

The Relationship between Structural Empowerment and Job Satisfaction: a Case Study of a Thai Automobile Company

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Empowerment is a modern management technique that is essential to organizational change. As most previous research has focused on empowerment at the individual, psychological level, employee empowerment at the organization level represents a research gap that requires investigation. For Thailand, the automotive industry is considered a critical industry that affects investment and employment. This study aimed to explore the structural empowerment level and job satisfaction level of employees at a Thai automobile company, including the investigation of the relationship between structural empowerment and job satisfaction. A questionnaire was used to gather the data for empirical analysis. The samples were 226 first-line employees at an automobile company and systematic random sampling was used to select the samples. For measurement, the structural empowerment variable consisted of information, support, resources, and opportunities, and job satisfaction consisted of work itself, advancement, recognition, responsibility, and opportunity for growth. To collect the data, electronic mailing was used and the response rate was 86.28%. The finding revealed that structural empowerment was positively related to employees' job satisfaction. The support factor was found to be especially strongly related to job satisfaction. Further research should consider the impact of psychological empowerment on job satisfaction.

JEL Codes: M10, M12 and M54

1. Introduction

Empowerment is a modern management technique that is essential to organizational change, learning, and transformation, as the global business environment becomes ever more competitive (Dimitriadis, 2005). Employee empowerment is a common, fundamental, and explicit part of the prescriptions offered to improve business performance (Division & Martinsons, 2002). Considering the benefits of empowerment, they can be divided into two areas: benefits for the organization and benefits for the individual. Especially, organizations have sought improvements in cost control, flexibility, and quality improvement, while the benefits for the individual are reducing conflict, ambiguity, and emotional strain in their role, including empowering employees to have a great sense of job satisfaction, motivation, and organizational loyalty (Greasley & King, 2005).

Regarding empowerment approaches, empowerment can be categorized into two approaches: the situational approach and psychological approach. The situational approach is sometimes known as the rational approach or structure empowerment, which emphasizes the power delegation from executives to subordinates. On the other hand, the psychological approach or psychological empowerment is focused on the motivation of employees and is associated with cognition affected as it affects intrinsic motivation (Yang

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& Choi, 2009). Since most previous research has focused on empowerment at the individual psychological level, employee empowerment at the organization level represents a gap in the research and will be explored here (Wooddell, 2009).

Considering empowerment in industry, empowering management practices in service firms have been adopted frequently because they can lead to customer satisfaction (Klidas, Berg, & Wilderom, 2007), but the impact of employee empowerment has been less frequent among manufacturing firms. Regarding empowerment in manufacturing, it is a part of the general move toward greater task flexibility and the need for employees to take on increased initiative and responsibility (Yusoff & Abdullah, 2008). Employees should be aware of possibility of empowerment and feel empowered. If people do not feel empowered, the control system will still reflect the traditional top-down command (Herbert, 2009).

Regarding the automotive industry investment situation in the ASEAN region, Thailand is a hub for car manufacturers that with an estimated total production of 2,600,000 units per year. In the third quarter of 2014, the Board of Investment approved 45 investment projects with a value of 29,788.40 million baht, which led to an increase of 6,175 employed people. Thus, the automotive industry is considered a critical industry that affects investment and employment in Thailand (The office of Industrial Office, Thailand, 2014).

Especially in the automotive industry, front-line workers are best placed to make decisions about what to do and how to do it when an emergency situation or problem arises. They cannot wait for the decision of the first-line manager or the executives (Kuo, Ho, Lin, and Lai, 2010). Thus, organization have to delegate decision power, provide appropriate training for employees, provide relevant strategic information and reward employees for achieving results (Boudrias, Gaudreau, Savoie & Morin, 2009). Moreover, the organization should support employees, for example with time off from regular duties, and clerical and budgetary support (Wooddell, 2009). However, understanding the different dimensions of empowerment will enable managers to design and implement a successful empowerment program (Yang & Choi, 2009).

