

The Impact of Job Satisfaction and Employee Empowerment on Loyalty Amongst the Employees, Case of A Private University in Kurdistan Region, Iraq

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Abstract

Currently, some researchers claim that job satisfaction, employee empowerment, and employee loyalty are related to each other. This research aims to investigate if that theory holds true in the case of a private university in Erbil. A quantitative method following the Deductive approach to theory development was used to create a questionnaire as a method of data collection that measured job satisfaction, employee empowerment, and loyalty. It was sent out to 300 employees via the official email of the university, and the researchers received 68 responses. Then the sample answers were used to calculate the results. The researchers used a reliability test (Cronbach Alpha), correlation, descriptive analysis, and linear regression analysis. The research results revealed that Employee Empowerment and Job satisfaction significantly affect employee loyalty in the case of the private university in the Kurdistan region or Iraq.

Keywords: Employee Empowerment, Employee Satisfaction, Loyalty, Linear Regression, Higher education, Kurdistan region.

1. Introduction

This research aims to investigate the effect of Job satisfaction and Employee empowerment on Employee loyalty. This research aims to help managers to understand how to make their employees more satisfied with their place of work. Moreover, it makes managers understand what factors to implement and emphasize to make their employees more loyal to their place of work. All three, job satisfaction, empowerment, and loyalty are factors of a bigger umbrella called human resource management.

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Earlier studies have shown that there is a positive relationship between these three factors to mention a few, (Asmawi, 2017) conducted research where he proved a direct positive relationship between satisfaction and loyalty the researcher also found a positive relationship between empowerment and loyalty in his research. (KOÇ, Fedai ÇAVUŞ & Saraçoğlu, 2014) conducted research between 200 participants and found a positive relationship between human resource management, job satisfaction, and employee commitment.

(Hoek, 2013) loyalty is particularly important in organizations nowadays and always has been, employee loyalty is the willingness to sacrifice time and personal feelings for the sake of the organization. Hiring new employees is way more expensive than keeping an employee even if the new employee's paycheck is lower than the employee who has been working at the organization for years that is because the experienced worker already started specializing in their field of work, a new employee would need to go through training and would require time to fully understand his duties as an employee. Loyal employees can become disloyal over time. That is why having loyal employees and keeping them loyal is extremely important for managers, therefore it is important to understand the factors affecting loyalty, which will be discussed in this paper. Job satisfaction, much like loyalty is especially important for managers to keep in check, job satisfaction is the positive feelings workers have at their place of work. A satisfied employee will work more efficiently and effectively, job satisfaction works as a motivational drive for the employees (Rajput, Singhal & Tiwari, 2016)

Empowerment is the delegation of power from a superior to a subordinate. Empowerment makes the subordinate feel more responsible for the accomplishments an organization achieves (Lee, 2008). (Asmawi, 2017) conducted research where he has seen elevated loyalty in employees that had elevated empowerment.

2. Literature Review

2.1 - Human resource management

(Heathfield, 2021) defines human resource management as " Human resource management is the organizational function that manages all issues related to the people in an organization." or "Human resource management is the process of acquiring, training, appraising, and compensating employees, and of attending to their labor relations, health and safety, and fairness concerns." is another definition by (Dessler, 2013)

Human resource management handles multiple functions which include recruiting, performance management and appraisal, organizational development, safety, training, and employee motivation. (Heathfield, 2021). In addition to that, human resource management handles employee retention (Albahussain, 2014). (Wooll, 2022) agrees with the 7 key functions of human resource management, which according to them are hiring and selecting the candidates for a job opening, performance management of the current employees, the next function is handling the compensation of the employees and managing the career development of employees. (Gonzalez, 2022) Also agrees with all the previously mentioned functions, on top of that (Wooll, 2022) mentions succession planning as well as leadership development, human resource information systems, and lastly human resource analysis and data as functions of human resource management. There have also been earlier studies, one of them being (Koc et al., 2014) which conducted tried to find out the relationship between human resource functions, job satisfaction, and organizational or in other words, loyalty, between 200 participants and the researcher found out that the results showed a positive relationship between human resource management, job satisfaction, and employee commitment.

