

The Relationship between Psychological Empowerment and Employees' Job Performance: The Mediating Role of Job Satisfaction

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Abstract:

This research paper studied the relationship between psychological empowerment and employee's job performance by mediating role of job satisfaction in pharmaceutical industry of Balochistan with reference to Quetta city. By literature it is cleared that all variables have positive relationship with each other. Psychological empowerment is related to intrinsic motivation of worker toward the task, job satisfaction is pleasant feeling about work while job performance is a behavior of performing job in a specific time range for expected results by an organization.

Primary data is collected by using questionnaires adopted by previous research work. Nonprobability convenience sampling methodology is used to collect data by sales personnel of pharmaceutical industry. SPSS (Statistical Package for Social Sciences) version 20 is used to analyze the data. Results show that relationship of independent variable (psychological empowerment) with dependent variable (employees' job performance) and mediating variable (job satisfaction) with dependent variable (employees' job performance) have positive and correlation is moderated. While relationship of independent variable (psychological empowerment) with mediating variable (job satisfaction) is positive but weak correlation is

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found. Multiple regression test depict that mediation is partial but overall results are significant.

So for further scholars, suggestions are to study more variables to find that impact of psychological empowerment with mediating or moderating effects. This is also suggested that to study this framework in administrative and management level of pharmaceutical industry.

Keywords: Psychological Empowerment, Employees' Job Performance, Job Satisfaction.

Introduction:

In the field of management empowerment was rigorously studied. It is used to enhance employee's motivation to encourage their satisfaction level and performance as well. In this research article three variables are studied which are psychological empowerment (PE), job satisfaction (JS), employees' job performance (EJP). Target population is sales personnel (medical representatives) of pharmaceutical industry of Balochistan with reference to Quetta city.

Empowerment was discovered by many researchers of 90's it was first defined as delegation of authority cited by (Asgharsani, Rostami, & Duostdar, 2013). Organizations face problems regarding empowerment because either they have it in insufficient manner or not. Empowerment basically related with motivation of workforce regarding their work attitude. It has two categories, psychological empowerment or organizational empowerment. Psychological empowerment is concerned with person's intrinsic motivation linked with job performance of an organization on the other hand organizational empowerment is related with all practices and activities of shifting decision making power.

Job satisfaction is favorable and gratifying feeling about job and work environment (Locke, 1976) and job performance is behavioral expectations firm organization within a specific time period (Motowidlo & Kell, 2012). Literature clearly presents that there is positive relationship of job satisfaction and job performance with psychological empowerment.

Background and Problem Statement:

Pharmaceutical industry is responsible to produce and market medicines and medical equipment. It is growing industry all around the Pakistan. Pakistan pharmaceutical industry fulfill 70% of country's demand of

finished medicines (Drug Regulatory Authority of Pakistan, n.d.). 400 pharmaceutical manufacturing units including 25% multinational operating in country. 80% of medicine are produced by local producer only 20% import. Market size is Rs. 70 Billion. Pakistan also export its surplus products to Asian and African regions (Drug Regulatory Authority of Pakistan, n.d.). To encourage work force, motivation is key tool. Lacking of it influence satisfaction and performance of the worker. Psychological empowerment was studied in different context but in pharmaceutical industry, it is less frequently studied especially in Quetta city of Balochistan.

In Quetta, there is no manufacturing units but has diverse sales personnel with different educational background so the problem statement of the article is to examine the relationship of psychological empowerment and employees' job performance with mediating role of job satisfaction.

Significance of Study:

Sales personnel has duty to transfer correct information regarding medicines and medical tools to doctors and chemists which ultimately effects human lives. Outcomes of study help in enhancing sales representative's performance, commitment to achieve strategic goals of organization, factors affecting turnover and overall satisfaction of sales force. It will contribute in health section of Quetta city, Balochistan.

Objectives of Study:

Objectives of study are to find the relation of psychological empowerment and employees' job performance. To check the relation of psychological empowerment and job satisfaction. To examine the association of job satisfaction and job performance of sales personnel. And finally investigate the mediating effect of job satisfaction between psychological empowerment and employees' job performance.