As mentioned above, empowered employees will have a great sense of job satisfaction (Greasley & King, 2005) and this is associated with the intention to work with the organization. Laschinger, Finegan, Shamian, & Wilk (2004) have stated that change in perceived structural empowerment can have a direct effect on changes in psychological empowerment and job satisfaction because a fostering environment can enhance employees' perception of empowerment. However, the relationship between worker empowerment and job satisfaction is much more complex.

Thus, this study aimed to explore the structural empowerment level and job satisfaction level of employees at a Thai automobile company, and the relationship between structural empowerment and job satisfaction was investigated. The paper is divided into five parts. The first part is the introduction, the second part is the literature review, the third part discusses the methodology, the fourth part discusses the findings, and the last part focuses on the conclusion and limitations of the study.

2. Literature Review

2.1 Empowerment

In the 1990s, empowerment was considered as the technique to encourage employees to be more creative and productive (Division & Martinsons, 2002). The meaning of empowerment associated with the power redistribution from the leader to subordinate position (Greasley & King, 2005). Remarkably, many proponents of employee empowerment seem to assume that employee will eagerly accept the responsibility for managing their own work and making decisions related to their work (Division & Martinsons, 2002; Greasley & King, 2005). This will enrich employees' work experience and directly affect work-related outcomes (Kuo, Ho, Lin, & Lai, 2010). In addition, the process of empowerment is a social exchange-driven process which requires managers to reduce power and control, and instead use cooperation and facilitation with their subordinates. Therefore, subordinates' trust and organizational support, such as structure, social politic, resource, information and culture, are very critical in this process (Chan, Taylor, & Markham, 2008).

Wooddell (2009) studied the employee empowerment in organization level according to research gap and identified employee empowerment in organization level consisted of four components as follows:

- Shared vision – the vision should originate with the directors. The individual or team is delegated by authority to identify its goals and to design its own process to achieve its goals. Moreover, developing the leadership skill of key employees and facilitating staff meetings during week would help the department address organizational problems.
- Organizational support – the organization should support employees, including time off from regular duties, clerical support, and budgetary support.
- Knowledge and learning – employees have to improve their skill in project management, such as brainstorming, facilitating discussion, time management, and problem solving.
- Institutional recognition – organizations must recognize the employee's skills in implementing a complex task under difficult conditions.

As well as Kanter's theory of structural empowerment (Kanter, 1993), the well-known theory of empowerment supporting, the theory indicates that structural empowerment must be set in place by the leader and then channeled to the employee. The components of structural empowerment are:

- Information – leaders can give employees a sense of purpose of their work, and enhance their ability to make decisions that will contribute to organizational goals.
- Support – this can be described as feedback, guidance, emotional support, helpful advice, or hands-on assistance, which can all be very beneficial to employees.
- Resources – leaders must allow employees to access material, supplies, time, and equipment to achieve organizational goals.
- Opportunities – leaders must be concerned about employee growth, professional development, and the chance to increase skills and goals.

2.2 Job Satisfaction

Job satisfaction refers to the degree to which individual feels positive or negative about the job (Schermerhorn, 1996). Nowadays, job satisfaction is an important issue for the organization because it is not only related to employee performance, such as work efficiency, absenteeism and turnover, which lead to higher labor costs, but also to organizational performance, such as the quality of a product and customer satisfaction. If companies want to manage corporate performance, managers must develop an understanding of the factors that affect employee satisfaction (Droussiotis & Austin, 2007).

