Investigating Influence of Psychological Empowerment on Resiliency and Job Satisfaction among Employees of Insurance Firms

Sahar Amanati
Business Management Department, Allameh Tabataba'i University, Tehran, IRAN

Abstract

This study aims at investigating impact of psychological empowerment on resilience and job satisfaction in employees of insurance companies. To this end, 241 employees of insurance companies were selected using simple random sampling. Findings suggest that resiliency has a significant positive impact on satisfaction of employees. In addition, psychological empowerment components including meaning, self-determination and competence also play a significant role as predictors of job satisfaction. Finally, meaning and self-determination also influence in predicting resilience of employees. Thus, it can be said that job satisfaction of employees can be improved by promoting psychological empowerment.

Keywords: Resilience, empowerment, psychological empowerment, job satisfaction.

Introduction

Pieterse et al.[1] mentioned that psychological empowerment is a motivational construct in which power is transferred from the upper to subordinate levels and thus subordinates experience a sense of ownership and control over their work. In the empowerment literature there are various classifications for aspects of empowerment. One of the classifications mostly used in academic texts is Spreitzer's[2] classification which describes aspects of empowerment as follows.

Meaning: it refers to the proportionality among job requirements, beliefs, values and behaviors of individual. Optimally employees would perceive importance of their job for the organization and for themselves and would pay more attention to the work. Thus, it is probable they function well and to be proud of their success.

Competency: it refers to the individual's self-confidence in functional abilities of the job. In other words, the employee believes in his abilities and skills for performing the job and promoting his performance. Employees would also believe that they can utilize the resources provided by the organization for performing their job.

Self determination: it refers to the employee's perceived control over his work. In this way, employees feel freedom and perceive that they have necessary authority for decision making for action in different situations.

Impact: Spreitzer defines impact factor as the individual's feeling about his abilities for influencing important results and outcomes within his organization. On the other hand, if employees don't recognize their importance in the organization, they would feel lack of capacity[2,3]. Faulkner and Laschinger[4] mention that empowerment provides opportunities for selection, freedom promotion and authority for employees so that they are able to present their competence and merit as the best. Considering literature, empowered employees show less ambiguity regarding inter-organizational role. In such organizations, control of leaders is expanded and autonomy of the employees is increased. Empowered employees easily provide resources and information for each other and organizational culture becomes participatory[5].

Resilience refers to resistance against stress. Resilience was defined in various ways including as ability for resistance against calamities and overcoming problematic situations in life, compliance with the adverse conditions, and dynamics process which decreases negative outcomes before risk and threat[6]. Resilience as a recently interesting field studies and discovers personal and inter-personal abilities leading to progress and resistance against difficult and challenging condition. Burns and Anstey[7] define resilience as the individual's ability in mental and biological balance in threatening situations. Resilience is not merely resistance against harms or threatening condition and it is not regarded as a passive state in confrontation with dangerous condition, but it is active and constructive participation of the person in the environment and it is considered as a kind of healing process with positive emotional and cognitive consequences[8,9]. Resilient people show high personal adaption to stressful environmental factors in their life. Resilience framework for helping employees in organizations is developing and the main aim of which is increasing resilience in stressful experiences of the people life[7,10]. Resilience gives the ability to confront life and occupational problems and difficulties without to be damaged and even provides opportunities for personality development and promotion. Job satisfaction reflects feeling of people toward their job and its various aspects[11]. George and Jones[12] regard job satisfaction as

a collection of feelings and beliefs which people have toward their current jobs. There are two approaches to job satisfaction in related literature. There is a general approach which regards job satisfaction as an integrated feeling toward the job[13]. The other approach is a multifaceted approach which considers different aspects of the job such as rewards, other people (supervisors or colleagues), working conditions and nature of work. There are different levels of job satisfaction in each aspect for different people. One may be dissatisfied with the wage and other material privileges, while he may be satisfied with the supervision and his work's character[14]. Importance of job satisfaction is because of its relevance to other organizational outcomes including absenteeism, organizational commitment, job displacement and performance[15]. Satisfaction of employees is as important as customer satisfaction in the organization performance since employees are regarded as the internal customers of the organization. Importance of job satisfaction is because of the fact that most people spend about half of their waking hours in the work place. While job satisfaction is very important for the employees, managers are also interested in the results of job satisfaction in the personnel behavior. Because they can achieve following goals through considering the employees' job satisfaction: i. Identifying problems and issues in the organization, ii. Identifying reasons for more transfer and absenteeism of employees, iii. Evaluating organizational impacts on the perception of the employees, iv. Developing proper and close relationship between managers and employees v. Obtaining appropriate and real information.

