

THE IMPACT OF EMPLOYEE EMPOWERMENT AND EMPLOYEE SATISFACTION ON WORK PERFORMANCE

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Abstract

Improving the performance and productivity of employees is a big challenge to the organizations in this competitive business world. Experts view employee empowerment as an effective tool that to the organizational performance, employee satisfaction and service quality. The present study aims to identify the impact of employee empowerment and employee satisfaction on performance of employees. Data have been gathered following a quantitative survey conducted among 380 employees working in private banks, Coimbatore City. Statistical techniques consisting of descriptive analysis, ANOVA and Chi-Square analysis have been applied. The results of the statistical analysis reveal that employee satisfaction and work performance significantly depend on employee empowerment, and satisfied employees provide better empowerment. The findings of the study reveal that, empowered employees, contribute higher productivity in an organization which in turn increases the level of employee satisfaction.

Keywords:

Employee Empowerment;
Employee Satisfaction;
Psychological
Empowerment;
Structural Empowerment.

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1. Introduction:

Empowerment is the most popular concept among modern management and organization applications, which improves the decisional authorities of employee and supports their personal development. The permanence and success of an organization mainly depends on their employees.

Thus, Empowerment helps to create independence for employees, allows responsibility sharing and authority in all levels, boosts the self-esteem of employees and motivates them for enhanced performance. The personal factors that contribute to individual empowerment include competency, self-esteem, challenging work responsibilities and maturity in behavior. The management can help in building these factors by giving necessary training and involving the employees in management decisions. Feedback and recognition programs helps an employee to mold and empower themselves which in turn increase the self confidence of the employees. This in turn enhances the job satisfaction and productivity of the employees.

2. Review of Literature:

Kelley (1993)¹ distinguished among three types of discretionary empowerment: routine, creative, and deviant, available during the service-delivery process. Routine discretion can be observed in employees when they choose an alternative from the available options to do their jobs. Creative discretion can be observed when employees develop an alternate method for doing their job. Deviant discretion is not preferred by organizations that entertain behaviors that are outside the capacity of formal authority and job description of an employee.

Melhem (2004)² discusses the importance of empowerment effort and explain that more studies are required in order to explore conditions and circumstances under which empowerment programs might be effective for the service delivery.

Kanter (1977)³ claims that the position one occupies and the structural power relations that arise in an organization shape work attitudes and behaviors and the level of empowerment one enjoys. He adds that, power is not a psychological predisposition or control over others but is "the ability to get things done, to mobilize resources, to get and use whatever it is that a person needs for the goals he or she is attempting to meet." Therefore, a person is empowered when he or she has the

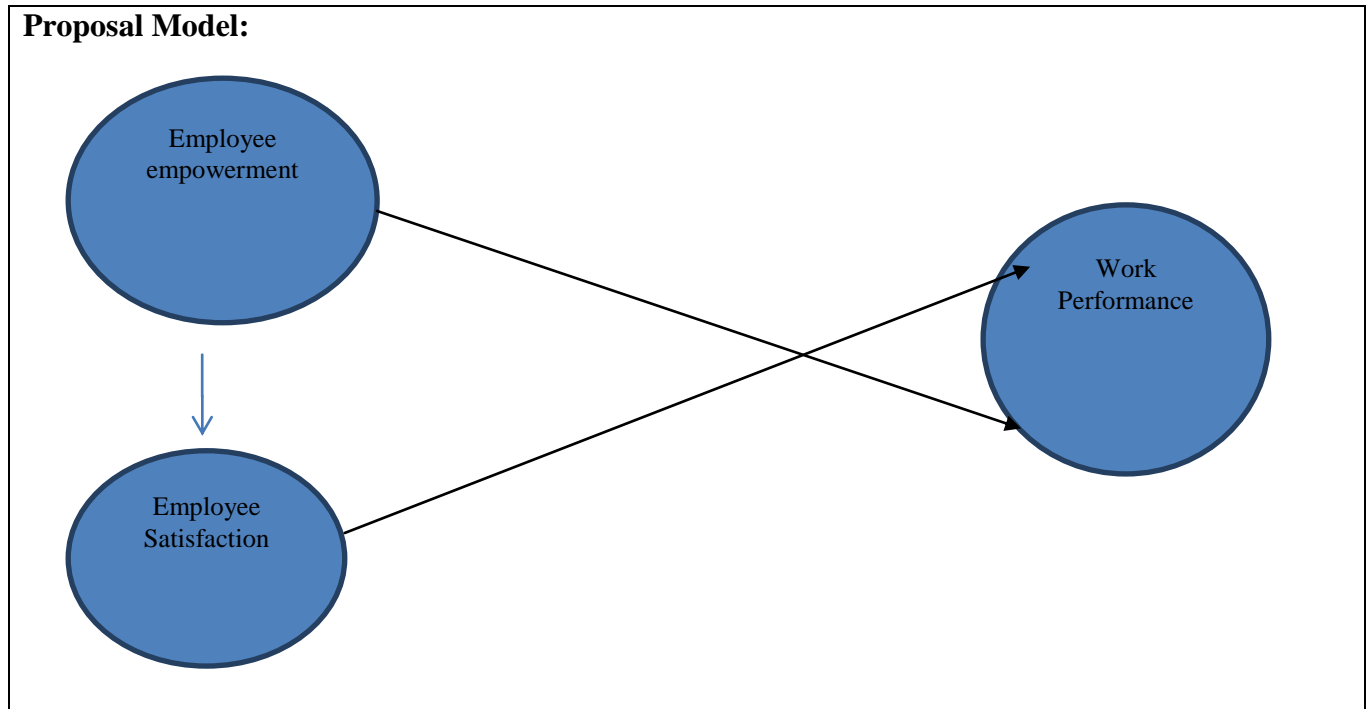
ability to access and mobilize resources, information, support, and opportunities, that catalyze goal achievement, or as "tools for action".