To evaluate job satisfaction, traditional theory has been popular and has been employed to measure job satisfaction. According to Locke (1976) seven work issues are associated with job satisfaction. These include: mentally challenging work, personal interest in the specific job, work that is not too physically tiring, perceived equitable rewards, appropriate working conditions, employee self-esteem, management assistance in managing the workplace by minimizing conflict and ensuring that work is interesting and good pay/promotions are available. On the other hand, for Herzberg (1966), the evaluation of job satisfaction factors that lead to job satisfaction and those that lead to job dissatisfaction. Herzberg's job satisfaction factors include the following:

- Work itself - the actual content of the job and its positive or negative effect upon the employee, whether the job is characterized as interesting or boring, varied or routine, creative or stultifying, excessively easy or excessively difficult, challenging or non-demanding.
- Advancement - the actual change in upward status in the company. Increased opportunity changes with no increase in status are considered under employee responsibility.
- Recognition - this is the recognition by others for a job well done or personal accomplishment.
- Responsibility – this includes the personal satisfaction of completing a job, solving problems, and seeing the results of one's efforts.
- Opportunity for growth – refer to the opportunities to learn new skills and the advancement in career.

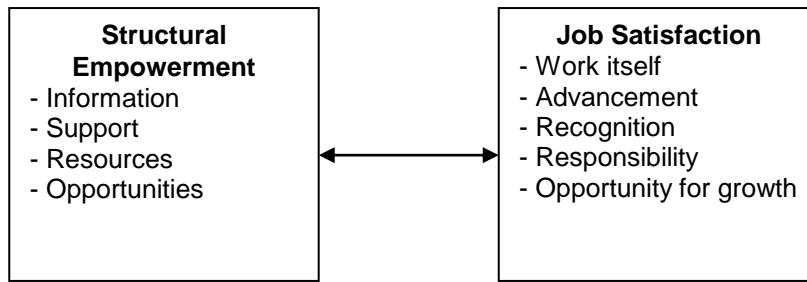
2.3 The Relationship between Structural Empowerment and Job Satisfaction

The relationship between worker empowerment and job satisfaction is much more complex. Laschinger, Finegan, Shamian, & Wilk (2004) indicated that change in perceived structural empowerment had a direct effect on changes in psychological empowerment and job satisfaction because a fostering environment can enhance employee perception of empowerment, and Kruja & Oelfke (2009) noted in their work that empowerment strongly impacts job satisfaction.

Mushipe (2011) reported that empowerment is positively associated with job satisfaction, and decision making embraces several areas, such as self-governance, freedom, and self-control, and information sharing, which the organization facilitate the entire empowerment exercise. Furthermore, authority granting has an impact on employee attitude, job satisfaction, and job commitment (Kazlauskaite, Buciuniene, & Turauskas, 2012)

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Figure 1: Conceptual Framework



3. Methodology

The study employed the quantitative method and a questionnaire was used to gather the data for empirical analysis. The population was 518 first-line employees in an automobile company. The sample size of 226 was calculated by using the Taro Yamané formula and systematic random sampling was used to select the samples. To collect the data, the electronic mailing was employed and the total number of returns was 195; the response rate was 86.28%.

For measurement, the structural empowerment variable consisted of information, support, resources, and opportunities based on Kanter’s theory, and the job satisfaction consisted of work itself, advancement, recognition, responsibility, and opportunity for growth based on Herzberg’s theory. Further, a Likert scale, ranging from 1 (fully disagree) to 5 (fully agree), was used to measure both variables.

Moreover, this study employed simple descriptive statistics, such as mean and standard deviation to analyse and describe the level of structural empowerment and the level of job satisfaction of employees at the Thai auto mobile company, including employing Pearson correlation to investigate the relationship between structural empowerment and job satisfaction.

4. Findings

Most respondents were male (n = 123), between 31-40 years of age (n = 94), and 34.35% of the employees had stayed with the organization between 1-5 years, as shown in table 1.

