

**A STUDY OF RELATIONSHIP BETWEEN EMPLOYEE  
EMPOWERMENT, JOB SATISFACTION AND  
ORGANIZATIONAL COMMITMENT IN HOTEL INDUSTRY**

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**Abstract**

*Empowerment has become the human resource strategy, which is used by the organizations in order to create more productive, efficient, dedicated and satisfied workforce. Various organizations in hospitality industry, including tourism, hotels etc. have been using empowerment practices and strategies for the purpose of increasing the satisfaction level of the employees, making them more dedicated and committed towards their work and organization and reducing the employee turnover. This paper examines the relationship between Employee Empowerment and Job Satisfaction of the employees in the hotel Industry and also study the relationship between Employees Empowerment and Organizational Commitment of the employees in hotel industry. . The data was collected by standardized questionnaire which is developed by (Salazaar, (2000)) with 200 front-office employees working in 5 Star hotels .The study found that Empowerment is found to have direct and positive relationship with job satisfaction but it is not directly related to the organizational commitment.*

**Keywords:** *Employees Empowerment, Job Satisfaction, Organizational Commitment, Hotel Industry*

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## Introduction

Empowerment has become the human resource strategy, which is used by the organizations in order to create more productive, efficient, dedicated and satisfied workforce. Various organizations in hospitality industry, including tourism, hotels etc. have been using empowerment practices and strategies for the purpose of increasing the satisfaction level of the employees, making them more dedicated and committed towards their work and organization and reducing the employee turnover. Employee empowerment is said to have benefited many organisations, if managed and nurtured properly especially in enhancing employee commitment and reducing employee turnover. In this era of globalisation there is need for employees' empowerment in order to enable organisation to respond quickly to any changes in the macro-environment. Therefore, the aim of the study is to find out what should be done in organisations to enhance employee empowerment so as to improve employee job satisfaction and employee commitment towards their organization.

'Hotels in India' have supply of 110,000 rooms. According to the tourism ministry, 4.4 million tourists visited India last year and at current trend, demand will soar to 10 million in 2010 – to accommodate 350 million domestic travelers. 'Hotels in India' has a shortage of 150,000 rooms fueling hotel room rates across India. With tremendous pull of opportunity, India is a destination for hotel chains looking for growth. The World Travel and Tourism Council, India, data says, India ranks 18th in business travel and will be among the top 5 in this decade. Sources estimate, demand is going to exceed supply by at least 100% over the next 2 years. 5-star hotels in metro cities allot same room, more than once a day to different guests, receiving almost 24-hour rates from both guests against 6-8 hours usage. With demand-supply disparity, 'Hotel India' room rates are most likely to rise 25% annually and occupancy to rise by 80%, over the next two years. 'Hotel Industry in India' is eroding its competitiveness as a cost effective destination. However, the rating on the 'Indian Hotels' is bullish. 'India Hotel Industry' is adding about 60,000 quality rooms, currently in different stages of planning and development and should be ready by 2012. MNC Hotel Industry giants are flocking India and forging Joint Ventures to earn their share of pie in the race. Government has approved 300 hotel projects, nearly half of which are in the luxury range. Sources said, the manpower requirements of the hotel industry will increase from 7 million in 2002 to 15 million by 2010. Hotel Industry in India is set to grow at 15% a year.

## Review of Literature

There are various studies which have already been conducted, on various dimensions of job satisfaction, employee empowerment and organizational commitment. Mentioned below is the literature review of some of the studies which are related to the area of research.

**Chang (2010)** tested an exploratory model of empowerment in a Taiwanese sample of school health nurses by examining the mediating role of psychological empowerment in the relationship between external factors and work-related attitudes, specifically job satisfaction and organizational commitment. The indicated that psychological empowerment did not fully mediate the relationship between organizational empowerment and job satisfaction because of the strong direct effects of organizational empowerment on job satisfaction. The influence of empowerment on organizational commitment was mediated through job satisfaction. **Kuo et al (2010)** investigated the effect of work redesign on two personal outcomes: self-perceived psychological empowerment and organizational commitment. An empirical study is conducted in the field of high-tech industrial organizations in Taiwan. Data was collected from 40 technological companies, located in the Taipei. The results revealed that both work redesign and empowerment generate positive and direct influence on employees' commitment. Specially, the effect of work redesign is amplified on employee commitment through the implementation of employee empowerment. **AbdPatah et al (2009)** examined the influences of psychological empowerment on overall jobsatisfaction of Front Office Receptionists in Kuala Lumpur 5-star hotels. A total of 210 questionnaires were distributed at 21 hotels in Kuala Lumpur, Malaysia. Results showed that psychological empowerment does have significant influences (through the dimensions of meaningfulness, competence and influence) on overall jobsatisfaction of the receptionists. The findings also suggested that receptionists' age and tenure affected their sense of overall jobsatisfaction. Hotel managers should include this in their effort and consideration to enhance employees' performance and competencies. More competitive solutions such as enhancing participation by the departmental decision making process, encouraging creativity, implementing better work environment and employment packages may harmonize work relationships and outcomes. **Mary-Anne et al (2006)** examined the relationships between clinical educators' perceptions of empowerment, job tension, and job satisfaction. High levels of