3. Objective of the Study:

1. To analyze the Socio- economic profile of the respondents towards employee work performance.
2. To find out the factors influencing employee empowerment and employee satisfaction on work performance.
3. To study the impact of employee empowerment and employee satisfaction on work performance.

4. Scope of the Study:

Workers productivity depends upon environment of the organization. A good care of workers will obviously reflect in productivity of the employees. The present study provides an insight into the various aspects of empowerment taken up by the management and examines the reactions of employees to these practices , in terms of their difficulties and problems. This data helps us to know the satisfaction level of employees towards working environment, and the various other empowerment needs in an organization.



5. Research Methodology:

Stratified random sampling method was used to collect data among 380 respondents from private bank employees in Coimbatore district. Percentage Analysis, ANOVA and Chi- Square Test were performed to test the collected data.

6. Analysis and Interpretation:

(i) Social economic profile of the respondents

Interpretation:

From the above table 1, it can be interpreted that, 53.95% of the respondents are female and 46.05% of the respondents are male which shows that, more number of females are engaged in banking business. The majority of the respondents were in the age group of 31-40 years with 34.47% of respondents. Most of the employees were married (289), the percentage is 76.05%. The highest income group falls between Rs.10,000 - 40,000 with 53.2% of respondents. Education wise respondents with post graduate qualification are the highest with 41.3% of the respondents.

Table 1: Social economic profile of the respondents

Particulars		No. of Respondents	Perce nt
Gender	Male	175	46.05
	Female	205	53.95
Age	20-30	112	29.47
	31-40	131	34.47
	41-50	109	28.68
	51-60	28	7.37
Marital Status	Married	289	76.05
	Single	84	22.11
	Divorcee	3	0.79
	Widow	4	1.05
Income	Below 10000	79	20.8
	10000-40000	202	53.2
	41000-70000	85	22.4
	71000-100000	14	3.7
Education	School	4	1.1
	Diploma	17	4.5
	Under Graduate	66	17.4
	Post Graduate	157	41.3
	Professional	136	35.8

Primary data:

(ii) **ANOVA between Employee Empowerment and Employee Satisfaction on Employee Performance:**

Interpretation:

From the below given ANOVA table for Employee empowerment and Gender has the F value at 7.69 significant at 0.006. From the mean difference and the significance it is clear that, there is

no significant difference between male and female towards employee empowerment dimensions. As $0.006 < 0.05$, there is significant relationship between employee empowerment and gender of the respondents.

Employee empowerment and Age Factor has the value F value at 3.027 significant at 0.0010. From the mean difference and the significance it is clear that, there is no significant difference in the mean score of employee empowerment and age groups of the respondents. As $0.010 < 0.05$, there is significant relationship between employee empowerment and age of the respondents.

