

Impact of Employee Empowerment on Job Satisfaction in First Bank Nigeria PLC, Nigeria

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Abstract

This paper examined the impact employee empowerment has on job satisfaction with specific reference to First Bank of Nigeria PLC. Employee empowerment is instrumental in achieving organizational performance because employees render the service. Investing in them is investing in the improvement of the services provided. The objective of this study is to determine the impact employee empowerment has on job satisfaction in First Bank of Nigeria PLC. The study also investigated the level of job satisfaction between male and female employees. The study covered nine branches out of the fifteen branches of First Bank in Kaduna State. This is because the nine branches are within Kaduna State metropolis and so, there was easy access. The sample size consisted of all the staff in the various branches with the exception of contract (in sourcing) staff. The study used primary and secondary data. Questionnaires were distributed to two hundred employees across the branches of First Bank and fifteen were not returned. Multiple regression analysis was used to analyze the data. The study found out that employee empowerment has positive and significant impact on job satisfaction. It recommends that First Bank should continue to promote teamwork amongst employees so that every staff irrespective of gender would work towards a common vision of achieving the objectives of the Bank. A more enabling environment for the female employees should also be encouraged so that there will be a balance in enhancing productivity.

Keywords: Employee, Empowerment, Job satisfaction, First Bank.

INTRODUCTION

The level of communication between employers and employees affect several areas of business including employee empowerment. Employee empowerment connotes participative management and employee involvement where managers share decision-making power with employees to enhance performance and work satisfaction. This implies that where employees are empowered, they impact positively on the organization. Empowered employees are more likely to remain with the organization even in adverse conditions so that the goal of the organization can be accomplished. There is a widely held view that if employees are not happy with their jobs customers will never be uppermost in their minds (Bates, Bates & Johnston, 2003). Employees, who are empowered, therefore, enhance customer service and relations which impact positively on the organization. Employees are the face and voice of the organization; it is, therefore, very important that employees are given necessary authority to make decisions regarding customer satisfaction. Employees need to be empowered to perform but they also need the support of good management, support systems, technology and information. With the autonomy and necessary support needed to perform, employees can go a long way to making a difference (Gronroos, 2001).

Spice and Gilbert (1991) advise managers to give authority to workers in making decisions for maximum utilization of human capital. Dobbs (1993) stated that empowerment enhances the performance of workers and improves the work environment of workers. Encouraging employees improve the quality and interest of the workers on the job. This may also result to caring and respectful behavior from the employees to the customers. Employee empowerment leads to job satisfaction which results in better performance of employees and, consequently, enhances the quality of service provided.

Service organizations have some common characteristics in the nature of their delivery. Their intangible, inseparable, inconsistent, and perishable nature makes it peculiar to deliver and challenging to organizations. The employees are in control of the service encounter and the organization is always considering ways on how best to serve customers either by traditional method or through the empowerment approach (Synder, 2003). Even though service organizations can use different approaches on how best to serve customers, banks that have similar offerings try to differentiate from the others and to be able to gain more market share. Considering that satisfied employees are of important value to organizations, it therefore becomes the duty of management to put in place a system that would ultimately generate their satisfaction 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.

Studies by Spice and Gilbert (1991), Dobbs (1993), Potochny (1998) have been conducted in the area of employee empowerment with different focus and approaches. However, how employee empowerment impacts on job satisfaction in First Bank Nigeria Plc requires investigation.

The main objective of the paper is to assess the impact employee empowerment has on job satisfaction

in First Bank Nigeria Plc (FBN), Kaduna State. The paper contends that there is no significant impact of employee empowerment on job satisfaction in FBN Plc.

LITERATURE REVIEW

Employee empowerment tends to mean different things to different people depending on the approach or perspective of the author. Nielsen & Pedersen, (2001); McClelland, (1975); Conger & Kanungo, (1988) view employee empowerment may be seen as part of the broader concept of “employee involvement” which also includes “participative management”.

Spreitzer, Kizilos and Nason (1997) explain that some notions of empowerment are derived from theories of participative management and employee involvement. The theories of participative management advocate that managers share decision-making power with employees to enhance performance and work satisfaction (Wagner, 1994). Lawler (1991), on the other hand, argues that employee involvement emphasizes cascading power, information, rewards and training to the lowest level possible in the organizational hierarchy to increase worker discretion. In other words, employee involvement is a multidimensional concept.

Groonroos (2001) view employee empowerment as a part of internal marketing process in an organization which when correctly implemented can have a decisive impact on job satisfaction of employees which may in turn improve part-time marketing.

