the last two decades, two complementary perspectives on empowerment at work have emerged in the literature (Liden & Arad, 1996). The first is more macro and focuses on the social-structural (or contextual) conditions that enable empowerment in the workplace. Thesecond is more micro in orientation and focuses on the psychological experience of empowerment at work.

#### **Social-structural empowerment**

The social-structural perspective is embedded in the values and ideas of democracy – where power ideally resides within individuals at all levels of a system (Prasad, 2001; Prasad & Eylon, 2001). Employees at low levels of the organizational hierarchy can be empowered if they have access to opportunity, information, support and resources. Even the secretary, mail clerk, or janitor has potential in an organization with democratic principals. Of course, in contrast to a formal democracy, where each person has a equal vote in the system and the majority rules, most organizations stop short in behaving as a real democracy (Eylon, 1998). Yet, employees at all levels can still have a voice in a system even if they don’t have a formal vote when they have access to opportunity, information, support and resources.

The essence of the social-structural perspective on empowerment is the idea of sharing power between superiors and subordinates with the goal of cascading relevant decision-making power to lower levels of the organizational

hierarchy (Liden & Arad, 1996). Empowerment from the social-structural perspective is about sharing power (i.e., formal authority or control over organizational resources; Conger & Kanungo, 1988) through the delegation of responsibility throughout the organizational chain of command. By sharing decision-making power, upper management may thus have more free time to think strategically and innovatively about how to move the organization forward. In this perspective, power means having formal authority or control over organizational resources and the ability to make decisions relevant to a person's job or role (Lawler, 1986). Relevance is key – empowered employees have the power to make decisions that fit within the scope and domain of their work. For example, manufacturing employees might not be making decisions about firm strategy but instead make decisions about how and when to do their own work. Thus, social-structural empowerment is about employee participation through increased access to opportunity, information, support and resources throughout the organizational chain of command.

The social-structural perspective focuses on how organizational, institutional, social, economic, political, and cultural forces can root out the conditions that foster powerlessness in the workplace (Liden & Arad, 1996). Practically, organizations can change organizational policies, processes, practices, and structures away from top-down control systems toward high involvement practices where power, knowledge, information and rewards are shared with employees in the lower echelons of the organizational hierarchy (Bowen & Lawler, 1995). For example, management can change practices to allow employees to decide on their own how they will recover from a service problem and then surprise-and-delight customers by exceeding their expectations rather than waiting for approval from a supervisor.

## **2.2 Dimensions of social structural perspective**

### **Participative decision-making:**

Employees and/or teams may have input into and influence over decisions ranging from high-level strategic decisions to routine day-to-day decisions about how to do their own jobs (Lawler, 1986). Increasing self-managing teams are the mechanisms for building authority and accountability (Gibson, Porath, Benson & Lawler, in press).

### **Skill/knowledge-based pay:**

Employees share in the gains of the organization and are compensated for increases in their own skills and knowledge.

### **Open flow of information:**

This includes the downward flow of information (about clear goals and responsibilities, strategic direction, competitive intelligence, and financial performance in terms of costs, productivity, and quality) and the upward flow of information (concerning employee attitudes and improvement ideas). The point is to create transparency so that employees have “line of sight” about how their behavior affects firm performance (Gibson, Porath, Benson, & Lawler, in press). Those with better information can work smarter and thus make better decisions.

### **Flat organizational structures:**

Empowering organizations tend to be decentralized where the span of control (more subordinates per manager) is wide (Spreitzer, 1996). It becomes very difficult to micro-manage when managers have many people to manage (Quinn & Spreitzer, 1997).

### **Training:**

Educative efforts enable employees to build knowledge, skills, and abilities -- not only to do their own jobs better but also to learn about skills and the economics of the larger organization (Lawler, 1996).

### **Psychological empowerment**

Psychological empowerment refers to a set of psychological states that are necessary for individuals to feel a sense of control in relation to their work. Rather than focusing on managerial practices that share power with employees at all levels, the psychological perspective is focused on how employees experience their work. This perspective refers to empowerment as the personal beliefs that employees have about their role in relation to the organization. The paper that motivated researchers to think differently about empowerment was a conceptual piece by Conger and Kanungo (1988). They argued that a social-structural perspective was incomplete because the empowering managerial practices discussed above would have little effect on employees if they lacked a sense of self-efficacy. To them, empowerment was a “process of enhancing feelings of self-efficacy among organizational members through the identification [and removal] of conditions that foster powerlessness” (Conger & Kanungo, 1988, p. 484).