Research Background: Steinhardt et al.[16] studied relationship between resilience and occupational stress and job satisfaction. Their findings show that there is negative correlation between occupational stress and resilience and a positive correlation between resilience and job satisfaction. McCalister et al.[17] also found that psychological hardiness and support in work place are meaningful predictors of job satisfaction and occupational stress. Siu et al.[18] concluded that resilience has positive relationship with job satisfaction, life quality and work – life balance and it also has a negative relationship with psychological symptoms and work- related harms. Pepe[19] investigated relationship between resilience, job satisfaction and commitment in school principals. He found that school principals with higher resilience show higher job satisfaction and organizational commitment. Recently impact of empowerment on resilience and job satisfaction has been emphasized. For example, McCalister et al.[17] investigated role of empowerment in predicting resilience and support in work place and job satisfaction. They analyzed data obtained from 310 employees of ITC companies and found that empowerment plays more important role in predicting resilience and job satisfaction of the employees. Thus improving empowerment may increase resilience and job satisfaction in employees. In addition, Siu et al.[18] studied resilience role in employees of health sector. Their findings suggest that there is positive impact for resilience on promoting job satisfaction, life quality, and work – life balance, while there is negative impact for resilience

on psychological symptoms and work – related harms. They maintain that the more resilience capacities in employees, there is higher job satisfaction, life quality and work – life balance. Larrabee et al.[20] investigated impact of resilience on situational stresses, psychological empowerment, and job satisfaction in nurses of hospitals in western Virginia. Their findings regarding 464 nurses in this work showed that resilience is regarded as a meaningful predictor for psychological empowerment, situational stresses and job satisfaction. Therefore, employees will have higher resilience and job satisfaction and less situational stress using psychological empowerment characteristics.

Research Hypotheses: H1: There is significant relationship between psychological empowerment components and job satisfaction and resilience. H2: There is significant relationship between resilience and job satisfaction. H3: Psychological empowerment components are meaningful predictors of job satisfaction. H4: Psychological empowerment components are meaningful predictors of resilience.

Methodology

Population, Sample, and Sampling Method: Statistical population consisted of all employees of the Tehran insurance firms. 241 employees were selected randomly. Overall, 192 males and 49 females were selected. Working background ranged between 1 and 15. About 68 percent of the subjects ranged between 30-35 years old. About 73 percent of the subjects had BA degree.

Research Tools: Connor-Davidson Resilience scale (CD-RISC): This scale developed by Conner and Davidson[21] is composed of 25 items each rated on a 5-point scale (1: Never, 5: Always). Internal consistency coefficient for this tool was obtained as 0.85 using Cronbach's alpha.

Job Satisfaction Questionnaire: Job Description Index (JDI) developed by Smith, Kendall and Hulin[22] was used for measuring job satisfaction. Cronbach's alpha was calculated as 0.79.

Psychological Empowerment: Spreitzer questionnaire[2] was used for measuring psychological empowerment which includes four components: meaning, competence, self-determination and impact. Cronbach's alpha was 0.87, 0.91, 0.85, 0.78 for meaning, competence, self-determination and impact, respectively and it was 0.82 for the total questionnaire denoting desired level of reliability.

Research and Discussion

Research Findings: Findings related to correlation between researches variables are given in table-1.

Table-1
Matrix of correlation between research variables

		1	2	3	4	5	6
1	Job Satisfaction	1					
2	Resiliency	0.85**	1				
3	Meaning	0.53**	0.46**	1			
4	Competence	0.42**	0.15**	0.26*	1		
5	Self-Determination	0.50**	0.50**	0.52**	0.35**	1	
6	Impact	0.10*	0.11*	0.42**	0.50**	0.50**	1

There is a positive significant relationship between job satisfaction and meaning, competence, self-determination and impact. Hence, hypothesis 1 suggesting relationship between psychological empowerment components and job satisfaction is approved. On the other hand, there is significant relationship between resilience of employees with meaning, competence, self-determination and impact with 0.46, 0.15, 0.50, and 0.11 coefficients, respectively. Findings related to correlations between research variables (table-1) show that coefficient of correlation between job satisfaction and resilience is 0.85, which is significant at p < 0.01 and there is a positive relationship. Therefore, the Hypothesis 2 is approved.

