Impact of Manager’s Reward Power and Coercive Power on Employee’s Job Satisfaction: A Comparative Study of Public and Private Sector

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ABSTRACT: Employees’ attitude towards his/her job differs across organization’s sector. The present study aimed to find out the differences in employee’s attitude in public and private sector. For this purpose, managers’ reward power and coercive power were taken as independent variables and their impact on employees’ job satisfaction (dependent variable) was examined in both sectors. Sample of 130 respondents were taken from public and private sector colleges and universities in district Attock. Comparison of both sectors was made. Results confirmed our hypothesis that both these sectors differ from and each other and this difference also influence the employees’ attitude. Managers/supervisors of private sector practice more reward and coercive power as compared to that of public sector. Regression analysis showed that reward power influences employees’ job satisfaction negatively in public sector while it has a positive impact in private sector. Relationship between coercive power of the manager and subordinate’s job satisfaction was significantly negative in public sector but in private sector no significant relationship was found between coercive power and employees’ job satisfaction. Suggestions for future research, implications for managers and limitations of study are discussed.

Keywords: Managers’ reward power, Coercive power, Employees’ job satisfaction, Public sector, Private sector

INTRODUCTION
Efficient and effective human resource is very important for every organization as the development and productivity of every organization highly depends on its human resource. In order to achieve organizational goals and to keep human resource on right track, managers must utilize power considering the fact that use of power is an influential tool to make the orders follow and to achieve desired outcomes. Nelson and Quick (2012) defined power as the ability of someone to influence someone else. Thus power is a resource and an effective tool for managers which makes the subordinates obedient and responsible (Zameni et al., 2012). Managers/ supervisors use different methods in order to influence their subordinates and to change their behavior according to organizational goals.

Most commonly used power sources are reward power and coercive power. The purpose of application of reward and coercive power is same for a manager i.e. achieving the organizational goals by changing the attitudes, beliefs and actions of subordinates (Rahim, 1989). Both of these powers play an important role in influencing employee’s job satisfaction (Afza, 2005; Lee and Tui, 2008; Nadaee et al., 2012). However impact of French and Raven’s reward power and coercive power on employee’s job satisfaction varies in literature. Some researchers found significantly positive relationship between reward power and job
satisfaction (Hinkin and Schriesheim, 1994; Elangovan and Xie, 2000; Afza, 2005). Other researchers found no significant relationship between the two (Nadaee, et al., 2012). Similarly coercive power’s influence on employee’s satisfaction also varies in literature (Richmond et al., 1986; Lee and Tui, 2008; Zameni et. al., 2012).

The factor taken in the current study to explain these varying results is “organization sector”. To the best of search efforts no study has been found which have explained the variation in relationship between these variables from this perspective. In Pakistan where public and private sector organizations differ in many aspects, one of them is difference in HRM practices. Iqbal et al. (2011) found significant differences in HRM practices following in public and private universities of Pakistan. Similarly Manafi et al. (2012) stated that there is difference of HRM practices and leadership styles in public and private sectors. This difference of sectors suggests that public sector HRM practices might not produce similar results if practiced in private sectors. Similarly leadership styles adopted in private sector might not generate same results in public sector. Therefore, the right type of manager’s power selected according to the organization sector is important as it will be more effective and responsible for employee’s productivity.

The present study, therefore, aims to compare coercive and reward power of supervisors/managers in public and private sector universities and colleges. The study is unique in the sense that it not only compare positional power of managers (reward and coercive power) implemented in both sectors but also compared its impact on employee’s job satisfaction. Since all organizational problems such as absence, turnover, employee’s non-participation and disobedience emerge when an employee is dissatisfied with his/her job or supervision, therefore utilizing the right type of power is a big challenge for managers as it directly influences the employee’s job satisfaction. Shahzad at al. (2010) found that employee’s attitude towards his/her job differs in public and private sectors specially when taken the situation of Pakistan, where public and private sector organizations differ in management practices in many aspects. This difference might be the responsible factor to alter the relationship between coercive power and job satisfaction, reward power and job satisfaction both in public and private sectors. Therefore core objectives formulated for the current study are:

- To compare reward power and coercive power of managers implemented in public and private sector.
- To find out relationship between manager’s reward power and employee’s job satisfaction and comparison of results between public and private sector.
- To find out the relationship between manager’s coercive power and employee’s job satisfaction and comparison of results between public and private sector.

The study will be significant for the managers of public and private sector universities and colleges in understanding employee’s reaction towards each managerial power. This can help managers to adopt and implement right type of positional power according to their organization sector in order to maximize employee’s job satisfaction. Results will also be useful for the HR policy makers to understand the requirements of each sector thus leading them to develop better management practices accordingly.