Limitations of Study:

This study is limited to the sales personnel of pharmaceutical industry, serving their services in Balochistan with reference to Quetta city. Only sales personnel (medical representatives) are investigated in this study due to shortage of finance, having limitation of time and resources.

Literature Review

Empowerment:

In past decades organization focus on manufacturing but in this era human capital is main focal point to enhance their capability to perform task on different levels of organization.(Asgharsani, Rostami, & Duostdar, 2013). This term is used for participative management, democracy, job enrichment (Bartunek & Spreitzer, 2006). It is defined as delegation of authority by many researchers in earlier times (Asgharsani, Rostami, & Duostdar, 2013).

Different studies identify two types of empowerment, situational empowerment and psychological empowerment. (Conger & Kanungo, 1988). Situational which is also known as organizational empowerment is concerned with delegation of responsibilities and decision making authority (Kanter, 1993). While psychological empowerment is cognitive process to encourage inner motivation to do task (Gergory, Albritton, & Osmonbekov, 2010).

This study is about psychological empowerment. It is a motivational construct based on four pillars: meaning, competence, self-determination, and impact. It plays a key role in work place as any one of them is missing, will decrease empowerment (Spreitzer G. , 1995) . Most of the researches focused on these four dimensions of psychological empowerment but Spreitzer cited by (Dizgah, Chegini, Farrahbod, & Kordabad, 2011) mention trust as one more element of psychological empowerment.

- i. **Meaning:** Meaningfulness is concerned with the value of work in relation to person's own perception (Thomas & Velthouse, 1990).
- ii. **Competency:** It refers to how skillfully an individual perform activities (Thomas & Velthouse, 1990). Person should be confident about performing the task effectively (Yukl, 2010).
- iii. **Impact:** Impact is a behavior of individual towards results that is how effectively he produce an outcomes. (Thomas & Velthouse, 1990). Person believes that the task has strong influence on job and work environment (Yukl, 2010)..
- iv. **Choice/ Self-determination:** Choice is basically representing the self-determination which produce more creativity, flexibility. By

this element individual become more initiative and self-regulator (Thomas & Velthouse, 1990). It enhances self-esteem of a person.

v. Trust

“It is to feel safe and believe that they are equal” (Dizgah, Chegini, Farrahbod, & Kordabad, 2011).

Literature identify many advantages of empowerment like enhancing creativity, improve the performance of employees along with the organization, create flexibility, problem solving tool, influence job satisfaction, better mental health and freedom of task (Asgharsani, Rostami, & Duostdar, 2013).

Job Satisfaction:

Employees own its organization when pleasant working environment, superior’s support, stable policies and meaningful job are present. If they are not present, employees of these organizations are victim of dissatisfaction. So job satisfaction can be define as it is a favorable and pleasant feeling at work place (Locke, 1976). This satisfaction is not considered as whole satisfaction which a person experiencing in his life. It is related to only job related satisfaction (Wright T. , 2005).

Scholar described multiple variables effecting job satisfaction which are supervisor, task, pay, fringe benefits, coworkers, performance appraisal and promotion (Hackman & Oldham , 1980). This phenomenon is indirectly linked with many other factors for example high turnover rate stress among employees, exhaustion and absenteeism (McManus , Keeling , & Paice , 2004).

However poor salaries, lack of benefit, insecure job, political influence, favoritism and nepotism and lack of career development hurts the quality and productivity of business organization (Price , 2001).

- i. **Salary/ Reward:** One of the important factor is pay/ salary. Equity based reward has positive influence on job satisfaction and performance as well (Frye, 2004).
- ii. **Promotion:** Opportunities for promotion in the organization will generate job satisfaction among workers (Nguyen, Taylor J, & Bradley , 2003).

- iii. **Job Safety and Security:** Researcher concluded that the lack of job security inversely affect the performance and cause dissatisfaction among workforce (Guest, 2004).
- iv. **Working Condition:** Working condition includes comfortable offices, light, gas, ventilation, proper space, office equipment, etc. influence satisfaction and performance level of employees (Carlan, 2007).
- v. **Freedom/Autonomy:** Pay, working conditions, promotion and autonomy on decision making process has effect on job satisfaction. The lack of these factors cause dissatisfaction (Guest, 2004).
- vi. **Coworkers:** Team work enhance the level of job satisfaction (James, 1996). So it is vital to generate smooth platform for creating interpersonal relationship.
- vii. **Supervisor:** Study concluded that recognition by supervisor increase subordinates' satisfaction which improve productivity and performance of employees and helpful for solving a day to day problems (Yen & McKinney, 1992)
- viii. **Nature of Work:** It is resulted that work itself positively correlated with employee's job satisfaction (Locke E. , 1995).

