Job Satisfaction and Affective Commitment as Mediators between Organisational Empowerment and Turnover Intensions in Hattar Industries, Pakistan

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Abstract

This quantitative study is to examine the effect of organisational empowerment on turnover intensions by way of mediation of job satisfaction and affective commitment. Direct and indirect effects of variables are examined while conducting the study among employees of Hattar industries located in Punjab, Pakistan. Cross sectional design is adopted and primary data is collected through standardised questionnaires on five point likert scale. A total of 220 employees working at middle level management of Hattar industries, were chosen randomly. Correlation is applied in order to findout the strength of relationship between variables. The data was analysed on the basis of SEM (structural equation modeling) technique by using AMOS. Findings depicted the positive relationship between organizational empowerment with the variables job satisfaction and affective commitment. The result also indicates that there is a significant mediating influence of job satisfaction and affective commitment in the relationship between organizational empowerment and turnover intensions. Practical/managerial implications of this study revealed that organizations must endeavor to provide workers with the empowerment so that it will increase their satisfaction level and commitment to work and will have lower intensions to leave the job which will ultimately contribute in enhancing the overall performance of the organization.

Keywords: Organizational Empowerment, Job Satisfaction, Affective Commitment, Turnover Intension.

INTRODUCTION

Organizational empowerment is established to be an administrative practice of allowing power to one's subordinates for executing their essential undertakings/tasks, can be set in HRM practices, as it is anticipated by Huselid et al., (1997). It is also explored that that earlier researches normally thinks about organizational empowerment as an HRM practice that refers to power allowing to employees, and its actions are constrained to the level of decision making power. It is recommended that organizational empowerment ought to be seen like a bundle of HRM exercises as opposed to being considered only from side to side the degree of decision making, as its execution does not be enough power or authority allowing to subordinates. If we see in detail the word “power”, depicts two meanings- “authority to do something” and “ability to make something happen” (MacMillan English Dictionary, 2006). Nicholls (1995) and Jones et al (1997) additionally bolster the thought that organizational empowerment requires cautious employee training, coaching and guidance. In this way to be genuinely empowered workers need both power and authority and abilities to take decisions that would regularly be made by their administrators/supervisors. Harley (1999) suggests with the intention of organizational empowerment refers to the responsibility delegation from employer to employee, non- hierarchical types of organizational structure and information sharing at all levels of management among workers. So also, Klidas (2001) recognizes the aggregative and integrative thoughts of organizational empowerment, where the first alludes toward self-governance giving and granting autonomy and the recent toward the improvement of potential of person or a group. We are taking practice here as a broader term that represents the whole set of activities helps in implementing functions of HRM systematically. Correspondingly, it is recommend that the organizational empowerment implementation, as a set of HRM practice, needs a bundle of HRM activities. It is notable that very limited number of studies are conducted on organizational empowerment as a multi-activity construct. In this field more detailed and inclusive work has been done by Matthews et al (2003). These researchers depicted that various organizational factors contributes in the facilitation of organizational empowerment are as follow. 1) Dynamic structural framework i.e. providing vivid and adjustable guidelines 2) decision making control at workplace i.e. involvement of employees in all of the facets related to their professional career, and 3) flexibility in sharing of information i.e. granting employees an access to all sort of information regarding to the organization and motivating employees to come up with the ideas and express their grievance.

PROBLEM STATEMENT

There is an increasing ratio of employee’s turnover intention in manufacturing sector and becomes a big challenge for human resource managers to reduce or control it (Malik et al., 2011) and is demonstrated that employee’s turnover rate is affected by affective commitment and job satisfaction (Saeed et al., 2014, Lu, et al., 2016). Few studies revealed that organizational empowerment might be the...
predictor of turnover intensions directly or may be indirectly but limited studies have been done on organizational empowerment especially in relation to affective commitment and job satisfaction (Bin Abdullah et al., 2015, Idris et al., 2018, Nassar, 2017) which do not show the mediating effects between the relationship of empowerment and turnover intensions. Studies regarding empowerment and commitment are generally conducted in developed countries (Joo & shim, 2010; Dickson & Lorenz, 2009, Hancer, 2001, Thomas & Velthouse, 1990). There is a little contribution by developing and emerging countries in the literature regarding to the relationship between this study variables, organizational empowerment, commitment and turnover intentions (Jha, 2010, Liu & Chiu, 2007). However the problem was that little empirical research is present on the relationship between organizational empowerment and organizational commitment with reference to Pakistani industrial sector. Drawing on the above considerations, it is proposed that organizational empowerment affects turnover intensions of employees directly and indirectly through the mediating variables job satisfaction and affective commitment.