Thomas and Velthouse (1990) extended Conger and Kanungo's ideas with the development of a theoretical framework articulating empowerment as intrinsic task motivation manifest in four cognitions that reflect their orientation to work. Rather than a dispositional trait, Thomas and Velthouse defined empowerment as a set of cognitions or states influenced by the work environment that helps create an active-orientation to one's job.

### **Dimensions of Psychological perspective Meaning:**

Meaning involves a fit between the needs of one's work role and one's beliefs, values and behaviors (Hackman & Oldham, 1980).

### **Competence:**

Competence refers to self-efficacy specific to one's work, or a belief in one's capability to perform work activities with skill (Gist, 1987; Bandura, 1989).

### **Self-determination:**

Self-determination is a sense of choice in initiating and regulating one's actions (Deci, Connell & Ryan, 1989). It reflects a sense of autonomy or choice over the initiation and continuation of work behavior and processes (e.g., making decisions about work methods, pace, and effort; Bell & Staw, 1989).

### **Impact:**

Impact is the degree to which one can influence strategic, administrative, or operating outcomes at work (Ashforth, 1989).

## **2.3 Employees Empowerment Steps**

The process of Employees Empowerment has several steps:

### **1. Acquire empowerment.**

Upper management starts the empowerment process. They must be willing to relinquish authority and decision-making power to lower levels of the organization.

### **2. Choose employees to empower.**

Employees must want to be empowered. Some employees are unwilling to accept additional responsibilities and decision-making power regardless of potential rewards. They need skills to make correct decisions and accomplish additional responsibilities.

### **3. Provide role information.**

Upper management defines employee's role and assigns responsibilities, authority, and decision-making power to meet organization and department goals. It also defines boundaries to clarify decisions employees will and will not make. Also, specify performance criteria and rewards for outstanding achievement.

### **4. Share organization information.**

Blanchard, et al, (1999) see that organization must help employees to understand the need for Change, share good and bad information, and view mistakes positively. Explain organization vision and values, clarify priorities, and learn decision-making and problem-solving skills.

### **5. Provide training to employees.**

Fracard (2006), see that organization must train new employees. Current employees with experience and knowledge also need training. Training should be continuous because it is a major key to the success of a business.

### **6. Inspire individual initiatives.**

An inspired employee is a highly productive resource to organization and department. Bartlett and Ghoshal (1997), see that organization must build on the belief of the individual a sense of ownership (create small performance units, decentralize resources and responsibilities), develop self-discipline, establish clear standards and expectations, and provide a supportive environment (coaching, openness to challenges, and tolerance for failure (Fracard, 2006).

## **2.4 Job satisfaction**

Balzer, et al., (1997) define Job satisfaction as the feelings a person has about her or his job. Job satisfaction is an assessment of overall job experience, and arises from many factors such as one's relationship with a supervisor, the sense of fulfillment of work, perceived congruence between pay and work production, and physical conditions of the working environment (Spector, 1997). Job satisfaction was one of the earliest anticipated outcomes of empowerment (Spreitzer, et al, 1997). Organizational scholars have long been interested in why some people report being very satisfied with their jobs and others express much lower levels of satisfaction (Locke 1976). The drive to understand and explain job satisfaction has been motivated by utilitarian reasons (e.g., to increase productivity and organizational commitment, lower absenteeism and turnover, and ultimately, increase organizational effectiveness) as well as humanitarian interests (i.e., the notion that employees deserve to be treated with respect and have their psychological and physical well-being maximized). Satisfied workers also tend to engage in organizational citizenship behaviors; that is, altruistic behaviors that exceed the formal requirements of a job (Schnake 1991; Organ and Ryan 1995). Dissatisfied workers show an increased propensity for counterproductive behaviors, including withdrawal, burnout, and workplace aggression (Spector 1997) (Ellickson and Logsdon 2001).

Job satisfaction is commonly defined as the extent to which employees like their work (Agho, Mueller, and Price 1993), an attitude based on employee perceptions (negative or positive) of their job or work environment (Reilly, Chatman, and Caldwell 1991; Pool 1997) (Ellickson and Logsdon 2001).