According to Looy, Gemmel and Dierdonck (2003:54) “empowerment means providing service employees with enough autonomy to allow them to handle unforeseen problem situations such as complaints”. It also refers to employees being more proactive and self-sufficient in assisting an organization to achieve its goal (Herrenkohl, Judson and Heffner, 1999).

Looy, Gemmel and Dierdock (2003), Zeithaml and Bitner (2006) describe employee empowerment as having many dimensions ranging from the individual employee level to the organization level of empowerment. Looy et al point out that the most important reason for empowerment at the individual level is the belief that autonomy motivates people, they further argue that people are willing to take initiatives and make decisions rather than being dictated to regarding their jobs. At the organizational level, employees cannot be empowered without the necessary organizational support that is required to stimulate actions such as taking initiatives and acting independently. For employees to be successfully empowered, the organization needs to create the environment where such attitudes and behaviors can be developed.

Empowerment enables the managers to perform and help their subordinates to achieve better performance through successful work systems. Ripley and Ripley (1992) and Spatz (2000) stated that empowerment can enhance the responsibilities as well as motivation of employees in their routine work, improve satisfaction level, quality of services, employees’ loyalty and productivity. It also gives them a feeling of self respect that is worth a lot and ultimately increases the productivity and quality of products and reduces employee turnover.

Sureshchander et al (2002) suggest that firms should train, motivate and reward their employees for demonstrating desirable behaviours in service encounters. As Zeithaml et al (2006:2) assert “Satisfied employees make for satisfied customers”.

Job Satisfaction

Lam, Zhang and Baum (2000) explain that defining job satisfaction is challenging since it has been considered in a variety of ways, and defined differently in various studies. They further argue that if there is consensus about job satisfaction, it is the verbal expression of an incumbent’s evaluation of his/her job. Locke (1976) defines the concept of job satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experiences. Locke further argues that the satisfaction is achieved when one realizes one’s important job values provided these are congruent with or help to fulfill one’s basic needs.

The values or conditions conducive to job satisfaction are mentally challenging work which the individual can cope with successfully, personal interest in the work itself, work that is not too physically tiring, rewards for performance that are just informative and in line with the individual’s personal aspirations, working conditions that are compatible with the individual’s physical needs and that facilitate the accomplishment of his work, high self esteem on the part of the employee, agents with basic and similar values in the work place who help the employee to attain job values such as interesting work, pay and promotions; and who minimize role conflict and ambiguity. Locke’s definition incorporates both Maslow’s (1954) hierarchy of human needs and Herzberg’s (1960, 1976) two- factor theory.

Many researchers have defined job satisfaction based on Locke’s (1976) definition. For example, Lam, Baum and Pine (2001); Schwepker Jr. (2001); Lam, Zhang and Baum (2000); Testa (1999); and Weiss (1976); Kalleberg 1977; Smith, Kendall and Hulin (1969) and Currivan (1999) defined job satisfaction as the degree of positive emotions an employee has toward a work role.

Robbins and Coulter (1996); Currivan (1999) highlighting the attitudinal nature of the construct stated

that job satisfaction is an employee's general attitude towards his or her job. Spector (1997) simply defined job satisfaction as the feeling people have about their jobs and different aspects of their jobs. He concludes by saying that it is an attitudinal variable.

A few studies on job satisfaction have tried to define it slightly differently. Currivan (1999) defined job satisfaction as an employee attitude or "orientation"; and Spector (1997) posits that the attitudinal perspective has become the predominant one in the study of job satisfaction. Ivancevich et al (1997) corroborate Robbins and Coulter (1996) by stating that job satisfaction as an attitude that individuals have about their jobs; which results from their perception of their jobs and the degree to which there is a good fit between the individual and the organization.

Schwepker (2001) argued that job satisfaction may be both intrinsic and extrinsic. Internally, satisfaction is derived from mediated rewards such as the job itself and opportunities for personal growth and accomplishment. Externally, satisfaction is derived from mediated rewards such as satisfaction with pay, company policies and support, supervision, fellow workers, chances for promotion and customers.

Employee empowerment and Job Satisfaction

The assessment of employee attitudes in relation to job satisfaction has become a common activity in organizations in which management is concerned with the physical and psychological wellbeing of people (Spector, 1997). Rosenberg (2009) also amplifies the importance of employee involvement when she cited resource-transformation as the movement of information rather than materials within an organization. Akbar, Yousaf, Haq and Hunjira (2011) found a positive relationship between employee empowerment and job satisfaction.