LITERATURE REVIEW

Organizational empowerment comprises of granting workers with the authority that they can make decisions about their daily work activities (Carless, 2004). As competition is increasing rapidly in manufacturing industries and this increasing competition enhances the significance of organization empowerment in manufacturing sector and is considered as a key to supply more and more demanding customers (Boshoff and Allen, 2000). Organizational empowerment got greater importance and considered to be extremely valuable in industrial sector, as it may arise with the outcomes like: motivated staff, responsive workers, less turnover intensions and lower costs, greater productivity, good service quality, and maximum profits (Lashley, 1995), greater customer loyalty (Bowen and Lawler, 1992), well use of employee stills, expertise and knowledge (Mulkins, 2005). Although, there is no commonly accepted definition of organization empowerment. Moreover in research it is viewed as a management style (Pardo Del Val and Lloyd, 2003), HR practice (Huselid et al., 1997), considered as perception of employee (Quinn and Spreitzer, 1997), as well as cognitive state by Menon (2001). Thus it is required to study thoroughly about the construct of organizational empowerment its effects on variables like effective commitment, job satisfaction and turnover intensions.

Job Satisfaction

Job satisfaction is defined as “positive feelings expressed by people towards their professions; in fact, it is the amount of people’s positive and negative feelings about their professions”. Further explained that job satisfaction is a concept related to personal feelings in the reaction of job in contrast with social and physical conditions (Keskin and Ceylan, 2007: 37).

Job satisfaction might be an assistant element in organizations for keeping up the consistency and for job continuation of workers who tries to create fair systems of promotion, identify the vital management techniques, measure the achievement of organization in the present circumstances and empowerment of employees (Newsome et al., 2008: 65). However, managers are the center purpose of the production; so that their influence on the employees is quite significant. If managers seem unsatisfied and less committed, their efficiency and effectiveness in management of organization would be questionable. Therefore the present study, aims to investigate the impact of empowerment on satisfaction of employees and their level of commitment.

Affective Commitment

According to Allen and Meyer affective commitment is an emotional attachment of employee to his/her organization and found to be his/her identification. Mueller (1992) argued that affective commitment is a sense of belongingness to the organization, its represents the loyalty of worker and attachment with the organization in which he/she is working (Michael & Petal, 2009). Commitment is identification of worker with the organization who strongly believe in goals of the organization and accept values and norms heartedly and willing to put maximum efforts to achieve the goals and really want to be a part of this organization (Kaneshiro, 2008). Becker et al., (1997) defined affective commitment in such way that it is the worker’s dependency on organization in which he did investment and wants to get profits and benefits by working in that organization continuously (Wilson, 1998).

Organizational Empowerment in Relation to Job Satisfaction and Affective Commitment

Literature depicted that job satisfaction has proved to be a vital outcome of organizational empowerment (Seibert et al., 2004, Ukil, 2016). Previous researches have shown the significant relationship between organizational commitment and job satisfaction (Shadpour, 2013, Heather, 2015). Another research conducted in manufacturing industry by Rana and Singh (2016), also supported the positive relation of employee empowerment and job satisfaction. If a worker is engaged in a meaningful job he can have higher satisfaction and this meaningfulness arises from empowerment at job (Spreitzer et al., 1997). A recent study also revealed positive impacts of organizational empowerment on affective commitment (Hanaysha, 2016). It is evident from the literature that workers who feel more competence and empowered at their jobs are found to be more satisfied (Abadi and Chegini, 2013). As a bundle of HRM activities, organizational empowerment, is positively related to job satisfaction and affective commitment as well (Kazlauskuite et al., 2011). Research studies conducted in the past concluded that organizational empowerment is significantly related to job satisfaction, and affective commitment (Seibert et al., 2004; Dewettinck and van Ameijde, 2011). It is also depicted that organizational empowerment is an antecedent of organizational commitment (GoudarzvandChegini and Kheradmand, 2013).

Research shows that organizational empowerment has positive relationship with all of the three components of affective commitment (John, 2005). According to Laschinger at al., (2004) higher the empowerment granted to the employee in organization more the employee will be committed to the organization and its objectives. Joo and Shim (2010) revealed that organizational empowerment predicts affective commitment of the worker. Thus on the basis of above literature support, the present study identifies an association of organizational empowerment and affective commitment of the employees among workers of Hattar Industries. As various studies has been conducted on confirming the relationship between empowerment and commitment in other sectors, and found that workers having more feelings of empowered at job are more likely to respond by showing more committed to that organization (e.g. Spreitzer, 1995, Koberg et al., 1999). Empowerment experience might lead workers toward higher commitment with the work as well as with the entire organization.