**Literature Review**

**Job Satisfaction**

Job satisfaction is a term used for an attitude towards job. A person who is highly satisfied with the job will respond an emotionally positive attitude towards that job whereas the person who is not satisfied or not pleased will show a negative response towards job (Pushpakumari, 2008). Satisfaction level of any person with his/her job can be measured with different dimensions.

\[ JS = f(\text{satisfaction with different dimensions of job}) \]

These dimensions are the things which a person considers important for him/herself. Luthans (1985) identified five different dimensions of job satisfaction which are: pay, the work itself, promotions, supervision, workgroup and working conditions. When a person perceives that his/her work job is providing all these or any one of these things to him, job satisfaction will be greater as compared
to the situation when a person has no hope of getting any one these things.

**Bases of Supervisory Power**

Power is the ability of a person to change and control the behavior, attitude, beliefs and actions of others (Rahim, 1989). French and Raven (1959) has categorized the manager’s supervision into five intrapersonal power bases including reward, coercive, expert, referent and legitimate power.

Legitimate power is the capacity of a person to bring/inculcate a sense of obligation and responsibility on another person. Expert power refers to the ability of providing expert advice, knowledge and the information required by others. Referent power is the ability of providing others with feelings of approval, personal acceptance and worth (Luthans, 1985). Reward power is the power used for achieving desired outcomes by offering grants to others which are meaningful and valuable for them whereas coercive power uses the concept of punishment, taking away rewards and privileges if desired outcomes are not achieving (French and Raven, 1959).

A manager/supervisor in order to achieve organizational goals, use different types of power considering the fact that use of power is an influential tool to make the orders followed and to achieve desired outcomes. Nadaee et al. (2012) stated that power bases are an effective tool for an organizational manager to influence subordinates and to make them obedient to follow his orders. However employee’s perception of supervisor’s power base makes this phenomena complex. If they perceive the power as being coercive in nature, their attitude towards the job will become negative. Similarly employee’s organizational commitment, job satisfaction, turnover and burnout, all these are related to employee’s perception of their manager’s power base (Mossholder et al., 1998).

Numerous studies have shown that these five power bases exhibit expected relationship with subordinate’s satisfaction and organizational commitment. (Hinkin and Schriesheim, 1989; Schriesheim et al., 1991; Mossholder et al., 1998).

**Manager’s Power Bases and Employee’s Satisfaction**

Subordinates react differently to each type of positional power. As supervisor employs various powers, subordinates form an evaluative perception regarding the behavior of power holder. These perceptions then became a critical factor to determine the reactions of the subordinates. (Mossholder et al., 1998). For example, employees/ subordinates consider reward power as positive use of power source, therefore are more likely to respond in a positive way and greater compliance. Whereas use of coercive power produces a high degree of resistance and disobedience in subordinate’s behavior.

Thus a manager/supervisor have the ability of providing the field of growth and excellence in an organization. Similarly he can provide the field of distortion and corruption, this all depends on the type of power and the way of using his power (Zameni et al., 2012). According to Nadaee et al. (2012) utilizing the appropriate and effective power base and timely use of power will automatically lead the subordinates towards fulfilling the organization’s objectives.

**Reward Power and Job Satisfaction**

Reward power is the ability of a person to provide someone with the things which he desires and to remove those things which he does not desire. From an employee’s perspective, reward power is the capacity of his/her supervisor to provide him with the benefits like pay raise, promotions, personal approval, praise and respect (Rahim, 1989; Raven, 1990).

Numerous studies have shown different results about relationship between reward power of manager/supervisor and employee’s job satisfaction. It ranges from strongly positive association between the two variables to weakly positive and no relationship at all between the two. For example, Hinkin and Schriesheim (1994) concluded that reward behavior of supervisor has a strong positive effect on subordinate’s satisfaction and performance. Similar results were found in research done by Afza (2005), that employee’s job satisfaction is positively influenced by reward and referent power bases. Another major contribution is of Elangovan and Xie (2000), who had found positive association between subordinate’s satisfaction and reward, legitimate and referent power bases. According to the results generated by Richmond et al. (1986) reward power has
little impact on employee’s job satisfaction, whereas Nadaee et al. (2012), found no significant relationship between the two variables. Having significant support from the literature, following hypotheses has been formulated for the current study,

H1: Employees’ perception of managers’ reward power has a positive effect on employees’ job satisfaction in public sector.

H2: Employees’ perception of managers’ reward power has a positive effect on employees’ job satisfaction in private sector.