Table 1: Sample Distribution

Topics	Number of Employees	Percentage
Gender		
Male	123	63.07
Female	72	6.93
Age		
20-30 Years	59	30.25
31-40 Years	94	48.20
41-50 Years	42	21.55
Work Period		
0-1 Years	25	12.82
1-5 Years	67	34.35
6-10 Years	55	28.20
More than 10 Years	48	24.63

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Considering the total structural empowerment, the means was 3.18 and the employee ranged the support and opportunity at high level ($\bar{x} = 3.37$, $SD = 0.30$), followed by information ($\bar{x} = 3.36$, $SD = 0.41$), and the resource was ranged at low level ($\bar{x} = 2.62$, $SD = 0.32$). The finding implies that this company focuses on support, opportunity, and information aspects, but less on resources. Therefore, leaders must allow employees to access material, supplies, time, and equipment to achieve organizational goals.

Table 2: Means and Standard Deviation for Structural Empowerment

Factors	Means	SD
Information	3.36	0.41
Support	3.37	0.30
Resources	2.62	0.32
Opportunity	3.37	0.30
Total	3.18	0.33

Considering total job satisfaction, the means was 3.57 and the employee ranged the responsibility at high level ($\bar{x} = 3.71$, $SD = 0.96$), followed by the work itself ($\bar{x} = 3.65$, $SD = 1.00$), opportunity for growth ($\bar{x} = 3.64$, $SD = 0.96$), advancement ($\bar{x} = 3.60$, $SD = 0.99$), and the recognition was ranged at low level ($\bar{x} = 3.39$, $SD = 0.93$). The finding implies that this company is concerned about the aspect of recognition less than other aspects. Thus the company must recognize employees' contributions.

Table 3: Means and Standard Deviation for Job Satisfaction

Factors	Means	SD
Work itself	3.65	1.00
Advancement	3.60	0.99
Recognition	3.39	0.93
Responsibility	3.71	0.96
Opportunity for growth	3.64	0.96
Total	3.57	0.39

Structural empowerment was positively and significantly correlated with job satisfaction ($r = 0.61$, $p \leq 0.05$) and all of the factors were significantly correlated with job satisfaction. The variable that was closely related to job satisfaction was support ($r = 0.65$, $p \leq 0.05$). The other variables that were positively, significantly related to job satisfaction were opportunity ($r = 0.52$, $p \leq 0.05$) and resources ($r = 0.43$, $p \leq 0.05$). Finally, information was positively and significantly correlated with job satisfaction at low level ($r = 0.11$, $p \leq 0.05$). This implies that organization must highlight all structure empowerment aspects—information, support, resources, and opportunity—according to the organizational support related to employees' job satisfaction.

Table 4: Relationship between Structural Empowerment and Job Satisfaction

Structured Empowerment	Job Satisfaction (r)
Information	0.41*
Support	0.65*
Resources	0.23*
Opportunity	0.52*
Total	0.61*

* $p \leq 0.05$

5. Conclusions and Limitations

This study aimed to explore the level of structural empowerment and the level of job satisfaction of employees in a Thai automobile company, including the investigation of the relationship between structural empowerment and job satisfaction. According to the findings in the previous section, the structural empowerment was positively related to job satisfaction. Especially, the support factor was strongly related to job satisfaction that can describe by social exchange-driven process, which requires managers to reduce power and control, and work with their subordinates by facilitating and supporting (Chan, Taylor, & Markham, 2008). Regarding the leader's role, managers should be supportive leaders that encourage employees to use their decision-making authority, and managers must trust the ability of their employees and their commitment and judgment. Further, employees should be guided in how to use their increased authority, and they should be supported in performing their new role successfully (Klidas, Berg & Wilderom, 2007). This can create trust on the part of employees and reduce their stress from the decisions they make associated with their work (Chan, Taylor, & Markham, 2008).

This study is a pilot research, and the author was not concerned about other types of empowerment, such psychological empowerment, including job attitudes that would impact employee performance. Further, because of time limitations and the fact that the population was limited to a single company, the results were not quite complete or reliable. Therefore, further research should increase the population size, or study in other industries, and emphasize other variables as mentioned. Moreover, the qualitative method might be employed to collect the data about empowerment and job satisfaction relationship.

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