Employee empowerment and Income Factor has the value F value at 15.482 significant at 0.002. From the mean difference and the significance it is clear that, there is no significant difference in the mean score of employee empowerment and income groups of the respondents. As $0.002 < 0.05$, there is significant relationship between employee empowerment and Income the respondents.

Employee empowerment and Occupational Factor has the value F value at 3.700 significant at 0.003. From the mean difference and the significance it is clear that, there is no significant difference in the mean score of weighted employee empowerment and occupation of the respondents. As $0.003 < 0.05$, there is significant relationship between employee empowerment and occupation of the respondents

Employee empowerment and Educational qualification Factor has the value F value at 3.700 significant at 0.003. From the mean difference and the significance it is clear that, there is no significant difference in the mean score of weighted employee empowerment and educational qualification of the respondents. As $0.003 < 0.05$, there is significant relationship between employee empowerment and Educational qualification of the respondents.

Table 2: ANOVA between Employee Empowerment and Employee Satisfaction on Employee Performance:

Demographic variable	EMPLOYEE EMPOWERMENT					
	Employee Empowerment	Sum of Squares	Df	Mean Square	F	Sig
Gender	Between Groups	.916	1	.916	7.692	.006
	With Groups	45.001	378	.119		
	Total	45.917	379			
	Employee empowerment	Sum of Squares	Df	Mean Square	F	Sig
Age	Between Groups	.731	1	.244	3.027	.010
	With Groups	45.186	376	.120		
	Total	45.917	379			
Income	EMPLOYEE EMPOWERMENT					
	Employee empowerment	Sum of Squares	Df	Mean Square	F	Sig
	Between Groups	5.048	3	1.683	15.482	.002
	With Groups	40.869	376	.109		
Total	45.917	379				
Occupational	EMPLOYEE EMPOWERMENT					
	Employee empowerment	Sum of Squares	Df	Mean Square	F	Sig
	Between Groups	2.164	5	.433	3.700	.003
	With Groups	43.753	374	.117		
Total	45.917	379				
Educational qualification	EMPLOYEE EMPOWERMENT					
	Employee empowerment	Sum of Squares	Df	Mean Square	F	Sig
	Between Groups	2.164	5	.433	3.700	.003
	With Groups	43.753	374	.117		
Total	45.917	379				

*Significant at 5% Level

(iii) Chi-square for Employee Performance

. Table 3: Chi-square for Employee Performance

Chi-square	Value	Degree of f	Asymp.Sig (2-sided)
Pearson Chi-Square	16.797	3	.001
N of Valid Cases	380		

Significant at 5%

Interpretation:

From the above Chi-square table, the Pearson Chi-Square value is 16.797, with degrees of freedom at 3 and Significant at 0.001. From the above tables it is proved that there is significant association between Employee empowerment and employee satisfaction on work performance.

7. Findings of the Study:

- It is found that there is significant association between employee empowerment and employee satisfaction towards the work performance dimensions such as Leadership empowerment, Decision making, Trust, Autonomy.
- It is found that there is significant difference in the mean score of Work performance and demographic factors taken to study the Employees perspective. The demographic factors such as gender, age, marital status, income, occupation, education and source of information is taken and using mean table and analysis of variance, the difference is analyzed for weighted work performance and found that there is significant difference is found. The null hypothesis framed is accepted.
- It is found that there is significant correlation between work performance dimensions. The correlation analysis shows positive correlation between the work performance dimensions such as leadership quality, trust, decision making, and autonomy. From this we find that the null hypothesis framed is rejected.
- It is found that there is significant influence between weighted work performance and weighted internal human (employees) parameters and the respective constructs. By using regression analysis weighted work performance and weighted internal human (employees) are separately analyzed with that of respective constructs. The analysis show that there is significant

influence of the human (employees) parameters towards the factors, thus the null hypothesis is rejected.

8. Suggestions:

- The management has to improve the relation between executives and workers. The management should give proper training and guidance and also the management must attempt to develop leadership skills by involving employees in all aspects of the organization process.
- The management embraces a collective approach to leadership. The management has to develop the network pattern.
- The empowerment does not only affect employee attitudes, it also affects their performance and work behaviors.

9. Conclusion

The employee empowerment notion, which means that the working person could participate in decisions concerning his/her job and could get the necessary training in order to reach this stage, and which has a crucial importance for enterprises operating in global competition aiming at providing the best services to customers has been analyzed in this study. It appears it ought to be possible to really empower employees in the work place through democratic processes.

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