

A Study on Impact of Employee Empowerment on Job Satisfaction with Reference to Ford Motor Private Ltd, Perungudi

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Abstract: The employee empowerment is proven to be an indispensable tool to improve employee's overall efficiency and job satisfaction these days and is evident that it is the core for all development activities in an organisation. Primarily, empowerment is a process that aids to improve performance of employees and teams by development and extension of their autonomy and ability. To put it another way, employee empowerment is an efficient approach for the development of human resource on one hand and paves way for organizational development and prosperity on the other hand. This study has studied the various employee empowerment strategies followed at Ford Motor Private Ltd, Perungudi. The study has also analysed the impact of the employee empowerment approaches on employee's job satisfaction. Empirically, employee empowerment is a crucial strategy for Human Resource development and also for enhancement of employee's performance individually.

Keywords: Impact of Employee empowerment, employee performance, and employee's job satisfaction.

INTRODUCTION

In the Twentieth Century, initially the materialistic and productive assets were considered more valuable in perception of an organisation. The human resource and productivity challenges faced by the organisations on the Twenty First Century changed this approach and organisations realised that human resources are the most valuable and rarest asset. Due to stringent global competition and dynamic business environment faced by organisations, it started to focus on the human resource of organisations to maintain and to enhance organisational efficiency. Employee empowerment is one of the most effective tools for increasing employee productivity and efficiency as individuals and group according to organizational goals.

According to Richard Katznelson, 'empowerment is the process coming to feel and behave as if one is in power and to feel as if they owned the firm'. In recent times, the fundamental objective of any organization is to effectively manage its workforce by encouraging positive attitudes like increasing productivity, job satisfaction, and organizational citizenship behaviour and discouraging negative employee attitudes like high employee turnover, absenteeism and behaviour deviance in work place. The above can be achieved by management by implementing appropriate employee empowerment system in any organisation. Employee empowerment is a management tool that aims to give employees resources necessary to make confident decisions in the workplace without supervision. In organisation's view point, empowerment is a long-term, resource-intensive strategy that involves significant time and financial investment. Some of the generally perceived benefits of employee empowerment include greater job satisfaction, job autonomy, decreased supervisory requirements and drastical improvement in innovation and creativity. There are various forms of employee empowerment approaches which can be opted according to the requirements and organisational goal.

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METHODS OF EMPLOYEE EMPOWERMENT: Below are the important employee empowerment approaches which are implemented extensively in Ford Motor Private Ltd to enhance employee's efficiency.

- Empowerment through building teams.
- Empowerment through participation in decision making.
- Empowerment through fair degree of autonomy to employee.
- Empowerment through sharing goals and vision.
- Empowerment through getting frequent feedback.
- Empowerment through employee feels rewarded and recognised.
- Empowerment through efficient communication.
- Empowerment through trust and reliability on employee.
- Empowerment through consistent training for job enrichment (Training and development)

REVIEW OF LITERATURE

T.E. Thiruvengadam (2018) indicated that in power automation industry, employees agree that they are aware of their company's goals and roles. The management formulates proper mission and vision and policies for the employees. The management at all levels trust their employee and ensure open communication and must be consulted before making decisions. He stated that if the employees are not empowered it leads to conflict among the employees and they cannot adapt themselves to changes. Employees who are empowered will make the industry to survive, grow and face challenges posed by globalisation with confidence.

George, Elizabeth, (2013) found that all the dimensions of Psychological Empowerment have a significant and positive correlation with Job Satisfaction. In other words, higher the Psychological Empowerment lower the job related stress. Among the demographic variables, age of bank employees and designation of employees have a significant relationship with psychological empowerment.

Dua, Naveen, (2012) stated that it is imperative to empower the employees in an endeavour to enhance organisational performance as the present study demonstrates that the dimensions of employee empowerment have significant relationship with different indicators of organisational performance. Additionally, perceptions about the employee empowerment differ between group based on organisational levels, age, type of industry, sector, and number of employees with regards to the degree of employee empowerment experienced. Finally, significant difference exists between companies with low and high degree of empowerment with respect to organisational performance.

Elbeyi Pelit, (2011) suggested that correlation and regression analyses indicate that behavioural and psychological empowerment has a significant effect on job satisfaction, and the impact is much greater when psychological and behavioral empowerment is taken as a whole.