Meaning and self-determination are expected to improve job satisfaction. A sense of meaning is considered necessary for individuals to feel satisfied at work. Having a job that allows fulfillment of one's desired work values are likely to increase job satisfaction (Locke 1976). Low levels of meaning have been linked to feelings of apathy and lower work satisfaction (Thomas and Velthouse 1990). Liden, et al, (2000) argue that individuals

who feel that their jobs are significant and worthwhile have higher levels of satisfaction compared to those who feel their jobs have little value. Empirical research finds a positive association between meaning and work satisfaction (Spreitzer ,et al, 1997; Liden, et al, 2000). Self-determination positively influences job satisfaction due to its effects on intrinsic motivation. Individuals who have autonomy in determining their actions and behaviors find work more interesting and rewarding, thus creating feelings of satisfaction with their job .Higher levels of autonomy increases the amount of intrinsic rewards from work.(Thomas and Velthouse 1990). Self-determination improves job satisfaction as accomplishments can be attributed more to the individual than to other persons (Liden, et al, 2000). Empirical results show a positive relationship between self-determination and job satisfaction (Spreitzer ,et al, 1997; Smith and Langfield 2003). Although prior research indicates that competence and impact are positively correlated with job satisfaction, it does not support a direct association of competence and impact to work performance (Spreitzer ,et al, 1997), as such, only meaning and self-determination are expected to influence job satisfaction. Thomas and Tymon (1994) postulate that empowerment would accrue in higher levels of job satisfaction. They state because the task assessments [i.e., the facets of empowerment] generate intrinsic rewards associated with the job, they should be positively related to job satisfaction.

## **2.5 Variables that show the impact of Employee empowerment on job satisfaction**

### **Autonomy**

Autonomy may be defined as the degree to which one may make significant decisions without the consent of others. At various levels of analysis we may look at the autonomy of individuals within an organization or the autonomy of organizations or subunits thereof. The focus of this

study will be on the individual level, and employee, a manager or any other organizational member is relatively autonomous if he can make most of the important decisions relevant to his job without requiring permission from other people in the organization (Brock 2003). Turner and Lawrence (1965) used autonomy as a “requisite task attribute” found to promote job satisfaction and lower absenteeism among employees located in small towns (yet results were not positive in urban settings). And giving front-line employees more decision-making autonomy was found to help the competitiveness of the firms (Nielsen and Pedersen, 2003). Hall, (1991, p. 32) and Datta et al. (1991) defined the autonomy of an organization in terms of day-to-day freedom to manage. Harris and Holden (2001) as well as Darr (2003) juxtapose autonomy and control, framing them as opposing organizational forces (Brock 2003). Studies have also shown that autonomy may have desirable outcomes in the right context. Hackman and Oldham (1976) showed that autonomy (along with other core job dimensions like task significance and feedback) promotes positive motivation, performance, satisfaction, absenteeism, and turnover outcomes. White (1986) found that certain strategies that require high levels of control produce better results with low rather than with high autonomy. So, along with affecting people at their jobs, autonomy is also related to many variables crucial to organizational effectiveness (Brock 2003). Sims et al. (1976) studied autonomy and other dimensions of job characteristics using a model similar to Hackman and Lawler’s (1971). In doing so, they developed an instrument called the Job Characteristics

Empowerment is often thought to be a technique capable of generating improvements in worker morale by offering them greater control over what happens at work (Spector, 1986). Organizations may attempt to empower employees as part of a quality initiative in the hope that, among other things, levels of satisfaction will improve and absenteeism and turnover will decline.

### **Communication and Information Flow**

We are living in a highly turbulent environment characterized by rapid technology obsolescence, socio-economic & cultural ramifications and geo-political changes. There is an often saying “The only thing constant in the World is Change”. Revolution in communications and influence of Internet is already having a powerful impact on the life style of people and organizations as well. It is anticipated that Changes and enhancements in communications will result in improved efficiency of the organization. Thus, the use of technology and other methods is considered a must to increase the effectiveness and efficiency of the communication process within any business project. In addition, it is a prerequisite to improve the organization’s ability to manage information and improve teamwork approach (The Business Plan Taskforce Report 2002). Yet, experts say that open communication is absolutely essential in the organization to reduce stress and defuse ambiguity and anger, since communication, is like training, permeates all other peace promotion strategies. On the other hand, open communication tends to flatten out the organization and de-emphasize the hierarchy (Zollers and Callahan 2003). Nevertheless, open communication was found to be very closely related to worker empowerment, and both - among other conditions- were found to be important to ensure the success of the modern firm (Zollers and Callahan 2003).