workplace empowerment were significantly related to low levels of job tension. In addition, the combination of high levels of empowerment and low levels of job tension was predictive of high levels of job satisfaction. **Carol (2002)** in his article says that employee empowerment is an essential managerial means that can be used to obtain competitive advantages from human resources in the new millennium. A comprehensive understanding of the essence of empowerment is crucial to facilitate its effective implementation. In this article, the author proposes a 4-dimensional empowerment model in an organizational setting and a matrix that incorporates the 4 dimensions of organizational factors. In addition, the study represents an empirical examination of the effects of personal and company characteristics on empowerment. **Jernigan et al (2002)** examined the influence of dimensions of work satisfaction on types of organizational commitment. Significant results were found for the two affective commitment types tested but not for the instrumental type evaluated. The results indicate that satisfaction with professional status was a significant predictor of moral commitment. Dissatisfaction with organizational policies, autonomy, and professional status were significant predictors of commitment. The results of this study suggest that understanding how various factors impact the nature and the form of an individual's organizational commitment is worth the effort. **Milisa et al (2002)** explains the relationship between empowerment and job satisfaction. The results revealed that and psychological empowerment predicted 38% of the variance in job satisfaction. Achievement and mastery needs were not significant. Other personal attributes can be found in future research to improve job satisfaction. Through careful manipulation of the hospital environment, both structural and psychological empowerment can be increased, resulting in greater job and patient satisfaction. **Salazar (2000)** studied that the psychological dimensions (i.e. job satisfaction and employee commitment) within the work environment can differ according to race and gender. He analyzed the relationship between employee ratings of empowerment, job satisfaction and organizational commitment within the hospitality industry. The results indicated that empowerment is related to overall job satisfaction. It also reveals that empowerment is related to organizational commitment at a hotel.

## Research Methodology

### Objectives of the study

- To study the relationship between Employee Empowerment and Job Satisfaction of the employees in the hotel industry.
- To study the relationship between Employee Empowerment and Organizational Commitment of employees in hotel industry.

### Sources of Data

The primary data for the research study has been collected by visiting five 5-star hotels in northern India, Hotel Radisson, Jalandhar; Hotel Intercontinental, New Delhi; Hotel Park Plaza, Ludhiana; Hotel Le Meridien, New Delhi; and Hotel Claridges, Faridabad.

### Research Design

The research study follows a descriptive research design in order to study the relationship between employee empowerment, job satisfaction and organizational commitment. The relationship between the various dimensions of organizational commitment, that is normative, affective and continuance commitment with employee empowerment and job satisfaction has been tested.

### Sampling

For this study, 200 front-office employees have been taken as the sample. Both male and female employees have been included in the sample. The sample has been collected from five 5-star hotels, Hotel Radisson, Jalandhar; Hotel Intercontinental, New Delhi; Hotel Park Plaza, Ludhiana; Hotel Le Meridien, New Delhi; and Hotel Claridges, Faridabad. The sampling technique which has been used in the present study is purposive sampling, as only front office employees have been taken as the sample. Only Front-Office employees have been as a sample, as these employees come directly in contact with the customers. Moreover, they can exercise additional power in order to satisfy their customers, and thus, these are the ones who can make use of empowerment practice.

### Tools of Data Collection

In order to study the relationship between these three broad dimensions of behavioral dynamics namely, Employee Empowerment, Job Satisfaction and Organizational Commitment, a questionnaire (Salazaar, 2000) has been used for the purpose of collecting the primary data. As shown in Table 3.1, total 225 questionnaires were given to the employees in all hotels. 62, 50, 60, 23 and 30 questionnaires were given in Hotel Intercontinental, New Delhi; Hotel Le Meridien, New Delhi; Hotel Claridges, Faridabad; Hotel Radisson, Jalandhar and Hotel Park Plaza, Ludhiana, respectively. Out of these, the questionnaires that were complete and have been considered valid are 55 from Hotel Intercontinental, New Delhi; 45 from Hotel Le Meridien, New Delhi; 55 from Hotel Claridges, Faridabad; 20 from Hotel Radisson, Jalandhar and 25 from Hotel Park Plaza, Ludhiana. 25 questionnaires have not been considered in the analysis as some of them were incomplete, and some of them had extreme responses. Thus, those questionnaires have been excluded.