H3: There is significant difference in manager’s use of reward power in public and private sectors.

Coercive Power and Job Satisfaction

Coercive power is the ability of a person to provide someone with the things he does not desire and to remove those things which he desires. Hinkin and Schriesheim (1990, 1994) defined coercive power as supervisor exhibiting the behavior of forcing compliance from subordinates through threat, confrontation and punitive behavior. This perception influences their job satisfaction negatively (Podsakoff and Schriesheim, 1985).

Burke and Wilcox (2001) revealed that coercive power produces least degree of employee’s satisfaction. Similarly Zamani et al. (2012) concluded that if a manager increase his/her use of coercive power, employees will be least committed and satisfied with their job and organization. However it is not always the case. Nadaee et al. (2012) indicated a significant positive relationship with referent, expert and legitimate powers but it showed no significant relationship with reward and coercive one.

According to Richmond et al. (1986) coercive and legitimate power are negatively associated with job satisfaction whereas reward power had little impact on job satisfaction. There exists the findings where coercive power was not associated with employee’s satisfaction (Lee and Tui, 2008), thus suggesting no statistical significance between the two variables. Afza (2005) also found no significant influence of coercive power on employee’s satisfaction.

Despite of these results, researchers agree that extensive use of this power do not lead to employee’s satisfaction (Rahim, 1988; Hinkin and Schriesheim, 1989). Similar relationship was found in study by Burke and Wilcox (1971) that indicated a negative relationship between satisfaction and coercive power. Consistent with these findings are the results of Elangovan and Xie (2000) that use of coercive power by the supervisor lowers employee’s satisfaction with the job and also the commitment level, however increases the stress level.

H4: Employees’ perception of managers’ coercive power has a negative effect on employees’ job satisfaction in public sector.

H5: Employees’ perception of managers’ coercive power has a negative effect on employees’ job satisfaction in private sector.

H6: There is significant difference in manager’s use of coercive power in public and private sectors.

Theoretical Framework

Figure 1 shows proposed relationship between reward power, coercive power (independent variables) and employees’ job satisfaction (dependent variable).

RESEARCH METHODO

This research has a correlational design. A review of literature on French and Raven’s power sources (reward and coercive power) and its impact on employee’s satisfaction was conducted in order to develop research hypothesis.

Population, Sample and Sampling Method

Population defined for the current study is all public and private universities and colleges of district Attock and its surrounding areas. Four institutes of each sector were selected as a representative sample. The appropriate sample size suggested by Garson (2006) for regression analysis should be at least equal to the number of independent variables plus 104 for testing regression coefficients, and at least 8 times the number of independent variables plus 50 for testing the R-square respectively. Since there are two independent variables, sample size used for this study is 130. Quota sampling was used to ensure the equal participation of respondents from both the sectors. Data was gathered 50% from private sector employees and 50% from public sector employees.
Research Tool and Instrumentation

Primary research is conducted for assessing the impact of reward power and coercive power (independent variables) on subordinate’s satisfaction (dependent variable). For collecting the required data, questionnaire method is used as it saves time, cost as well as it is easy to use. All the instrument items were adapted from previous studies. Reward power and coercive power items (4 items each) were adopted from Hinkin and Schriesheim (1989), job satisfaction consisting of 10 items was taken from Job Descriptive Index by Smith, Kendall and Hulin (1969). Scale used was 5-point Likert scale and all items were close ended purposely to get the required answer without much difficulty.

Data Collection Procedure and Statistical Techniques

Data was collected through a self-administered questionnaire. To test the developed hypothesis, a total number of 130 questionnaires were distributed to the faculty (lecturers, professors and associate professors) and non-faculty (administration staff) members employed in public and private sector universities and colleges. However 102 completely filled questionnaires were received back that were considered for data analysis. Response rate was 78%. For calculating frequency, mean, and standard deviation, descriptive statistics were used. Linear regression and independent sample t-test were used to test the proposed hypotheses. SPSS 20 was used for this purpose.

Validity and Reliability

Cronbach’s Alpha is the most widely used measure to test internal consistency and stability of an instrument, and is considered adequate if it exceeds 0.60 (Churchill, 1979). However Cronbach Alpha greater than 0.70 is usually preferred. Table 1 shows the alpha coefficients for these variables.

RESULTS

Independent sample t-test was used to measure the differences between both sectors. Correlation analysis was used to find out the associations between all the variables. Linear regression analysis was used to find out the impact of reward power and coercive power on employee’s job satisfaction.