### **Incentives and Support**

Another mechanism for reducing the risks associated with trusting actions is incentives. In traditional hierarchical systems, a major determinant of an individual’s pay is the type of work they do (Miles and Creed, 1995). A high involvement system requires a different reward system: one that rewards performance rather than

the job per se (Lawler, 1992). Such rewards are termed incentives based on the outcomes of the employees' behaviour rather than for specific behaviors (Eisenhardt, 1989). Incentives work to co-align employee preferences with those of the organization which reduces the risk of self-interested behaviour. A company's reward and incentive structure is expected to give employees positive reinforcement for solving problems and pleasing customers (Hart et al., 1990). Pleasing customers or solving customers' problems can be publicized and held up as examples to inspire others (Hart et al., 1990). Spreitzer (1995), Hesterly et al. (1990), Lawler (1990), and Miles and Creed (1995) argue that the role of incentives will help make managers more willing to involve lower level employees in decision-making, and enhance employees' concern for the success of their organization. However, much of the literature regarding the issue of incentives and empowerment is either very broad or lacks empirical evidence. While it is important to study the general association between empowerment and incentives, it is rather more significant to look at such relationships, specifically in service encounter situations in which customers' needs and problems are being handled. Nevertheless, Heskett et al. (1997) explain the association between incentives and taking "ownership" of customers' problems, but this conceptual assertion requires an empirical investigation to explore such an association. Therefore, the following proposition will look at rewards and incentives as a precondition for empowerment of customer-contact employees in order to take more responsibility in solving problems and pleasing customers.

### **Skills and Knowledge**

The development of skills and knowledge is undeniably a major instrument for promoting decent work measures. The challenge of skills and knowledge development is to define new approaches and to assess emerging needs (Miller-Stennett 2002). Throughout the United States, private- and public-sector companies are facing the problem of a workforce severely lacking in basic workplace skills. When employees learn that high-quality work is crucial to the success of the organization and to their own job security, they are likely to become more conscientious. Once they become fully aware of what is expected of them and how their efforts fit into the big picture, and then receive the skills to meet those demands, the quality of their work generally rises (Bloom and Lafleur 1999). This leads to a host of direct economic benefits for the employer, including increased output of products and services, reduced time per task, reduced error rate, a better health and safety record, reduced waste in production of goods and services, increased customer retention, and increased employee retention. It also produces a variety of indirect economic benefits, such as improved quality of work, better team performance, improved capacity to cope with change in the workplace and improved capacity to use new technology. These indirect economic benefits, although less tangible and more difficult to measure precisely than the direct benefits, have an important impact on organizational performance. According to most employers interviewed, the indirect benefits of increasing organizational capacity and performance frequently result in tangible, direct economic benefits that they can measure (Bloom and Lafleur 1999). Scholars argue that all the aforementioned indirect economic benefits promote a creative empowered employee. Knowledge management is nothing new. For centuries owners of family businesses have passed their commercial wisdom on to their children, master craftsmen have trained apprentices, and workers have passed ideas and expertise from desk to desk. But using knowledge management as a deliberate corporate strategy is a relatively new concept, having only really engaged management attention since the beginning of the 1990s (Fuller 1999).

### **2.6 Negative effects of employee empowerment.**

#### **Increase in arrogance.**

Employee empowerment is for organization & also increase the confidence in the employees but some time it may have bad impact by given the powers to employees they use these power and they are superior from every one this may increase the arrogance in some employees. So this is not good thing for an organization. This may increase the hostile environment for both organization and workforce.

#### **Confidentiality and security risks**

In some organizations employee empowerment is by sharing important information with them this free exchange of ideas and information. But sometime this free sharing of information increase the threat for the organizations and increased risk of confidential and security related data being leaked to parties that should not have access to that type of information. And competitive business environment it is not a good point for an organization.

#### **Increase in failure**

All employees are not equal in their abilities and responsibilities therefore when top management empower their employee its mean the responsibilities of the employees increase and some of employee handle it very well but some of employee feel this extra responsibility as a extra stress and their performance may decrease this is also the possibility of employee empowerment.