Job Satisfaction and Commitment Leads Toward Turnover Intention

Turnover intention is the intent of worker towards finding out a new job under new employer in the coming year. It is accepted commonly that job satisfaction is inversely related to turnover intention of employee. As Lambert et al., (2001) found that, researchers are wondered that turnover of workers might be forecasted on the basis of detailed measures of job satisfaction, else it is stated that, higher the level of job satisfaction lower will be the turnover rate.

Probably, more satisfied and high committed workers seem to be more dedicated and spend more of their time at work, put more
energy and shows more talent in exchange of that what organization gave to them and built a close relation with their organization and do not want to leave their organizations (Boshoff and Melis, 1995, Sia, 2002). Bin Jomah (2017) also revealed a positive relationship between organizational empowerment and commitment.

Karsh et al., (2005) concluded in their research that job satisfaction and organizational commitment leads toward turnover intentions. Wasti. A (2003) has proven the same regarding to the organizational commitment that it is the predictor of turnover intentions in also argued that there is a significant negative correlation between job satisfaction and turnover intentions.

Organizational Empowerment Effects Turnover Intentions

Organizational empowerment affects turnover intentions directly and indirectly through mediators like job satisfaction and effective commitment. As described earlier that turnover intention is a mindful and deliberate willingness to leave the organization (Tett and Meyer, 1993). It is evident that, empowerment is a predictor of turnover intentions as it has an immediate causal effect on turnover as considered by many researchers (Kim and Fernandez, 2017, Lee and Buvold, 2003, Barak et al., 2001, Kiyak et al., 1997, Hom and Griffeth, 1991). Itikhar et al., (2016) explored a negative relationship between psychological empowerment and turnover intentions. Thus, empowerment lead workers toward positive job attitudes i.e. job satisfaction and commitment, and decreases their intentions to turnover from the job (Islam et al., 2016).

In particular, there has been a rapid development in the manufacturing industry of Pakistan, so retaining qualified employees has been a great challenge in the manufacturing industry. Retaining qualified employees is one of the main HR issues. Moreover, it is not impulsive usually to decide about quitting the job but is a decision that one has been intending for some time before taking further action (Barak et al., 2001).

Theoretical Framework

Proposed theoretical framework for the study is given below:

HYPOTHESES

H1: Organization empowerment has significant positive relationship with job satisfaction.
H2: Organizational empowerment has significant positive relationship with affective commitment.
H3: Organizational empowerment has significant positive relationship with turnover intentions.
H4: Job satisfaction act as a mediating variable among organizational empowerment and turnover intentions.
H5: Affective commitment acts as a mediating variable between organizational empowerment and turnover intentions.

METHODOLOGY

The population consisted of Hattar manufacturing industries. There are total 240 manufacturing industries in Hattar area. A list of manufacturing industries of Hattar was available, on random basis 18 manufacturing industries were selected to investigate about research variables. Data has been collected from the middle management of industries i.e. managers and Assistant managers on convenience basis. 20 questionnaires have been sent to each industry without any discrimination and collected the data by using instrument with 5-points likert scale. In order to gather appropriate data, a total of 360 questionnaires were distributed among respondents, out of which 220 questionnaires were returned; that shows the response rate of 61.11 %. It is a cross-sectional study. It was expected that every single respondent have responded honestly and filled questionnaire suitably on the basis of instructions given to them.

Overall Descriptive Statistics

DESCRIPTIVE STATISTICS

Descriptive data analysis is used to find the mean and standard deviation of whole construct.

<table>
<thead>
<tr>
<th>Table1. Overall Descriptive Statistics</th>
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<tbody>
<tr>
<td>N</td>
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<tr>
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</tr>
<tr>
<td>Organizational Empowerment</td>
</tr>
<tr>
<td>Affective Commitment</td>
</tr>
<tr>
<td>Job Satisfaction</td>
</tr>
<tr>
<td>Turn Over Intensions</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
</tr>
</tbody>
</table>

In above table standard deviation of each research variable is given demonstrates that every one of the variables counting organizational empowerment, affective commitment and job satisfaction has the mean values close to or above 4. The values portrayed those responses with respect to the statements of these variables on likert scale are slanted in the direction of agree and strongly agree. Also, the standard deviation values are demonstrating that responses are fewer deviated from the mean. The variable turnover intentions demonstrate the mean estimations of 2.2991 that slanted towards disagreement with the statements given in questionnaire survey in regards to turnover intentions of workers.