Independent Sample T-test

In order to test hypothesis 3 and 6, t-test was applied to test the differences of mean between public and private sector. See table 2 for group statistics. Reward power has mean greater in private sector as compared to public sector thus accepting the hypothesis 3. There is significant difference between the two sectors. Managers/supervisors’ use of reward power is more in private sector colleges and universities as compared to that of public sector. For coercive power results indicate difference between the two sectors. Therefore hypothesis 6 has also been accepted. Managers/supervisors’ use of coercive power is more in private sector colleges and universities as compared to that of public sector.

Pearson Correlation

Table 3 shows correlation between dependant variable (employee’s job satisfaction) and independent variables (reward power and coercive power). The correlation analysis reveals that employees’ perception of managers’ reward power is negatively related to employee’s job satisfaction in public sector (r = -0.370, p< 0.01). In private sector there exists a positive relationship between two variables (r = 0.413, p< 0.01). Employees’ perception of coercive
power is negatively related to employee’s job satisfaction in public sector ($r = -0.525$, $p < 0.01$) while they are unrelated to each other in private sector ($r = 0.228$, $p > 0.01$).

**Regression Analysis**

Beta coefficient in linear regression shows the dependency of independent variable(s) over the dependant variable. Table 4 shows results summary generated from data analysis through linear regression technique.

$R^2$ value shows that in private sector managers’ reward power is 17.1% responsible for bringing change in employee’s job satisfaction. In public sector, reward power is less influential in bringing change in employee’s job satisfaction i.e. 13.7%. Beta value represents if there is an increase of one unit in managers’ reward power then employees’ job satisfaction will increase by 25 units in private sector. While in public sector, increase of one unit in managers’ reward power will decrease employees’ job satisfaction by 37 units. Based on these values H1 is rejected, H2 is accepted.

### Table 1: Reliability statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Sample size</th>
<th>No. of items</th>
<th>Cronbach’s alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reward power</td>
<td>102</td>
<td>4</td>
<td>0.803</td>
</tr>
<tr>
<td>Coercive power</td>
<td>102</td>
<td>4</td>
<td>0.804</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>102</td>
<td>10</td>
<td>0.789</td>
</tr>
</tbody>
</table>

### Table 2: Group statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Type of organization</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coercive power</td>
<td>public</td>
<td>52</td>
<td>2.7981</td>
<td>0.98523</td>
</tr>
<tr>
<td></td>
<td>private</td>
<td>50</td>
<td>2.8050</td>
<td>0.87670</td>
</tr>
<tr>
<td>Reward power</td>
<td>public</td>
<td>52</td>
<td>2.7115</td>
<td>0.95664</td>
</tr>
<tr>
<td></td>
<td>private</td>
<td>50</td>
<td>2.7300</td>
<td>0.89191</td>
</tr>
</tbody>
</table>

### Table 3: Pearson correlation

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Public sector</th>
<th>Private sector</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$r$</td>
<td>Significance(0.01 level)</td>
</tr>
<tr>
<td>Reward power</td>
<td>-0.370</td>
<td>Negatively sig</td>
</tr>
<tr>
<td>Coercive power</td>
<td>-0.525</td>
<td>Negatively sig</td>
</tr>
</tbody>
</table>

Dependent variable: Employees’ job satisfaction

### Table 4: Regression results

<table>
<thead>
<tr>
<th>Reward power</th>
<th>R</th>
<th>R square</th>
<th>Beta</th>
<th>t</th>
<th>Sig(.01 level)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private sector</td>
<td>0.413</td>
<td>0.171</td>
<td>0.257</td>
<td>3.145</td>
<td>0.003</td>
</tr>
<tr>
<td>Public sector</td>
<td>-0.370</td>
<td>0.137</td>
<td>-0.225</td>
<td>-2.813</td>
<td>0.007</td>
</tr>
</tbody>
</table>

Dependent variable: Employees’ job satisfaction
Table 5 shows that in public sector managers’ coercive power is 52.5 % responsible for bringing change in employee’s job satisfaction. Beta value represents if there is an increase of one unit in managers’ coercive power then employees’ job satisfaction will decrease by 32.5 units in private sector. Therefore H4 is accepted. H5 is rejected as coercive power has no relationship with employee’s job satisfaction in private sector.

Comparison of both the sector shows that impact of manager’s reward power and coercive power on employee’s job satisfaction is different in public and private sectors. Hypothesis acceptance/rejection summary is presented in table 6.

**DISCUSSION**

The major focus of the study was to find out if there is any difference in employees’ perception about manager’s powers. Results suggest that both sectors differ significantly in manager’s supervisory powers. Managers in private sector exercise more supervisory powers over their employees as compared to public sector. Managers/supervisors in private sector colleges and universities have more control over their subordinates. In public sector, opposite to private sector, employees enjoy little empowerment in their daily routine.