So it is good management should encourage innovation but monitoring employee progress is still in the best interest of the company.

#### **Interpersonal relations suffer**

some employees confuse regarding their responsibilities and limits when the top management empower the employee these employee may done good their job but they a part in the job of other persons they interfere the

job of other employee these type of employees are not good for the organization and other workfare because these employees increase the hostile environment in the organization and create the conflict the between the employees. It may be a another negative effect of employee empowerment

### **Non implementation**

Some of companies say they are providing the empowerment to their employee but actually they are not providing the powers to their employee to make free decision in regular routines wise duties. Some time it effect the negative impression on the employee performance.

### **Employees are not ready**

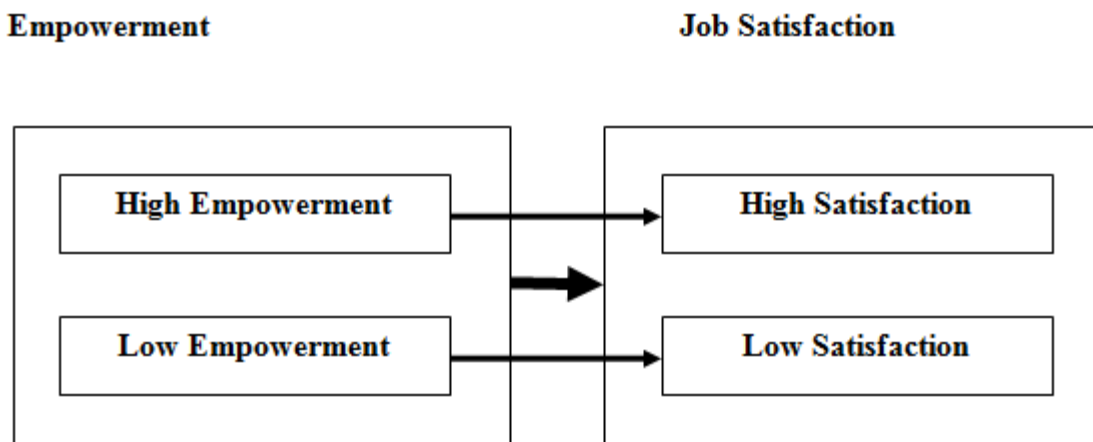
Some time employees are not ready for the change because all the employees are not equal in there capabilities and abilities they cannot perform the job and in all presence of high responsibilities they may feel stress when top management provide the power to their employees in the presence of high responsibilities they may feel stress and may performance decrease.

### **2.7 Model**

The study model is mathematically expressed as follows:

$$JS = f(\text{Empw})$$

This mathematical model can be expressed in the form of diagram as follow:



### **3.Hypothesis**

Ho: There is no significant relationship between the empowerment and job satisfaction

#### **3.1 Research methodology**

This chapter deals with the methodology that will be used for this study. The methodology comprised research design, Target population for the study, sampling techniques, sampling Method, sample size determination etc.

#### **Sampling Procedures**

The study should be conducted with people from different locations. The questionnaires were filled to workers in Bahawalpur who working in various departments with different job responsibilities and organization position in different organizations.

#### **The Target Population**

The targeted sample for this study comprises of Top, Middle and lower level of employees.

#### **Sample size**

Sample size was determined after discussion with the supervisor Mam.Saba Sattar and sample size was 100.

#### **Sampling Technique**

The sampling technique is used convenience sampling method. Convenience Sampling is a simple approach where a sample is selected according to the convenience of the researcher. This convenience may be in respect of availability of data, accessibility of the elements.

#### **Sampling Method**

Sampling Method is used Non-Probability.

#### **Research Design**

This research will be taken on the following approaches.

#### **Purpose of Study**

Our study will be of descriptive nature. Exploratory study is necessary when some facts are known, but more information is needed for developing a viable theoretical framework. Exploratory studies are important for obtaining a good grasp of the phenomenon of interest and advancing knowledge through subsequent theory building and hypothesis testing. Qualitative studies where data reveal some pattern regarding the phenomenon of interest, theories are developed and hypothesis formulated for subsequent testing.



**Type of investigation**

The type of our investigation is causal. When the researcher wants to check the cause and effect relationship among variables then causal study is called for;

**Study Settings**

The study setting for our research is *non-contrived*. Because it has conducted in the natural environment of organization where work proceeds normally.