Tuuli and Rowlinson (2009) analysed the relationship between psychological empowerment and job performance. The study also tried to find out if ability, motivation and opportunity to perform mediated between empowerment and performance. The study proved that empowerment had direct and positive effect on work performance and also was mediated by the motivation for intrinsically, opportunity and ability to execute. The study demonstrated that empowered employees exhibited positive performance behaviors, and hence psychological empowerment is a valuable source for organizations to pursue their desired results.

Whitman, Van Rooy and Viswesvaran (2010), suggested a theoretical method to examine the satisfaction-performance relationship. Specifically, significant relationships were found between unit-level job satisfaction and unit-level criteria, along with customer satisfaction, productivity, withdrawal and organizational citizenship behaviors.

Hammer and Champy, (1993) stated that empowerment of front-line workers is imperative if organisations want to understand core business processes, because front-line workers are closest to these processes and are the only ones who really understand how they work.

Ripley & Ripley (1992) and Spatz (2000) stated that empowerment strategies can enhance the responsibilities and motivation of employees in their routine work, improve level of satisfaction, employees loyalty and productivity by giving them self-respect that matters a lot and eventually increases the productivity and quality of products and decrease the employee turnover.

SCOPE OF THE STUDY: This study enables to have fair knowledge about the various employee empowerment approaches used and its effectiveness. An attempt is made to find out the impact of employee empowerment on job satisfaction.

OBJECTIVES OF THE STUDY

1. To study the demographic profile of the respondents.
2. To analyse the influential factors of employee empowerment affecting job satisfaction.
3. To study the relationship between employee empowerment and job satisfaction.

LIMITATIONS OF THE STUDY

1. The study may be applicable only to Ford Motor Private limited, Perungudi.
2. The survey has been conducted only among 50 employees of the company.
3. The period of the study is limited. So it may not be able to cover the entire scope.
4. The data have been collected from the present permanent employees only, so it may vary in the future.
5. Respondent's answers were found to be personally biased. However, it is believed that the study will render intuitiveness and insight for managers in terms of enhancing employee empowerment programs and impact of empowerment on job satisfaction.

RESEARCH METHODOLOGY:

Research methodology is a process to systematically solve the research problem. Descriptive research design includes survey and fact finding enquires of different kinds. The study has adopted both descriptive and analytical methodology. The adoption of descriptive methodology has been vital for interpreting the employee empowerment approaches practical in the organization and analytical methodology has been used to critically evaluate the impact of employee empowerment over employee's efficiency as a whole. Sample size denotes the number of sample selected for the study. The sample size for this study is fixed at 50 respondents. Based on simple random sampling method and convenience sampling method 50 respondents were chosen from the company. Primary data was collected through Questionnaire and secondary data were also collected from Company Websites.

DATA ANALYSIS AND INTERPRETATION:

COMPANY PROFILE: Ford India was established in 1995 as a wholly-owned subsidiary of Ford Motor Company, a global automotive industry leader. Since then, Ford has invested more than US\$2 billion in India to expand its manufacturing units and dealership to meet rapidly rising demand in one of the world's fastest-growing auto markets. Ford's operations in the country also include Global Business Services, with offices in Chennai, Coimbatore and many more places and provide support to nearly every Ford location around the world in the areas of Information Technology, Engineering, Accounting and Finance, Automotive Financing, Marketing Sales and Services, Analytics, and Purchasing.

STATISTICAL TOOLS USED FOR DATA ANALYSIS

1. Simple Percentage method
2. Cross Tabulation
3. Correlation Analysis

I. SIMPLE PERCENTAGE METHOD

Table 1.1: Showing Respondents on the Basis of Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	32	64.0	64.0	64.0
	Female	18	36.0	36.0	100.0
	Total	50	100.0	100.0	

Interpretation: The above table reveals that 64% of the respondents are male and 36% of the respondents are Female.

Table 1.2: Showing Respondents On The Basis Of Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25 & below	10	20.0	20.0	20.0
	26-35	24	48.0	48.0	68.0
	36-45	13	26.0	26.0	94.0
	46 & above	3	6.0	6.0	100.0
	Total	50	100.0	100.0	

INTERPRETATION: The above table exposes that 20% of the respondents belong to the age category 25 & below, 48% belong to the age 26 – 35, 26% belong to 36 – 45 category whereas only 6% belong to 46 & above age category.