2.2 - Job Satisfaction

"Job satisfaction is defined as a pleasurable emotional state resulting from the appraisal of one's job or job experiences." (Fawad Latif, 2012) another definition is from (Asmawi, 2017) which claims that job satisfaction is achieved when employees get things they view as important in their job and the organization provides it for them, there are some factors that can increase the job satisfaction of the employee "Having fun during work, A reward incentive, Working conditions, colleagues, and Work personality suitability." However, the first person to bring the term job satisfaction to the eye of the public was (Hoppock & Spiegler 1938. He described job satisfaction as "Any combination of psychological, physiological and environmental circumstances that cause and person truthfully to say I am satisfied with my job." According to (Page, 2020) there are 6 main theories of job satisfaction. There is a wide variety of definitions when it comes to job satisfaction, it is a "multidimensional psychological response with three main arms: cognitive, affective, and behavioral" (Weiss, 2002) as said by (Page, 2020). The first theory is Locke's range of affect theory named after the researcher (Locke, 1976) the best-recognized model on job satisfaction. In short, the theory suggests that all employees have expectations when it comes to

their place of work, and the more those expectations are met the more satisfied the employees feel. Next, is the second theory called the dispositional approach by (Staw, Bell & Clausen, 1986), the theory suggests that the tendency of employees to feel positive or negative emotions is linked with every single employee's level of job satisfaction. (Hackman & Oldham, 1976) produced the third theory called The Job Characteristics Model. In this theory, the researchers specify the conditions where employees are satisfied with their place of work and produce these 5 results, Feedback, Task significance, Autonomy, Skill variety, and Task identity. The model looks as follows:

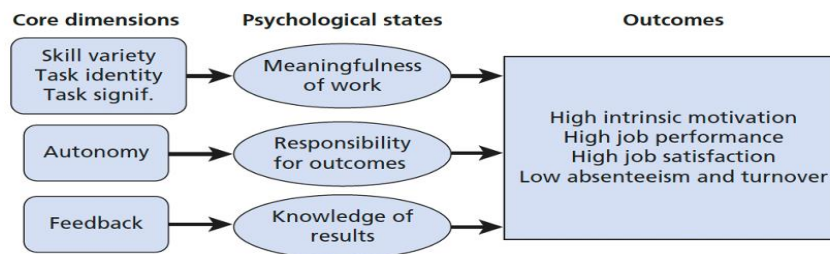


Figure 2.1: Steptoe-Warren (*Occupational Psychology, 2013*)

The fourth theory was written by (Adams, 1965) it is called the equity theory. This theory states that employees and employers have a give and take, an input and an output. Some of those inputs include challenging work and personal sacrifice, some outputs are praise and job security. The fifth theory is written by (Festinger, 1954) and is called the social information processing theory. It suggests that humans usually feel the same way the people in their environment feel and they adapt to it. The researcher claims it is the same for job satisfaction. Finally, the sixth and last theory for job satisfaction is called the Self-determination theory (SDT) (Deci, 1971). According to these employees, they have things they need for self-determination to work and if they receive said things, they will be satisfied with their job. Some of these include the need for relatedness, autonomy, and competence. Job satisfaction has also been shown to be positively correlated to our other factors one group of researchers, (Rajput, Singhal & Tiwari, 2016), conducted research to study the relationship between job satisfaction and employee loyalty and found that job satisfaction had a significant impact on employee loyalty.

2.3 -Empowerment

(Lee, 2008) states that there are 2 ways to define empowerment, the first being delegating responsibility to employees, giving them power to assign tasks and motivation to reach organizational goals. Empowerment is defined as “giving power to employees to assign work tasks

and motivating employees to complete organizational goals” by (Thomas & Velthouse, 1990) as cited by (Lee, 2008) in this theme of defining empowerment decentralizing power is also emphasized. A definition of the second way is “a process of enhancing feelings of self-efficacy among subordinates through the identification of conditions that foster powerlessness and through their removal by both formal organizational practices and informal techniques of providing efficacy information” (Conger & Kanungo, 1988). Besides these two definitions, empowerment can also be defined as "empowerment is giving employees responsibility and authority to make decisions regarding all aspects of product development or customer service.” (Noe, Clarke & Klein, 2014).