### Result and Discussion

**Table 4.1: Correlations between Employee Empowerment, Job Satisfaction and Organizational Commitment**

		EMPOWERMENT	JOB.SATISFACTION	COMMITMENT
EMPOWERMENT	Pearson Correlation	1	.761**	.062
	Sig. (2-tailed)		.000	.384
	N	200	200	200
JOB.SATISFACTION	Pearson Correlation	.761**	1	.268**
	Sig. (2-tailed)	.000		.000
	N	200	200	200
COMMITMENT	Pearson Correlation	.062	.268**	1
	Sig. (2-tailed)	.384	.000	
	N	200	200	200

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

Table 4.1 shows the correlation between the three variables, employee empowerment, job satisfaction and organisational commitment. The correlation values in the table are on the basis of 0.01 level of significance. N refers to the total number of respondents. The first column and the first row indicate all the three variables. The second column indicates the correlation values of empowerment with other two variables, job satisfaction and organisational commitment. The third column indicates the correlation values of job satisfaction with other two variables, employee empowerment and organisational commitment. The fourth column indicates the correlation values of organisational commitment with other two variables, employee empowerment and job satisfaction. The correlation between employee empowerment and job satisfaction is .761 and is significant. The correlation between employee empowerment and organisational commitment is .062 but is not significant and the correlation between job satisfaction and empowerment is .268 and is significant.

A Pearson correlation (Table 4.1) revealed that job satisfaction is significantly correlated with other two variables: empowerment ( $r = .761, p < .01$ ) and organisational commitment ( $r = .268, p < .01$ ). The correlation coefficients suggest that employee empowerment maintained the highest significant correlation with job satisfaction, while organisational commitment had lesser Pearson correlation coefficient, however still maintaining the significance at .01 level of a 2-tailed test. The previous studies in the review of literature (Vivan, 1996) support the result, as its findings revealed that empowerment is significantly correlated with job satisfaction and organisational commitment. Hectuanova (2006) stated that empowerment is positively correlated with job satisfaction, and his study supports the present findings. Studies given by Laschinger (1997), Koukkanen (2003) and Kirkman (1999) also supported the present findings as they also stated that empowerment is strongly linked to job satisfaction and organisational commitment.

**Table 4.2: Step-wise Multiple Regression Analysis for Job Satisfaction Predictor Variables (Empowerment and Commitment)**

**Table 4.2.1: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.761 <sup>a</sup>	.579	.577	1.307
2	.792 <sup>b</sup>	.628	.624	1.231

a. Predictors: (Constant), EMPOWERMENT

b. Predictors: (Constant), EMPOWERMENT, COMMITMENT

**Table 4.2.2: ANOVA<sup>c</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	464.481	1	464.481	271.981	.000 <sup>a</sup>
	Residual	338.139	198	1.708		
	Total	802.620	199			
2	Regression	503.923	2	251.962	166.177	.000 <sup>b</sup>
	Residual	298.697	197	1.516		
	Total	802.620	199			

a. Predictors: (Constant), EMPOWERMENT

b. Predictors: (Constant), EMPOWERMENT, COMMITMENT

c. Dependent Variable: JOB.SATISFACTION

**Table 4.2.3: Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.		
		B	Std. Error	Beta				
1	(Constant)	-3.255	.771		-4.221	.000		
	EMPOWERMENT	.136	.008	.761			16.492	.000
2	(Constant)	-7.489	1.103		-6.789	.000		
	EMPOWERMENT	.133	.008	.747			17.153	.000
	COMMITMENT	.090	.018	.222			5.100	.000

a. Dependent Variable: JOB.SATISFACTION



Table 4.2 shows the step-wise multiple regression analysis, taking job satisfaction as the dependent variable and employee empowerment and organisational commitment as independent variables. Table 4.2.1 shows the model summary which signifies the goodness of fit. R square stands for the coefficient of determination which determines the variation caused by a particular variable in the dependent variable. Adjusted R square provides with a more significant value for variance which here is 57.7% (.577). Table 4.2.2 is the ANOVA Table which reveals the significance of the model. The third table, Table 4.2.3 is the Coefficients Table, which shows the coefficients of the independent variables and reveals the significance of the independent variables individually.