Table 1.3: Showing Respondents On The Basis Of Experience

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1-5 years	17	34.0	34.0	34.0
6-10 years	20	40.0	40.0	74.0
11-15 years	10	20.0	20.0	94.0
15 years & above	3	6.0	6.0	100.0
Total	50	100.0	100.0	

INTERPRETATION: The above table portrays that 34% of the respondents belong to 1-5 years, 40% belong to 6-10 years, 20% belongs to 11-15 years and 6% belongs to 15 years & above.

Table 1.4: Showing Respondents On The Basis Of Qualification

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Diploma	4	8.0	8.0	8.0
Degree	13	26.0	26.0	34.0
Masters	33	66.0	66.0	100.0
Total	50	100.0	100.0	

INTERPRETATION: The above table depicts that 8% of the respondents have done diploma, 26% has done under graduation and rest of the 66% have completed Masters.

Table 1.4: Showing Respondents On The Basis Of Designation

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Technician or Designer	19	38.0	38.0	38.0
Team Leader	12	24.0	24.0	62.0
Assistant Manager	15	30.0	30.0	92.0
Manager	4	8.0	8.0	100.0
Total	50	100.0	100.0	

INTERPRETATION: The above table depicts that 38% of the respondents are technician and designer, 24% are Team leader, 30% are Assistant Manager and 8% are Managers.

II. CROSSTABULATION OF EMPLOYEE EMPOWERMENT FACTORS WITH JOB SATISFACTION

Table 2.1: Training opportunities to improve skills * Level of job satisfaction

		Level of job satisfaction			Total
		fair	good	very good	
Training opportunities to improve skills	Neutral	6	0	0	6
	Agree	12	40	35	87
	Strongly Agree	9	60	45	114
Total		27	100	80	207

Table 2.2 Communication with the senior office * Level of job satisfaction

		Level of job satisfaction			Total
		fair	good	very good	
Communication with the senior office	Disagree	3	0	0	3
	Neutral	6	24	5	35
	Agree	9	32	30	71
	Strongly Agree	9	44	45	98
Total		27	100	80	207

Table 2.3: Level of Autonomy * Level of job satisfaction

		Level of job satisfaction			Total
		fair	good	very good	
Level of Autonomy	Disagree	0	4	0	4
	Neutral	21	24	0	45
	Agree	6	52	30	88
	Strongly Agree	0	20	50	70
Total		27	100	80	207

Table 2.4: Recognition for good work * Level of job satisfaction

		Level of job satisfaction			Total
		fair	Good	very good	
Recognition for good work	Disagree	6	0	0	6
	Neutral	18	12	0	30
	Agree	3	72	10	85
	Strongly Agree	0	16	70	86
Total		27	100	80	207

Table 2.5: Feedback and suggestions are valued * Level of job satisfaction

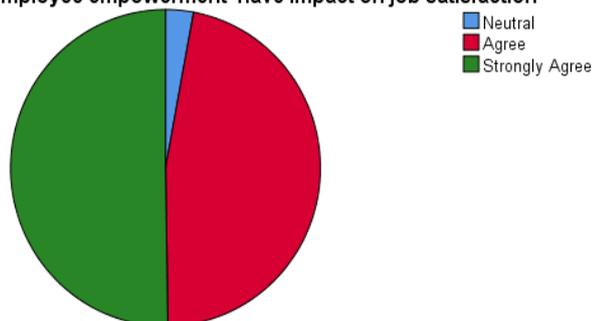
		Level of job satisfaction			Total
		fair	Good	very good	
Feedback and suggestions are valued	Disagree	0	4	0	4
	Neutral	21	8	0	29
	Agree	6	76	25	107
	Strongly Agree	0	12	55	67
Total		27	100	80	207

INTERPRETATION: The above tables depict that response of the samples towards the various employee empowerment strategies used in the company. From the above tables it is evident that out of all the approaches employees have strongly agreed that training opportunities, recognition for good work and communication with the senior officers are high satisfied by the employee's point of view. Regarding value for feedback and suggestion and level of autonomy approaches, majority of the employees have agreed but not strongly agreed.

Table 3: Showing Response Regarding Employee Empowerment Impact On Job Satisfaction

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	6	2.9	2.9	2.9
	Agree	97	46.9	46.9	49.8
	Strongly Agree	104	50.2	50.2	100.0
	Total	207	100.0	100.0	

Employee empowerment have impact on job satisfaction



Cases weighted by Level of job satisfaction

INTERPRETATION: The above table depicts that 50.2 % of the respondents strongly agree that employee empowerment approaches have impact on their satisfaction levels. 46.9 % of the respondents have agreed and 2.9% have responded neutral towards this variable. So it is evident that employee empowerment measures of the company do have impact on the satisfaction level of the employees directly.