The first theory of empowerment is called Conger and Kanungo’s concept of empowerment it approaches empowerment by focusing on two points, 1/the power approach, and 2/the motivational approach, the power approach focuses on the decentralization of power to give employees an opportunity for decision-making, the motivational approach focuses on improving the self-efficacy and self-determination of the subordinates. (Lee, 2008) He also mentions how Spreitzer in 1995 surveyed 393 mid-level managers in Fortune 50 organizations and concluded that “self-esteem, information of unit performance, and reward performance” had a positive relationship with empowerment. On top of that, Lee also mentions that in the year 2000 Arnold, Arad, Rhoades, and Drasgow conducted research that had 195 interviews and 579 surveys and found out that empowerment had 5 factors which influenced it, the factors being “coaching, informing, leading by example, showing concern/interacting with the team, and participative decision-making” Also, there have been previous studies that support the idea of empowerment being positively correlated to loyalty and job satisfaction, one of them being: (Asmawi, 2017), which conducted research and concluded that there is a direct positive relationship between empowerment on loyalty, job satisfaction on loyalty and empowerment on job satisfaction.

2.4 - Employee loyalty

Loyalty can be defined as “employees being committed to the success of the organization and believing that working for this organization is their best option” (Pandey, Kahre & Bhardwaj

2015). Loyalty is also known as the willingness and commitment of an employee to work at their organization and how much they are willing to sacrifice for the said organization according to (Asmawi, 2017) and (Tariq, Ilyas & Abdul Rehman, 2017) say if the employees are loyal to an organization and their business operations then a company can achieve its goal of having maximum profit however without loyal employees this will be not possible,

In addition to that, a loyal employee is someone who wants their organization to develop and is ready to sacrifice time and energy to make that happen, some factors which have a direct connection with loyalty can make a loyal employee disloyal and cause them to move on and work for a different organization, some of the factors being empowerment and satisfaction. (Asmawi, 2017) Also, (Rajput, Singhal & Tiwari, 2016) defines employee loyalty as a " psychological attachment or commitment to the organization and develops as a result of increased Job satisfaction." The more satisfied an employee is the more their level of commitment increases, which in other words means their sense of loyalty increases. (McConnell, 2021) lists some of the benefits of having loyal employees which are, having more productive employees who enjoy working for the organization therefore teamwork will be more fluid and more effective. Loyal employees also boost the brand and corporate image since they are more likely to talk positively about the organization at events or out with friends and recommend working at your organization. Loyal employees also supply better and more sustainable long-term growth. The revenues and outputs are also increased with more loyal employees.

3 Methodology

This research is quantitative and used a deductive approach to theory development and cross-section in terms of time horizon. The study used a survey strategy and questionnaires as a method to collect data from the subjects. (McLeod, 2018) defines a questionnaire as a series of questions distributed to respondents to gather information from them. It is like a written interview that can be conducted over the phone, face-by-face, over the computer, or via post. The questionnaire was distributed via email after receiving permission from the directorate of the private university. The questionnaire was conducted online using google forms and was sent to all the 300 staff members of Tishk International University which is a private university that was set up in 2008 in Erbil-Kurdistan, Iraq. The university is owned by local and international investors and the university is part of the Union of Arabic Universities. Of the 300 staff members, the researchers received 68

questionnaire submissions. Permission was received from the directorate to distribute the questionnaire via email to all the current staff members and all the participants were informed that the questionnaire will be completely confidential.

3.1 Instrument

The last version of the questionnaire had 43 items, 6 Items for the demographic used from a questionnaire made by (Dede & Sazkaya, 2018) followed by 17 items about job satisfaction with a range from 1 – 5, 1 being disagree very much and 5 being agree very much, the items have been used by (Spector, 1994) however the negative questions from the questionnaire of Spector have been removed from the questionnaire to make the questionnaire shorter. Following that are 15 items about employee empowerment which had been retrieved from the questionnaire of (Dede & Sazkaya, 2018) then lastly there are 5 more items about employee loyalty which are also from the questionnaire of (Dede & Sazkaya, 2018).

3.2 Data Analysis

The data was collected and then entered SPSS (Statistical Package for Social Sciences). The researchers computed the variables together into a total, for each variable, job satisfaction, employee loyalty, and employee empowerment. The researchers used a descriptive analysis in this research where they first found the frequencies of the answers to every question in the questionnaire. After this, the researchers used bivariate correlation and multi-regression analysis.