Reliability Analysis

Keeping in mind the end goal to test the reliability of questionnaire Cronbach's alpha value is used that shows how much each Construct is reliable and the overall reliability of the whole instrument has also been tested.

<table>
<thead>
<tr>
<th>Table2. Reliability Analysis of Variables</th>
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<tbody>
<tr>
<td>Constructs</td>
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<tr>
<td>------------</td>
</tr>
<tr>
<td>Organizational Empowerment</td>
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<tr>
<td>Affective Commitment</td>
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<td>Job Satisfaction</td>
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<tr>
<td>Turnover Intensions</td>
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<tr>
<td>OVERALL</td>
</tr>
</tbody>
</table>

The reliability of each construct is calculated by Cronbach’s coefficient alpha (α). The study shows a reliable results of Cranach’s α score of each dimensional scale. The reliability of organizational
empowerment is 0.79, other variable affective commitment has the reliability of 0.81, job satisfaction is reliable at 0.71. Turnover intentions is also found to be reliable as it has the alpha value of 0.77. The total reliability is 0.81. As alpha value is greater than acceptable value of 0.70 this shows enough inside reliability of an instrument. Composite reliability of each construct is also measured and shown in the table 2 depicted good results. Higher value of composite reliability (CR) shows high consistency among items. Therefore, the subsequent values showed a higher level of construct reliability and demonstrated that the items used in the instrument of the current study encompasses high level of internal consistency. Convergent validity is also calculated through AVE (Average Value Extracted). As suggested by Waddock and Graves (1997) that an AVE value above 0.50 shows the acceptable range of convergent validity. As shown in table 2 all the AVE values are well above the cut-off criteria of 0.50, demonstrates the acceptability of convergent validity.

**Table 3. Correlations**

<table>
<thead>
<tr>
<th></th>
<th>Organizational Empowerment</th>
<th>Affective Commitment</th>
<th>Job Satisfaction</th>
<th>Turnover Intentions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Empowerment</td>
<td>1</td>
<td>.658</td>
<td>.571</td>
<td>.623</td>
</tr>
<tr>
<td>Affective Commitment</td>
<td>.658</td>
<td>1</td>
<td>.546</td>
<td>.688</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>.571</td>
<td>.546</td>
<td>1</td>
<td>.721</td>
</tr>
<tr>
<td>Turnover Intentions</td>
<td>.623</td>
<td>.688</td>
<td>.721</td>
<td>1</td>
</tr>
</tbody>
</table>

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

The correlation analysis demonstrates that the relationship among the entire variables i.e. organizational empowerment, affective commitment, job satisfaction and turnover intentions are positive and significant. Most of them have moderate positive relationship; with strengths ranging from 0.57 to 0.72. And all the relationships are significant at 0.01 levels.

**Structural Analysis**

The structural model was examined using Amos 18. In the Figure 2 below the final result of SEM for this study is presented.

![Figure 2. Structural Equation Model (SEM)](image)

**MODEL FIT SUMMARY**

The model fit evaluation is based on the study depends on scholar’s example that is given as follow: a goodness-of-fit model as calculated by the GFI, arguing that GFI index must be above 0.80 proposed by Byrne (1998). Gfen et al. (1998), depicted that, it is a basic standard that both indices of NFI and IFI should be above 0.90 for suitable model appropriateness, conversely the proposed fit values for CFI must go above 0.90 and AGFI more than 0.80. In broad, if the χ2/df value is smaller than 5, it is well thought-out to be a well fit. On the other hand, a RMSEA of a lesser amount of than 0.08 shows a good fit.

**Table 4. Model fit summary**

<table>
<thead>
<tr>
<th>Fitness Indices</th>
<th>Standard Values</th>
<th>Achieved Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>GFI</td>
<td>Greater or equal to 0.90</td>
<td>.920</td>
</tr>
<tr>
<td>NFI</td>
<td>Greater or equal to 0.90</td>
<td>.960</td>
</tr>
<tr>
<td>RMSEA</td>
<td>p&lt;0.08</td>
<td>.071</td>
</tr>
<tr>
<td>CFI</td>
<td>Must exceed 0.80</td>
<td>.969</td>
</tr>
<tr>
<td>AGFI</td>
<td>Greater or equal to 0.80</td>
<td>.995</td>
</tr>
<tr>
<td>Chi Square (χ2/df)</td>
<td>Less than 3</td>
<td>2.17</td>
</tr>
</tbody>
</table>

The above table shows that all the values of Fit indices are well above or equal to the standards.