IV: IMPACT OF EMPLOYEE EMPOWERMENT ON JOB SATISFACTION

Pearson's Correlation Analysis - Hypothesis

(H0): there is no significant relationship between employee empowerment measures and employee's job satisfaction.

(H1): there is a significant relationship between employee empowerment measures and employee's job satisfaction

Table 4.1: Showing The Correlation Between Employee Empowerment And Level Of Job Satisfaction

		Employee empowerment	Level of job satisfaction
Employee empowerment	Pearson Correlation	1	.961**
	Sig. (2-tailed)		.000
	N	50	50
Level of job satisfaction	Pearson Correlation	.961**	1
	Sig. (2-tailed)	.000	
	N	50	50

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

INTERPRETATION: Pearson's correlation analysis is done to look for the relationship between employee empowerment and level of job satisfaction of employees. Both of these variables are normally distributed and also they have a linear relationship with each other. The correlation coefficients are always between -1 and 1 in which -1 is perfect negative correlation and 1 is perfect positive correlation. The actual correlation coefficient between employee empowerment and level of job satisfaction is .961 which is evidence of strong positive correlation between two variables. When comes to the level of significance which should be less than 0.01 and the actual level of significance is .000 which means that my correlation is statistically significant and there is enough evidence to say that this correlation exists in the population as well. Hence the null hypothesis (H0) is rejected and Hypothesis (H1) is accepted.

FINDINGS AND CONCLUSION: The study has put forth and analysed the various efforts taken by Ford Motor Private Limited, Perungudi in empowering their employees. The study analysed various strategies adopted by the management for employee empowerment. The study demonstrated that the employee empowerment is a kind of motivational strategy which gives the employees a sense of satisfaction towards their job and organization. The study has analysed that the employees are satisfied with the various factors such as employee trainings, communication, recognition for good work, level of autonomy, value for employee feedback and suggestions and various activities and consideration of their ideas and opinion. The study has strongly stressed the positive relationship between the employee empowerment measures and level of satisfaction of employees. In conclusion, it is evident from the research that employee empowerment in the organization is at good level and there is positive relationship between the empowerment approaches and the level of satisfaction. Therefore, management should be consistently concentrating on the employee empowerment strategies which in turn can satisfy the employees. It is well known fact that when the employees are well satisfied, it will reduce employee turnover, absenteeism and results in improved productivity both qualitatively and quantitatively through which various organisational goals can be accomplished.

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EMPLOYEE EMPOWERMENT QUESTIONNAIRE

I DEMOGRAPHIC CHARACTERISTICS

1. Kindly indicate your gender

a) Male b) Female

2. Kindly indicate your age

a) 25 & below b) 26-35 c) 36-45 d) 46 & above

3. How many years of experience do you have in ford motor private limited?

a) 1-5 years b) 6 -10 years c) 11 -15 years d) above 15 years

4. What is your highest academic qualification?

a) Diploma b) Degree c) Masters

5. What is your current designation in Ford Motor Private Ltd?

a) Designer or technician b) team leader c) assistant manager d) manager

II IMPACT OF EMPLOYEE EMPOWERMENT FACTORS ON JOB SATISFACTION

To what extent do you agree with the following statement relating to aspects of empowerment influencesatisfaction? Where 1- strongly disagrees, 2- disagree, 3- neutral, 4- agree, and 5- strongly agree.

s.no	Particulars	1	2	3	4	5
6	I am provided with training opportunities to improve my skill. EE					
7	I am able to contact Senior Management as needed.					
8	I have the support and autonomy to make the decisions necessary for accomplishing assigned tasks.					
9	I have enough involvement in decisions that affect my work and to enhance performance					
10	I am adequately recognized for my good work					
11	Your feedback and suggestions are valued in your company					
12	Do you think that the employee empowerment approaches are affecting your satisfaction levels?					

13. How would you rate employee empowerment in your organization?

Very good [] good [] Fair [] Poor [] Very poor []

14. How would you rate your job satisfaction level in your organization?

Very good [] good [] Fair [] Poor [] Very poor []