Nykodym, Simonetti, Nielsen and Welling (1994) show a positive correlation between job satisfaction and consultative participation. Rinehart and Short (1994) found a strong and positive relationship between empowerment and job satisfaction. Dennis (1999) also found a strong relationship between the variables of employee involvement and job satisfaction in his search for factors influencing job satisfaction in the prison environment.

Some interesting positive links between employee involvement and job satisfaction have been found in the nursing field. Kanter (1993) argued that in nursing, empowerment has been shown to predict important organizational outcomes such as trust in management, perceived control over nursing, organizational commitment and job satisfaction.

Nykodym et al (1994) assert that participation causes greater job satisfaction because the employee feels more valued and trusted by management and because the worker gains a better understanding of management difficulties. A positive correlation between job satisfaction and consultative participation was demonstrated in six different areas, namely participation in work decision, consultative participation, short-term participation, informal participation, employee ownership and representative participation.

Martin (1996) and Ahmed and Rafiq (2003) point out some challenges of employee empowerment as it increases the scope of employee's jobs. It requires employees to be properly trained to cope with a wider range of tasks. It is, thus, necessary to ensure that employees who are recruited have the requisite attitudinal characteristics and skills to cope with empowerment.

METHODOLOGY

The study population is made up of the fifteen (15) branches of FBN Plc in Kaduna State. Nine (9) branches were selected as the sample using purposive sampling technique. The study employed simple regression analysis to determine the impact of employee empowerment on job satisfaction in FBN Plc Kaduna State. Independent sample t-test was used to ascertain the level of job satisfaction amongst male and female employees of FBN Plc, Kaduna State.

Data was collected through both primary and secondary sources. The primary data was collected using questionnaires administered on two hundred (200) respondents from the sampled branches. The 200 respondents were made up of 110 male and 90 female employees of the bank. The questionnaire was composed of two sections. The first section solicited general information about respondents that is age, gender, marital status, work experience and service quality; while the second section measured employee empowerment and job satisfaction on a 5-point likert scale where 5 was the largest level agreement and 1 was smallest level agreement. The scale was adopted from previous study (Halvorsen, 2005). The secondary data was obtained from text books and journal articles.

RESULTS AND DISCUSSION

The results of the analysis are presented in the tables below:

Table 1: Level of Job Satisfaction among Male and Female Employees

Level of Job Satisfaction	Group	Mean	Std Dev.	P-value
	Female	3.2412	0.6176	0.003
	Male	3.3614	0.6258	

Table 1 measured the level of job satisfaction among male and female employees in FBN Plc, Kaduna State, Nigeria using Independent Sample t-test. The study found that out of the 200 respondents, two thirds are married and most of the respondents have 5 to 12 years of work experience. The results of the mean value proved that male employees are highly satisfied with their jobs as compared to their female counterparts. There is significant difference between male and female job satisfaction as the p-value is less than 0.05.

Table 2: Impact of Employee Empowerment on Job Satisfaction

Constant	Employee Empowerment	R-Square	F Statistic
2.633 (0.189) [13.896] 0.000	0.529 (0.529) [3.714] 0.000	0.651	13.795 0.000

The effect of employee empowerment on job satisfaction is measured through regression analysis. The result of regression analysis reveals that the model is significant ($p < 0.05$), R-Squared is 0.651 and F-statistics is 13.79. It is proved that there is positive and significant relationship between employee empowerment and job satisfaction. The value of R-squared shows the fitness of the model which implies that 65% of employees experience higher level of job satisfaction as they were empowered. The regression coefficients for independent variables are 0.529 which suggests that employee empowerment enhances 53% degree of change on the level of job satisfaction. The study revealed that employee empowerment leads to job satisfaction.

Conclusion and Recommendations

In this paper, we have examined the impact of employee empowerment on job satisfaction and difference between male and female job satisfaction levels in FBN, Kaduna State. Based on the results, employee empowerment has positive and significant impact on employee job satisfaction. There is also a remarkable difference among male and female job satisfaction levels.

The study found that empowerment motivates the employees to render greater services and creates a greater sense of accomplishment or satisfaction in their jobs by reducing dependency, irresponsibility and encouraging team work which generally leads to achieving organizational goals and objectives. These empowered employees are highly motivated to render greater services and enable them to own the job, exert freedom while controlling the service process and individually respond to customers' needs in an excellent fashion. This research confirms that employee empowerment leads to a higher level of employees' job satisfaction. It recommends that FBN Plc should continue to promote teamwork amongst employees so that every staff, irrespective of gender, would work towards a common vision to achieve the objectives of the Bank. A more enabling environment for the female employees should be created so that there will be a balance in enhancing productivity. These can be done by providing crèche in the offices for the nursing mothers and also adding more flexible hours to them.

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