

# Effect of Empowerment on Job Satisfaction: A Study of Software Sector of Pakistan

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## Abstract

A continuing issue that maneuvers researchers in software projects is what encourages employees to perform well and make contributions to the projects. Prior studies have mainly focused on other behavioral factors but we propose that empowerment plays a crucial role in boosting employees' performance. A survey has been conducted via self-administered questionnaire to test perceptions of employees working on various software projects regarding empowerment practices and their perceived task performance. Two types of empowerment have been studied in the present study. Moreover, limitations and implications have also been discussed.

**Keywords:** Software sector, empowerment, structural empowerment, psychological empowerment, Job performance

## 1.0 Introduction

Given volatile technological change, unsound environments and increasing competition, more and more organizations are realizing that they should give power and confidence to their employees to be productive [1]. It is stated that, parties that bear responsibilities and duties in projectized organizations are frequently selected because of their low power instead of their expertise and knowledge [2, 3]. A continuous power-gap is subsequently formed among the level of power offered to the employees and power that is really needed to do their jobs [4]. They found that such gaps can be linked by means of power-sharing. It relates to Loosemore's declaration that the ambiguity in project activities generates frequently altering modes of responsibility and accountability that necessitate a parallel redeployment of power continuously, to make sure that participants of a project can move out of the power to go with their patterns of responsibility. Expert power foundation of project participants is more often persistent and strong, project leaders seldom have the entire expertise essential for executing a project; the resultant power-gap, can be likely adjusted via behavioral shifts from sharing authority to power-accretion [5]. Conversely, management's behaviors of power sharing, instead of power accretion, have been found significantly associated to performance of participants of project.

Prior studies have focused on psychological empowerment but the current study intends to explore the effects of both psychological and structural empowerment on performance. The structural and psychological perceptions of empowerment are theoretically different and offer distinct ways for understanding empowerment in an organization their complementarities are clear and hold up an integrative approach specifically [6].

## 2.0 Literature Review

Empowerment as an organizational concept does not have an incorporated conceptualization in educational and management practice dialogue equally. It is hence still used freely to describe a vast range of ideas [7]. According to researchers "empowerment is the authority and the ability to take independent action, within well defined parameters, which will actively influence the outcome [8]." Empowerment is the way of improving the ability of individuals or groups to make various choices and to change those choices into desired acts and outcomes. Vital to this process are actions which build individual and cooperative assets, and enhance the efficiency and evenhandedness of the institutional context which administer the use of these assets. In general, two separate perspectives have taken place over the past years in the existing management literature and have frequently been studied discretely; psychological and structural empowerment.

Individuals are empowered when they're given right to use to empowerment structures to complete their work: opportunity, information, support, resources [9]. Moreover, he stated that workplace attitudes and behaviors are determined by the social structures in workplace. This type of empowerment is considered as policies and structures that give employees more autonomy in decision making and getting work done [10]. Thus, researchers in this respect have determined organizational policies and structures that offer authority in its different appearances by developing skills and knowledge, giving access to support, resources, information and responsibility as empowering [11, 12]. The first factor, opportunity, means growth in career path, mobility, exposure and the chance to enhance skills and knowledge. The second component, support, refers to one's status in the organization to get the job completed successfully.

It is received from supervisors, subordinate and peers to improve effectiveness. Information is connected with the data, technical expertise and knowledge needed to carry out one's job. Access to resources means the ability to get hold of required materials, money, supplies and personnel required to fulfill organizational goals [13]. It is found that structural empowerment enhances individual's psychological empowerment. Outlook of psychological empowerment proposes that empowerment is a set of knowledgeable and experienced cognitions [14]. It has been elucidated psychological empowerment (PE) as intrinsic motivation of task consisting of four dimensions; meaningfulness, competence, impact and self determination. PE is attained by enhancing an individual's belief or perception about meaning of their job, potential to successfully accomplish their job, their autonomy in influencing the results of their job [15].