The step-wise multiple regression procedure also permitted the identification of the variables which most accounted for the variance in job satisfaction. A pre-established level of significance was .05. The summary of the step-wise regression procedure for the predictor variables is in Table 4.2. The results revealed that the predictor variables, employee empowerment and organisational commitment, both account for variance in job satisfaction. Table 4.2 depicts an  $R^2$  of .628, indicating that 62.8% variance in job satisfaction can be explained by employee empowerment and organisational commitment, out of which 57.9% variance can be explained only by employee empowerment, as  $R^2$  (empowerment) is .579 as mentioned in Table 4.2. Table 1 including excluded variables has been attached in Annexure-III.

The previous studies of Purdy (2007), Hectuanova (2006), June (2003), Joan (2003), Milisa (2002), Laschinger (2001) in the review of literature investigated the relationship between empowerment and job satisfaction and stated that empowerment strongly influences job satisfaction. These studies stated that empowerment explains 40.4%, 38% and 58% variance in job satisfaction. The above results support the present findings as 57.9% variance in job satisfaction can be explained only with the help of employee empowerment. A study by Mary-Anne (2006) also supported the present results as it revealed that high levels of empowerment results in low levels of job tension and high levels of job satisfaction. The previous studies of Bowen (1992), Loscocco (1991), Brymer (1991) and Smith (1969) support the present findings, stating that empowerment leads to increased job satisfaction and increased productivity, as employee has the authority of decision-making and thus provides high service quality in hotel

industry (Brymer, 1991). Empowerment leads to increased job satisfaction, resulting in greater feeling of involvement, importance and improved personal relationships among co-workers. The results of previous study (Holdsworth, 2003) support the present findings. This study was conducted on the employee of a call centre and revealed that particularly self-determination influences job satisfaction. Trust dimension of empowerment was not included in the study. One of the previous studies in review of literature (Chaoping, 2006) stated that empowerment is positively related to job satisfaction and among the various dimensions, self-determination has high positive relationship with job satisfaction. Another study (Barter, 2004) based on hospital employees, included all other dimensions excluding trust, and revealed that meaningfulness, competency, impact and self-determination, all result in increased satisfaction. Empowerment and job satisfaction came out be highly correlated, having high positive significant correlation ( $r = .761$ ).

**Table 4.3: Correlations between Employee Empowerment, Job Satisfaction and Organizational Commitment**

		EMPOWERMENT	JOB.SATISFACTI ON	COMMITMENT
EMPOWERMENT	Pearson Correlation	1	.761**	.062
	Sig. (2-tailed)		.000	.384
	N	200	200	200
JOB.SATISFACTION	Pearson Correlation	.761**	1	.268**
	Sig. (2-tailed)	.000		.000
	N	200	200	200
COMMITMENT	Pearson Correlation	.062	.268**	1
	Sig. (2-tailed)	.384	.000	
	N	200	200	200

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

Table 4.3 shows the correlation between the three variables, employee empowerment, job satisfaction and organisational commitment. The correlation values in the table are given on the basis of 0.01 level of significance. N refers to the total number of respondents. The first column

and the first row indicate all the three variables. The second column indicates the correlation values of empowerment with other two variables, job satisfaction and organisational commitment. The third column indicates the correlation values of job satisfaction with other two variables, employee empowerment and organisational commitment. The fourth column indicates the correlation values of organisational commitment with other two variables, employee empowerment and job satisfaction. The correlation between employee empowerment and job satisfaction is .761 and is significant. The correlation between employee empowerment and organisational commitment is .062 but is not significant and the correlation between job satisfaction and empowerment is .268 and is significant.

A Pearson correlation (Table 4.3) revealed that organisational commitment is significantly correlated with job satisfaction ( $r = .268, p < .01$ ) but not with employee empowerment ( $r = .062, p < .01$ ). The correlation coefficients suggest that job satisfaction maintained the highest significant correlation with organisational commitment, while employee empowerment had lesser Pearson correlation coefficient, however still maintaining the significance at .01 level of a 2-tailed test. The previous studies in the review of literature (Vivan, 1996) support the result, as its findings revealed that empowerment is significantly correlated with job satisfaction and organisational commitment. Sikorska (2005) stated that organisational commitment is highly associated with job satisfaction, and his study supports the present findings. Studies given by Douglas (2006) and Meyer (1991) also supported the present findings as they also stated that job satisfaction is strongly linked to organisational commitment.

## Conclusion

The study concludes that employee empowerment plays a vital role in improving the satisfaction level of the employees. A higher degree of empowerment among the employees leads to improved job satisfaction, which positively affects the quality of work and services provided by the organization. The commitment level of the employees is also influenced and affected by the level of satisfaction of the employees. Empowerment does not have a direct impact on employee commitment but empowerment encourages job satisfaction, which further improves and encourages organizational commitment.

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