The second focus was to find out the relationship between manager’s reward power and employee’s job satisfaction in public and private sectors and to make a comparison of results between two sectors. It was found that reward power is positively related to employee’s job satisfaction in private sector. The more an employee receives reward from his/her supervisor the more he/she will be satisfied from his job and supervision. This result is consistent with the findings of Hinkin and Schriesheim (1994), Elangovan and Xie (2000) and Afza (2005), who had found positive association between subordinate’s satisfaction and reward power.

In public sector colleges and universities, reward power showed significant negative relationship with employee’s job satisfaction. Results were little surprising however it can justified with the results of Lunenburg (2012). According to the researcher reward power can directly influence the frequency of employee-performance behaviors in the short run, in our case it is job satisfaction in private sector. In private sector of Pakistan, with the absence of job security and contract base job nature, employee’s tenure in an organization is of short term. They frequently switch from one institute to other for better opportunities. In contrast public sector universities and colleges provide job security to their employees. Their stay is an organization is therefore, is of long time period which resulted into negative relationship between reward power and job satisfaction. Previous research confirmed that use of reward power for longer time period can lead to a dependent relationship in which subordinates feel manipulated and become dissatisfied (Lunenburg, 2012).

Study indicated significantly negative relationship between coercive power of manager and employee’s job satisfaction in public sector. The more a manager will use coercive power, the less satisfied an employee will be. Previous studies found the same relationship between the two variables (Burke and Wilcox, 1971; Podsakoff and Schriesheim, 1985; Richmond et al., 1986; Rahim, 1988; Elangovan and Xie, 2000). Lunenburg (2012) also confirmed the negative relationship between coercive power and employees’ job satisfaction. According to the researcher coercive power may lead to temporary compliance by subordinates, in the long run it produces the undesirable side effects of frustration, fear, revenge, and alienation. This in turn may lead to poor performance, dissatisfaction, and turnover.

In private sector, our findings neither confirmed nor disproved the effectiveness of coercive power to get things done. No significant relationship was found between coercive power and employee’s job satisfaction. This is consistent with the findings of Afza (2005), Lee and Tui (2008) and Nadaee et al. (2012). The phenomena can be explained by the fact that immediate supervisors in private colleges and universities have little authority and autonomy to exercise coercive power frequently. According to Lee and Tui (2008) manager exercising coercive power has greater management control while in private sector institutes managers do not have that level of management control which is required to adopt and exercise coercive power. Another valid explanation of this non-significance relationship
between coercive power and job satisfaction is employees of private sector are least concerned with their job satisfaction. As their intention to stay in that institute is not for the long time period, they opt for leaving that institution instead of dissatisfaction.

CONCLUSION
The focus of this study was to shed light on relationship between reward power and employee’s job satisfaction, coercive power and employee’s job satisfaction both in public and private sector colleges. Results supported the proposed hypothesis H2, H3, H4 and H6 while hypotheses H1 and H5 were rejected. Acceptance of H3 and H6 suggests that in future studies attention is needed to consider the effects that sample differences might produce. Supervisors may have different types of powers available in different sectors to use. For example, a manager/ supervisor in civil services or government agencies will use little or no reward and coercive power, but he will be more dependent on legitimate power and referent power. Whereas in private, profit-making organization, supervisor is free to exercise any type of power. It is obvious from the present study findings that private and public sector not only differ in HRM practices, leadership styles but also differs in managerial power practices. This difference of sector produces difference in samples, which in result produce differences in relationship between power base and employee’s job satisfaction. Therefore for effective and required results it is suggested that managers should choose the appropriate power according to the sector.

Directions for Future Research
As noted by Elangovan and Xie (2000) no single base of power is sufficient to explain and predict all employee’s organizational variables. Hence, present study can be further extended from coercive and reward power to French and
Raven’s all five power bases to compare private and public sector. Similarly, other dependent variables can also be added in future research including motivation level, commitment level, job security, turnover etc. In future power studies, there is a need to pay more attention to the sample used. Different organizations from different sectors can be chosen for more generalized results for example, manufacturing and service sector. Implications for managers are, they should pay more attention in judging their employee’s perception about their use of power. Before implementing any type of power source, their short-term and long-term consequences should be analyzed to get more output from employees. While discussing limitations of the study, data was collected from a specific geographical area which might limit generalizability of results. However, this problem can be overcome by taking large sample size and including more population area.

REFERENCES