4. Findings and Interpretation

Table 4.1: Demographic Profile of Respondents

Variables	Categories	Frequency	Percent
Gender	Male	45	66.2
	Female	23	33.8
Age	18 – 28	19	27.9
	29 - 38	20	29.5
	39 - 48	17	25
	49+	12	17.6
Marital Status	Single	37	54.4
	Married	28	41.2
	Divorced	3	4.4
Education	Undergraduate	6	8.8
	Graduate	26	91.2

	0 – 1	4	5.9
Years of experience in work life	2 - 3	15	22.1
	4 - 5	21	30.9
	6+	28	41.2
	0 – 1	16	23.5
Years of experience in the organization	2 - 3	35	51.5
	4 - 5	8	11.8
	6+	9	13.2

Interpretation: This study is male-dominant with 66.2% of the respondents being male. The age range was distributed evenly. Most respondents were either single or married and only 4.4% of the respondents were divorced. Most, 91.2%, are graduates and the rest are undergraduates. 41.2% of the respondents also have more than 6 years of work experience and 51.5% have 2 – 3 years of experience inside of the organization.

4.1 Reliability Statistics

Table 4.2: Cronbach's Reliability Test

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.937	.935	43

Interpretation: The table above shows us the reliability value of this instrument for all forty items are .937 in Cronbach's value which is an excellent value which means this instrument is exceptionally reliable for the study since ($\alpha > 0.9$) is an excellent result, ($0.7 < \alpha < 0.9$) is a good result, ($0.6 < \alpha < 0.7$) is a poor result and lastly, ($\alpha < 0.5$) is an unacceptable result according to (George & Mallery, 2019).

4.2 Correlations

Table 4.3: Correlation of Factors

		Total job satisfaction	Total Employee Empowerment	Total Loyalty
Total job satisfaction	Pearson Correlation	1	.652**	.695**
	Sig. (2-tailed)		.000	.000
	N	68	68	68
Total Employee Empowerment	Pearson Correlation	.652**	1	.703**

	Sig. (2-tailed)	.000		.000
	N	68	68	68
Total Loyalty	Pearson Correlation	.695**	.703**	1
	Sig. (2-tailed)	.000	.000	
	N	68	68	68

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

Interpretation: In the table above the researchers used the bivariate function on SPSS to get the results. The table shows that total job satisfaction has a moderate positive correlation with both total employee empowerment with a score of .652 and total loyalty with a score of .695. The table also shows that total employee empowerment had a high positive correlation with total loyalty with a score of .703 and the correlations are significant with $P < 0.01$.

4.3 Regression analysis

Table 4.4: Regression analysis

Model Summary				
Model	R	R Square	Adjusted R Square	Std. The error in the Estimate
1	.769 ^a	.591	.579	.48252

a. Predictors: (Constant), Total Employee Empowerment, Total job satisfaction

According to Table (Table 4.4), the model summary shows that the relationship between the dependent variable (Loyalty) and independent variables (Job Satisfaction and Empowerment) is .769 and the R square is .59 which shows the model explains 59% of the variance in the dependent variable.

Coefficients^a

Table 4.5: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.611	.417		-1.466	.147
	Total job satisfaction	.587	.149	.411	3.928	.000
	Total Employee Empowerment	.616	.148	.435	4.158	.000

a. Dependent Variable: Total Loyalty

The results according to the coefficient table (Table 4.5) show that Job Satisfaction and Employee Empowerment significantly affect employee loyalty with $P < 0.01$. However, according to B values, Employee Empowerment $B = .616$ has a higher effect on the dependent variables compared to Job satisfaction $B = .587$.

5. Conclusion

After the researchers analyzed all the data with the help of SPSS, they looked at all the tables then calculated and interpreted the tables and concluded that all three, employee empowerment, loyalty, and job satisfaction are positively correlated to each other. The highest were loyalty and employee empowerment, which had a highly positive correlation. Moreover, according to Multi-regression analysis, the results show that Employee Empowerment and Job satisfaction perceived by employees positively and significantly affect employee loyalty, which indicates that the more organizations strive to work on a mechanism to understand the employee needs and meet their expectations to satisfy them and delegate authority and responsibilities to the employees the empowerment needed to do their jobs, in return the employees' loyalty increases and employees would show a positive image of the university to the outside stakeholders. Therefore, this study recommends that universities empower employees and invest in their competencies, satisfy their needs, boost their loyalty, and keep them.

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