Table 2
Results for stepwise regression analysis to predict job satisfaction

Steps	Model	R	R^2	B	β	t	p
1	Meaning	0.53	0.29	5.16	0.54	8.57	0.001
2	Meaning	0.60	0.36	3.25	0.37	6.46	0.001
	Self-Determination			2.14	0.31	4.14	0.001
3	Meaning	0.66	0.43	2.12	0.45	5.55	0.001
	Self-Determination			1.21	0.36	3.53	0.001
	Competency			1.86	0.23	4.12	0.001

Stepwise regression was used for testing Hypothesis 3 regarding meaningful role for psychological empowerment components of meaning and competence in predicting job satisfaction (table-2).

Findings suggest that meaning component is entered in the first step and accounts for 29% of job satisfaction variance. In the second step, meaning and self-determination components are included and thus 36% of the dependent variable variance, job satisfaction, is explained. In the third step, competence component is added to meaning and self-determination components and job satisfaction variance defined by them is 40%. Hence, contribution of meaning, self-determination and competence components in predicting job satisfaction is 0.45, 0.36, and 0.23, respectively. Impact component is eliminated due to not having any significant contribution in predicting job satisfaction.

Table-3
Results for stepwise regression analysis to predict resilience

Step	Model	R	R^2	B	β	t	p
1	Self-Determination	0.50	0.25	2.71	0.47	8.61	0.001
2	Self-Determination	0.56	0.29	1.12	0.31	2.82	0.001
	Impact			1.54	0.30	2.77	0.001

Stepwise regression was used for verifying Hypothesis 4 regarding ability of psychological empowerment components (meaning, competence, self-determination and impact) in predicting resilience (table-3). Findings show that in the first step self-determination accounts for 25% of resilience variance. In the second step, meaning component is added and it reaches to 29%. In other words, self-determination and meaning components account for 29% of the resilience variance. Thus, only self-determination and meaning components among psychological empowerment components play significant role in predicting resilience of the employees.

Conclusion

Findings of this work indicated that resilience has a significant role in predicting job satisfaction of employees. This finding show that increasing resilience leads to reduced mental and emotional problems and the ability to adapt to challenging circumstances resulting in increased job satisfaction[23]. On the other hand, findings suggest that meaning, self-determination and competence components have significant role in predicting job satisfaction. Self-determination refers to the perceived control of the employee over his work, when he feels freedom and authority in decision making for action in different situations. Najafi et al.[24] believe if employees feel to be influential in organizational outcomes through their tasks, they will tend to participate in organizational activities more, and feel higher job satisfaction. Thus, improving psychological empowerment increases job satisfaction and resilience in the employees. Empowerment is one of the most recent trends in motivating employees, based on which the power or authority is assigned to the subordinates. Management based on employee empowerment requires efficient and effective use of human resources synergy keys. New era has triggered different

conditions for organizations. Staffs of professional organizations have become the main operators of the work process. Hence, not only the managers should be equipped with leadership skills, but also employees should learn the methods directing them to the leadership. For achieving such characteristics, the organization should empower its main competitive source and tool which is human resources. Today's competitive environment and organizations strive to achieve efficiency and effectiveness reflects necessity of empowerment more than before. Literature shows that empowered organizations have experienced considerable progress in economic functioning areas. Considering the fact that the most important and critical capital for every organization is human resources, quality and capability of human resources are the major factor for organization's life and survival and it is human resources which creates empowered organization. Managers should make sure about clear understanding in their employees regarding the responsibilities and compatibility between personal and organizational goals, and to this end, they should put high priority on participatory decision making. At organizational level, human resources unit should make sure about access of the employees to professional development programs. On the other hand, there should be such an atmosphere in the organization where people feel freedom, respect, motivation and authority and moral values such as integrity, trust and confidence should be in high priority for the organization and its members which guarantees increased productivity, job satisfaction and organizational commitment.

References

1. Pieterse A.N., Van Knippenberg D., Schippers M. and Stam D, Transformational and transactional leadership and innovative behavior: The moderating role of psychological empowerment, *Journal of Organizational Behavior*, **31(4),** 609–623 **(2010)**

2. Spreitzer G.M., Psychological empowerment in the workplace: Dimensions, measurement, and validation, *Academy of Management Journal,* **38(5),** 1442-1465 **(1995)**

3. Wallace J.C., Johnson P.D., Mathe K. and Paul J, Structural and psychological empowerment climates, performance, and the moderating role of shared felt accountability : A managerial perspective, *Journal of Applied Psychology*, **96(4),** 840–850 **(2011)**

4. Faulkner J. and Laschinger H, The effects of structural and psychological empowerment on perceived respect in acute care nurses, *Journal of Nursing Management*, **16(2),** 214–221 **(2008)**