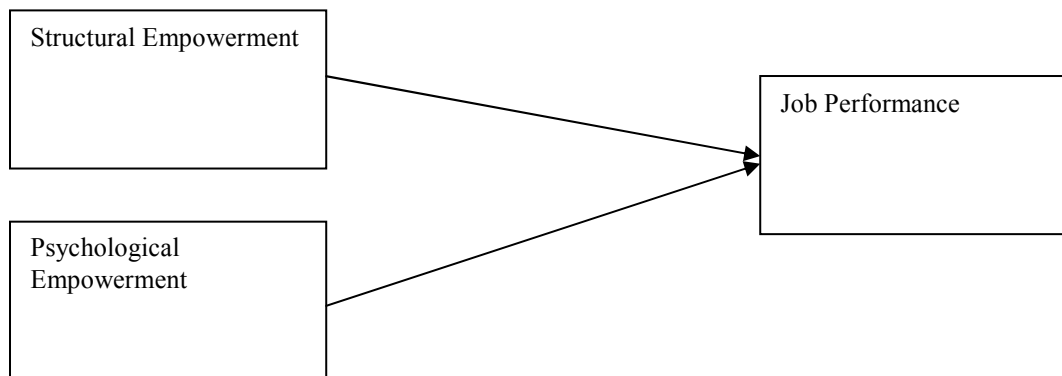
A person feels psychologically empowered as soon as he/she; i) finds his work meaningful, ii) feels capable with regard to his/her capability and capacity to perform, iii) enjoys a sense of self-determination about achieving the desired results, and iv) thinks that he/she has an impact on the work setting. It has been pointed out by the critics of PE that it overlooks certain changes in practices and structures of an organization. More significantly, they question its realistic or practical value because organizations have petite capacity to influence or manipulate employee's inner workings that psychological empowerment appeals to. Rotundo states that although researchers have given their own ideas of performance, a classic definition emphasizes on behaviors of individuals, rather than results of those actions and behaviors. Smith describes few problems with other definitions of job performance and says that an exact measure of job performance is the direct observation of behavior [16]. Job performance ought to be defined in terms of behaviors rather than outcomes. It is argued that measures which are based on results are not always practical or purposeful to the company, because employees may intend to get the most out of results at the cost of other important factors. For instance, a job of a sales clerk, may include behaviors like welcoming customers, responding to queries about products, representing information of store rules and regulations, where a paradigm of a results based measure comprises of total number of sales per week or month [17].

### 3.0 Methodology

#### Research Design and Procedure

The research will be conducted via survey method using a self administered questionnaire. In addition, it will use quantitative method for analysis and to establish relationships between empowerment (structural & psychological) and job performance (figure-1).

Figure 1 Research Model



#### Population Description

The study was instigated with the aim of collecting information about Empowerment and Job Performance among software sector of Pakistan. The reason behind selecting software sector was its outright importance in the economy of Pakistan.

Since it is clear that service industry is contributing approximately 54% of GDP in economy of Pakistan and astoundingly its growth rate is higher than that of agriculture and industrial sector besides the verity that it is an agricultural state. Services Sector contributed 57.7 % to GDP and has emerged as the key driver of economic growth. It has registered a growth rate of 3.7 percent in 2012-13 against the growth of 5.3% in the last year. Pakistan's global share in software sector is estimated at \$2.8 billion. Software companies of Pakistan face and respond to a varied set of drivers, opportunities and challenges that are proportionate with the level of maturity, demands and regulatory needs of the end users, and growth prospects.

Hence, population of this study is employees working on projects in Software Sector of Pakistan. Pakistan Software Houses Association offers a list of registered software companies working in Pakistan.

### Sampling Technique

It is not possible to collect data from all units of population because of convenience and cost constraints. Therefore, a representative and unbiased sample is chosen from the population. It is highly recommended to choose research strategy by which a precise, representative and unbiased sample can be drawn. Probability Sampling Technique has been used for selecting the sample because every unit has equal and unbiased possibility of being selected [18, 19].