The study establishes some hypotheses to examine the relations between organizational empowerment, job satisfaction, affective commitment and turnover intentions. Concerning the connection between organizational empowerment and Job satisfaction the standard coefficient of these variables is 0.15 with a p-value less than 0.05 which supports H1. Meanwhile, it is also concluded that there is a positive bond among organizational empowerment and job satisfaction. In addition, the standard coefficient of organizational empowerment and affective commitment is 0.12 with a p-value fewer than 0.05, thus, H2 is supported reflecting that Organizational Empowerment positively affects Affective commitment behavior of employees. Higher the empowerment is, more the employees will be committed with the organization. Concerning the relations between organizational empowerment and Turnover intentions the standard coefficient of Organizational Empowerment and turnover intentions is -0.28 with p-value less than 0.05, thus H3 is proved showing that Organizational Empowerment has negative relationship with turnover intentions of employees.

**Direct and Indirect Effects**

The effects of variables are classified into three categories: direct, indirect and overall effect, while the last one refers to the direct effects plus the indirect ones. Organizational Empowerment indirectly affects turnover intentions through the path having indirect influence of -0.022 (by multiplying the path coefficients0.15*-0.15) and the direct influence of -0.28. A result the generally influence is -0.302 (by adding direct and indirect influence). This shows that organizational empowerment first effects Job satisfaction positively with path coefficient value of 0.15, then job satisfaction affects turnover intentions (-0.15) and the total indirect effect is -0.022, that supports H4, proving that job satisfaction act as a mediating variable among organizational empowerment and turnover intentions. Regarding to the effect of organizational empowerment on turnover intentions, organizational empowerment indirectly affects turnover intentions with the path having total path coefficient value of -0.026 (by multiplying the path coefficients 0.13*-0.20) and also affects directly with the direct influence of -0.28. So the overall influence is -0.56 (by adding direct and indirect influence). It depicts that organizational empowerment has direct positive influence of 0.13 on affective commitment and affective commitment further influence turnover intentions negatively with path coefficient value of 0.20. This shows that Affective commitment act as a mediating variable among Organizational Empowerment and turnover intentions with the total mediating effect of -0.026 that supports H5.

**CONCLUSION**

Empowerment is observed to be a vital segment in Industrial segments particularly in Hattar businesses. This study demonstrates the relationship of organizational empowerment in the midst of job satisfaction of workers their full of feeling commitment and turnover intentions. The study reasoned that superior Empowerment, workers got in organizations more will they be committed with their occupations and observed to be more dedicated/committed to the organization means they will show fewer turnover intentions, as these
findings are additionally supported by the investigation of Kim et al., (2017). Our study likewise presumed that job satisfaction and effective commitment drives the workers towards less turnover intentions. At long last it is established that the variables job satisfaction and affective commitment act as mediator among organizational empowerment and turnover intentions.

**Implication of the Study**

Empowerment has never been something handed from one person to another or passed from employer to employee but it is a complex process, which needs a vivid vision and clear understanding for managers and employees in every field. Previous studies conducted on organizational empowerment were mostly in service sectors such as hospital, nursing and education sector (e.g. Kim and Farndez, 2017, Jeon and Yom, 2014, Iqbal and Hashmi, 2015) and very limited researches have been endeavored to find out the effects of organizational empowerment on turnover intentions in manufacturing sector of Pakistan. This research academically contributed in the enhancement of knowledge regarding to effects of organizational empowerment on turnover intentions by way of mediation. So the research is academically useful for managers to understand that the concept that more the workers are provided with the organizational empowerment or granted with the authority to take decisions and are provided with full information then more they will be satisfied with their jobs and will show more effective commitment, hence the workers will not even think about to leave the job and will be retained for a longer time. On the basis of these implications conceptual framework (see figure: 1) was developed and tested and found significant relationships.

**Limitations**

Research population of this study is so limited, and has use very limited section of employees. The industrial sector is taken as population and the sample is limited to the employees of Hattar industries only, so that conclusion may not be generalizable to service sectors like education, medical, hoteling etc. The research model can be applied and tested for various sectors other than manufacturing.

**Recommendations**

It is prescribed to HR experts to arrange such kind of approaches, methodology and measures which recommend workers to sense organizational empowerment at their workplace if the organizations want to retain its workforce. Unique consideration should be paid towards providing workers with organizational empowerment to keep them satisfied and committed that would help in the retention of employees.

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