Employees' Job Performance:

“Job performance of employee is important topic in business and industrial field. It is a behavioral act of working at a specified time period, requiring specific outcomes by the organization” (Motowidlo & Kell, 2012). It is inner feeling about the duties and responsibilities which worker perform to get satisfied with his job and try to achieve the organizational goal along with. Business organization required competitive employees to perform well for accomplishing organizational targets and maintaining competitive edge (Sonntag & Frese, 2002).

Borman and Motowidlo 1993 cited by (Motowidlo & Kell, 2012) describe two determinants of job performance on the basis of behavioral episodes, first is task performance linked with a job description activities that are targeted and recognized, come into the category of task performance. While other is contextual performance related to behavior of an employee which impact on organizational, psychological and social context of job within which technical core operate efficiently. Empowerment show positive

relationship with job satisfaction (Akbar, Yousaf, Haq, & Hunjra, March 2011). It directly or indirectly influence job satisfaction and job performance (Hameed & Waheed, 2015).

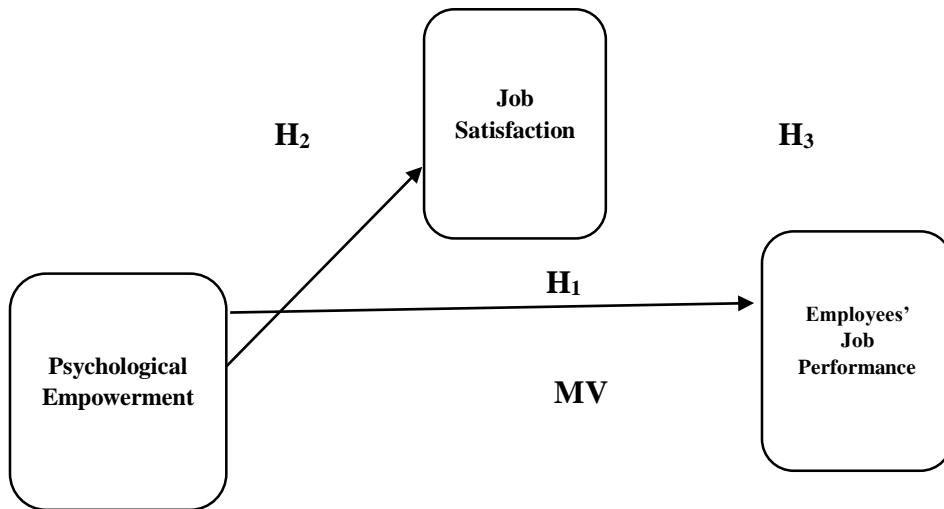
Sales Personnel:

Salesforce are vital resource for industry to manage customer- firm relationship for functionalizing their activities for profitable business. They are responsible for maintaining benefited buyer-seller relationship (Crosby, Lawrence, Kenneth, Evans, & Cowles, 1990).

In pharmaceutical industry sales personnel are known by “Pharmaceutical sales representatives” or “Medical representatives”. Author also describe their three basic customers who are Physician, chemists and stockiest.

When a salesperson is empower he is more flexible and more adoptive in managing the sales strategies compare to those who are not empowered (Scott & Bruce, 1994). Study conducted in Lebanese on pharmaceutical sales personnel identified that physical satisfaction related to work also has importance on their performance (Salameh & Hamdan, 2007).

Theoretical Framework:



Note: H4: Job satisfaction mediates the relationship between psychological empowerment and employees' job performance.

Hypothesis:

H₁: There is positive relationship between psychological empowerment and employees' job performance

H₂: The more psychological empowerment, the more job satisfaction.

H₃: There is positive relationship between job satisfaction and employees' Job performance

H₄: Job satisfaction mediates the relationship between psychological empowerment and employees' job performance.