**Units of analysis**

Because we've to study the behavior of the individuals on the workplace, so our unit of analysis is individuals.

**Time Horizon**

The time horizon of the research is the cross – sectional because the data is gathered just once. This kind of time horizon is also called one – shot studies.

**3.2 Questionnaire design:**

There were 19 closed questions, all of which were single-choice questions, and easy to understand. The design of the questionnaire was based on the literature review. Questions were designed by us and covered the main elements of employee empowerment and job satisfaction. The purpose of the questionnaire was to investigate whether employee empowerment and job satisfaction are in significant in the length of each question was no longer than two lines. Five scale points of agreement could be selected by participants, which are strongly agree (5 points stands for it), agree (4points), neutral (3 points), disagree (2 points) and strongly disagree (1 point). These scale points provided a convenient measure of consumers' attitudes. Take one question for instance:

		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1		1	2	3	4	5

**4.DATA ANALYSIS**

**Correlations**

		empowerment	Jobsatisfaction
empowerment	Pearson Correlation	1	.351**
	Sig. (2-tailed)		.001
	N	90	90
Jobsatisfaction	Pearson Correlation	.351**	1
	Sig. (2-tailed)	.001	
	N	90	90

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

**Interpretation**

Correlation between empowerment and job satisfaction is .351 which is week positive correlation

**Regression**

**Correlations**

		Jobsatisfaction	empowerment
Pearson Correlation	Jobsatisfaction	1.000	.351
	Empowerment	.351	1.000
Sig. (1-tailed)	Jobsatisfaction	.	.000
	Empowerment	.000	.
N	Jobsatisfaction	90	90
	Empowerment	90	90

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.351 <sup>a</sup>	.123	.113	3.17038	.123	12.348	1	88	.001	1.769

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.351 <sup>a</sup>	.123	.113	3.17038	.123	12.348	1	88	.001	1.769

a. Predictors: (Constant), empowerment

b. Dependent Variable: jobsatisfaction

**ANOVA<sup>b</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	124.109	1	124.109	12.348	.001 <sup>a</sup>
	Residual	884.513	88	10.051		
	Total	1008.622	89			

a. Predictors: (Constant), empowerment

b. Dependent Variable: jobsatisfaction

a. Dependent Variable: jobsatisfaction

a. Dependent Variable: jobsatisfaction

**Reliability**

**Case Processing Summary**

		N	%
Cases	Valid	90	100.0
	Excluded <sup>a</sup>	0	.0
	Total	90	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.519	20

**Interpretation**

The value of cronbach's alpha is .519 that is below the required level that is .7. The reason behind is that the questionnaire is made by students but not taken from previous researches

**5.Conclusion**

A management practice of sharing information, rewards, and power with employees so that they can take initiative and make decisions to solve problems and improve service and performance.

Empowerment is based on the idea that giving employees skills, resources, authority, opportunity, motivation, as well holding them responsible and accountable for outcomes of their actions, will contribute to their competence and satisfaction.

We are conducting this research to enhance the academic knowledge in this topic impact of *Employee*

### *Empowerment on Job Satisfaction.*

This study finds out the empowerment level of different employees and job satisfaction in Pakistan. Responses from users will be received through Questionnaires.

The scope of this research is that it will help organization's management to learn the ways of improving the satisfaction of the employees. It will tell them how they can increase the satisfaction level of their employees and what the shortcomings in their operations are. For that purpose we are supposed to explore banking sector.

Our study will be of *descriptive* nature. *descriptive* study is necessary when some facts are known, but more information is needed for developing a viable theoretical framework. *descriptive* studies are important for obtaining a good grasp of the phenomenon of interest and advancing knowledge through subsequent theory building and hypothesis testing. Qualitative studies where data reveal some pattern regarding the phenomenon of interest, theories are developed and hypothesis formulated for subsequent testing.

After collecting the data through questionnaires from various respondents of different banks, we evaluate the data by using different statistical tools. The evaluation of questionnaire was made in two ways;

- Statistical Test

There is a positive weekly moderate relationship between the employee empowerment and job satisfaction. Hence it is concluded that employee empowerment has a positive impact on the job satisfaction.

## **6. References**

### **6.1 Primary Data**

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The Bank Of Punjab Bahawalpur.

Sui Northern Office Bahawalpur .

### **6.2 Secondary Data**

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