5. Ergeneli A., Arı G.S. and Metin S, Psychological empowerment and its relationship to trust in immediate managers, *Journal of Business Research*, **60(1),** 41–49 **(2007)**

6. Davydov D.M., Stewart R. Ritchie K. and Chaudieu I, Resilience and mental health, *Clinical Psychology Review*, **30(5),** 479–495 **(2010)**

7. Burns R.A. and Anstey K.J., The Connor – Davidson Resilience Scale (CD-RISC): Testing the invariance of a uni-dimensional resilience measure that is independent of positive and negative affect, *Personality and Individual Differences*, **48(5),** 527–531 **(2010)**

8. Panter-Brick C. and Eggerman M, Understanding culture, resilience, and mental health : The production of hope. In *The Social Ecology of Resilience* (369–386), Springer, Retrieved from http://link.springer.com/chapter /10.1007/978-1-4614-0586-3_29. **(2012)**

9. Jackson D., Firtko A. and Edenborough M, Personal resilience as a strategy for surviving and thriving in the face of workplace adversity : A literature review, *Journal of Advanced Nursing*, **60(1),** 1–9 **(2007)**

10. Bockting W.O., Miner M.H., Swinburne Romine R.E., Hamilton A. and Coleman E, Stigma, mental health, and resilience in an online sample of the US transgender population, *American Journal of Public Health*, **45(2),** 90–91 **(2008)**

11. Spector P., Industrial and organizational psychology : Research and practice, New York : John Wiley and sons, **(2000)**

12. George J.M. and Jones G.R., The experience of work and turnover intentions : Interactive effects of value attainment, job satisfaction, and positive mood, *Journal of Applied Psychology*, **81(3),** 318 **(1996)**

13. Wang M. and Russell S, Measurement equivalence of the job descriptive index across Chinese and American workers : Results from confirmatory factor analysis and item response theory, *Educational and Psychological Measurement*, **4,** 709-732 **(2005)**

14. Nicodemus K.M., Personality Type and Job Satisfaction, *Physicians' Pathways to Non-Traditional Careers and Leadership Opportunities*, 11–17 **(2012)**

15. Lu H., While A.E. and Barriball K.L., Job satisfaction among nurses : A literature review, *International journal of nursing studies*, Retrieved from http://psycnet.apa.org/?fa=main.doiLandinganduid=2005 -01834-009, **(2005)**

16. Steinhardt M.A., Dolbier C.L., Gottlieb N.H. and McCalister K.T., The Relationship between hardiness, Supervisor Support, Group Cohesion, and Job Stress as Predictors of Job Satisfaction, *American Journal of Health Promotion*, *17*(**6),** 382–389 **(2003)**

17. McCalister K.T., Dolbier C.L., Webster J.A., Mallon M.W. and Steinhardt M.A., Hardiness and Support at Work as Predictors of Work Stress and Job Satisfaction, *American Journal of Health Promotion*, **20(3),** 183–191 **(2006)**

18. Siu O.L., Hui C.H., Phillips D.R., Lin L., Wong T.W.,

and Shi K.A., study of resiliency among Chinese health care workers : Capacity to cope with workplace stress, *Journal of Research in Personality*, **43(5),** 770-776 **(2009)**

19. Pepe J, The relationship of principal resiliency to job satisfaction and work commitment : An exploratory study of K-12 public school principals in Florida, *University of South Florida* **(2011)**

20. Larrabee J.H., Wu Y., Persily C.A., Simoni P.S., Johnston P.A., Marcischak T.L., Mott C.L. et al., Influence of stress resiliency on RN job satisfaction and intent to stay, *Western Journal of Nursing Research*, **32(1),** 81–102 **(2010)**

21. Conner KM, Davidson JRT, Development of a new resilience scale : The Conner-Davidson Resilience Scale (CD-RISC), *Depression and Anxiety,* **18,** 76-82 **(2003)**

22. Smith P.C., Kendall L.M. and Hulin C.L., The job descriptive index, *Bowling Green State University*, **(1985)**

23. McAllister McKinnon J, The importance of teaching and learning resilience in the health disciplines, A critical review of the literature, *Nurses Education Today*, **29,** 371- 379 **(2009)**

24. Najafi S., Noruzy A., Azar H.K., Nazari-Shirkouhi S. and Dalvand M.R., Investigating the relationship between organizational justice, psychological empowerment, job satisfaction, organizational commitment and organizational citizenship behavior : An empirical model, *Afr. J. Bus. Manage*, **5(13),** 5241–5248 **(2011)**