Research Methodology:

It is quantitative study based on empirical data collection. Data is collected from sales personnel of pharmaceutical industry of Balochistan with reference to Quetta city by using questionnaires. Variables of study are psychological empowerment (Meaning, competency, impact, choice/ self-determination), employee's job performance (Task and contextual performance), and job satisfaction (salary, fringe benefits, recognition, promotion, communication, working condition, nature of job, supervisor, and coworker). Convenience non-probability sampling method is used to get data from 250 respondents. Around 10% of questionnaires are expected to remain uncollected during data collection process. SPSS (Statistical Package for Social Sciences) version 20 is used to analysis data. Descriptive statistics along with correlation and regression is applied while data analyze

Results and Discussion:

This study measures the sales personnel of pharmaceutical industry demographically by age, experience, qualification, salary and organization. Form the analysis of data it is clear that in Balochistan with reference to Quetta city, percentage of national pharmaceutical industry' sales force is higher than the multinational companies. Only 21.6% pharmacist performing their job remaining have other degrees. Job experience is ranging between 1 to 10 years with average age of 30.

Cronbach's Alpha is used to check the reliability of questionnaires. Scale of variables are adopted by previous research. Psychological empowerment

scale has 88.7% reliability. Job satisfaction and job performance reliability is 73.8% and 91.6% respectively. Results depict that data are normality distributed.

Correlation of Psychological empowerment with job performance ($r=.723^{**}$) and job satisfaction with job performance ($r=.614^{**}$) are moderate. However psychological empowerment and Job satisfaction shows weak relationship ($r=.524^{**}$).

Regression test is computed after standardizing data by computing Zscore. Regression test shows ($\beta=.723$) beta value between psychological empowerment and job performance. Psychological empowerment and job satisfaction has beta value ($\beta=.524$) while beta value of job satisfaction and job performance is ($\beta=.614$). Overall relationships are significant.

Table No1:

		Coefficient	Std. Error	T value
H ₁	PE \longrightarrow EJP	.723 ^{**}	.049	14.673
H ₂	PE \longrightarrow JS	.524 ^{**}	.061	8.645
H ₃	JS \longrightarrow EJP	.614 ^{**}	.056	10.915
H ₄	Mediation (JS)	.324	.053	6.094
	(PE)	.553	.053	10.395

Note: ** $p<.01$, * $p<.05$

PE (Psychological Empowerment), JS (Job Satisfaction), EJP (Employees' Job Performance)

H₁ shows the relationship between Psychological empowerment and employees' job performance, from the results ($\beta=.723$, $p<.01$) thus H₁ was accepted.

H₂ is about psychological empowerment and job satisfaction relationship, results concluded that ($\beta=.524$, $p<.01$) so H₂ was accepted.

H₃ examines the association of job satisfaction with employees' job performance. Results of this relationship are ($\beta=.614$, $p<.01$), H₃ was accepted

By applying multiple regression, mediation is analyzed. Beta of psychological empowerment and job satisfaction for job performance are ($\beta=.553$ and $\beta=.324$) respectively. By mediating effect of job satisfaction,

the coefficient of independent variable (PE) decreased from .723 to .553 but remained significant so it depicts that mediation is partial.

Conclusion and Recommendation:

This research work has focused on sales personnel of pharmaceutical industry of Balochistan with reference to Quetta city. Data collection has done by using adopted questionnaire as no previous data is available. Reliability of scales is checked by Cronbach's Alpha. Data is normally distributed from its mean.

Correlation of Psychological empowerment with job performance and job satisfaction with job performance are moderated. However psychological empowerment and Job satisfaction has weak relationship.

Regression shows that overall relationship has significant results as p value is less than 0.05.

Multiple regression is applied to check the mediation. From this it is concluded that mediation of job satisfaction is partial with moderated psychological empowerment effect on performance of sales force due to other factors affecting this relationship.

It is suggested for further studies that more variables should be studied to explore sales personnel's empowerment relationship with their job performance. Check moderation along with mediation effects, this model can be used for pharmaceutical administrative and management level. It is also recommended to check organizational empowerment impact on sales force performance as well as on job satisfaction.

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