Two probability sampling techniques have been used in the selection of sample. First one is Systematic Sampling which is used to select software companies from the list extracted from P@SHA. Systematic sampling involves taking out every nth element in the population starting with a randomly selected element between 1 and n. To make certain against any likely human bias in this technique, the first individual is selected at random. This is theoretically called a 'systematic sample with a random start'. An advantage of systematic sampling technique is that it is guaranteed and certain that the entire population will be evenly sampled [20, 21]. Secondly, Simple Random Sampling is used to select respondents from the software houses. In simple random sampling every element has equal and known chance of being selected. It offers the most generalize ability and has the least bias. List of software houses has been derived from the website of P@SHA. Questionnaires were distributed among 55 registered software organizations with 5% sampling error and 95% confidence interval.

### Survey Administration

Survey was conducted in major cities of province of Punjab in order to collect data. Data is collected with the help of a self administered questionnaire. Questionnaire is a set of questions for recording responses of the subjects of study. Questionnaire was used for the following reasons:

- The feasibility to collect data
- Responses can be analyzed more technically and objectively than other types of data collection tools
- Large amount of information can be gathered from a large number of people in a short period of time and in a comparatively cost effective way.

**Table 1. Reliability analysis of Constructs**

Constructs	Cronbach's Alpha Value
Opportunity	0.773
Support	0.64
Information	0.601
Resources	0.696
Meaningfulness	0.794
Self Determination	0.602
Competence	0.691
Impact	0.878
Job Performance	0.773

The acceptable range of cronbach alpha is good if it is between 0.7 and 0.8 and is acceptable between 0.6 to 0.7. The table-1 shows that all the constructs of Structural and Psychological Empowerment and all items of Job Performance have cronbach values which fall in the acceptable range [22].

### Hypotheses

H1: Structural Empowerment has a significantly positive effect on performance.

H2: Psychological Empowerment has a significantly positive effect on performance.

**Table- 2: Statistical Analysis**

Dependent Variable (JP)	Independent Variables Collinearity	Unstandardized Coefficients		T	Sig	VIF
		B	Std.Error			
Structural Empowerment		0.514	0.117	4.385	0.000	1.002
Psychological Empowerment		0.817	0.147	5.553	0.000	1.002

The above table-2 shows the regression weights on the two types of empowerment with job performance. The model explains the impact of structural and psychological empowerment on performance. Both structural and psychological empowerments have significantly positive impact on job performance of project professionals. Value of R square is .182 which means independent variables explain 18% variance in job performance. F statistic is  $F(2,216) = 0.000 < .05$  that indicates model is significant.

### 4.0 Conclusion

The overall effect of structural and psychological empowerment on job performance is significantly positive. Employees who feel structurally and psychologically empowered strongly predict job performance [23]. It is recommended that employees should be given authority to take decisions on their own [24]. The more they have

access to empowerment structures the more they perform well. Similarly employees with high perceptions of psychological empowerment also engender better performance.

### Limitations

The emphasis of the present research is on empowerment. There are many other significant factors that can affect performance of individuals working on software projects, like leadership styles and the environment of the software settings [25]. Future research ought to formulate a more incorporated model so that we can compare effects of various drivers. Moreover, data has been collected during one span of time. All dimensions have been measured by perceptions of respondents. Particularly, the measurement of items of job performance is subjective. An alternative approach can be used to ask the project administrator or top management to provide rating of the performance of respondents. It is suggested that future research should use objective approach to measure these variables.

### Implications

For an organization to have a more productive workforce, it ought to have leaders or management who is able to empower their subordinates in all aspects of the entity in pursuit of a healthy organization. Management plays a crucial role in creating engaging environments for work. Interventions should emphasize on meaningful work, self-determination, competence and impact. Such work environments must be created in which individuals experience their jobs as meaningful and where they feel that they can influence or affect events [26]. Moreover, they should construct the competence of the employees.

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