THE MEDIATING EFFECT OF JOB SATISFACTION ON THE RELATIONSHIP BETWEEN THE DELEGATION OF AUTHORITY AND THE PERFORMANCE OF EMPLOYEES


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Abstract

The current study aims to examine the relationship between the delegation of authority and employee performance in the banking sector in Palestine. Delegating authority explores new competencies and experiences that increase the quantity and quality of performance (Al-Jammal, Al-Khasawneh, & Hamadat, 2015). The concept of delegation of authority is gaining increasing attention by human resources management in large organizations because the concept of delegation of authority is one of the most important concepts used in the practice of management (Muhammad & Kazmi, 2020). A questionnaire was used to collect data and 300 questionnaires were distributed after being reviewed by a panel of experts. The Social Package for the Social Sciences (SPSS) was used to analyze and process the data, and the study found that there is a positive relationship between the delegation of authority and performance. This relationship mediates job satisfaction, as delegation contributes to increased job satisfaction, thus, job satisfaction increases the quality of performance. The current research recommended that additional efforts should be invested to enhance the culture of delegation of power and attention to the state of job satisfaction among workers in banks as well as other institutions and that future research should focus on finding new ways to ensure improvement in the quality of performance in the banking sector in Palestine.

Keywords: Delegation of Authority, Job Satisfaction, Employee Performance


Declaration of conflicting interests: The Authors declare that there is no conflict of interest.
1. INTRODUCTION

In light of recent regional and global competition following the COVID-19 pandemic, the various institutions operating in Palestine must adopt new policies and structures that are compatible with this competition and able to withstand future challenges (Muhammad & Kazmi, 2020). Therefore, it has become necessary for different institutions to invest in different human energies to develop and improve the service, develop administrative work, and delegate authority. The authorization includes specifying the framework in which each level can operate (Elyan, 2002). The process of delegation is the granting of powers to a certain level or to a specific person (Joiner, Bakalis, & Choy, 2006). Delegating authority contributes to the promotion and motivation of employees, contributes to achieving positive returns for the institution, helps to strengthen the position of the institution in the market, and increases its resilience and competition. Delegating authority explores new competencies and experiences that increase the volume and quality of performance (Al-Jamal, Al-Khasawneh, & Hamadat, 2015). The concept of delegation of authority is gaining increasing attention by human resource management (HRM) in large organizations because the concept of delegating authority is one of the most important concepts used in the practice of management (Yukl, 1994; Pellegrini & Scandura, 2006).

Managers’ culture, self-confidence, and managerial behavior influence the delegation of authority process. If these qualities are evident, they positively affect the delegation of authority and vice versa (Michael & College, 1997; Hempel, 2001; Hong & Engstrom, 2004). Therefore, it is not necessary that all delegation plans succeed, as you may be successful in one organization and may fail in another (Joiner et al., 2006).

Delegation of authority contributes to enhancing job satisfaction and as a result of differences between employees, it is necessary to study and constantly pay attention to the satisfaction of the employees due to the differences in human nature. Hoppock was one of the first researchers concerned with job satisfaction (as cited in Al-Shamry, 2009). Sharp economic competition between various sectors, especially among banking sector institutions, requires the institution to provide goods and services of the best quality to ensure survival and competition; and the most important element in achieving this advantage is the human element. Therefore, it is necessary to invest by different means in this element and meet its different needs to create job satisfaction through high performance, and therefore higher profit and stronger competitiveness can be achieved (Hameh, Gharbi, & Saad, 2018).

This study aims to investigate the relationship between the delegation of authority as an independent variable and performance as a dependent variable, as well as clarify the relationship of the mediating variable (i.e., job satisfaction) on this relationship.

The remainder of this paper is organized as follows. Section 2 is the literature review, which focuses on presenting the latest literature about the different study variables. The next section presents the theoretical framework of the study and whereas the fourth section explains the research methodology. The results are explained in the fifth section, as well as discussed. In the seventh section, the conclusion and recommendations are presented.

2. LITERATURE REVIEW

2.1. Delegation of authority

Keeping up with developments that impose many daily obligations on managers, and following up on all administrative details is a heavy burden on all managers, and prevents them from paying attention to the strategic actions that will achieve the general objectives of the institution, and hence, the idea of delegation of authority appeared (Al-Sarifi, 2003).

Delegating authority means that the manager retains the most important tasks and distributes the rest of the tasks to those below him, each employee is given certain tasks according to his/her competence (Ahmed, 1999). The process of delegation of authority is one of the most important administrative tasks that creates the spirit of teamwork and contributes to raising morale and developing expertise (Atallah, 2020). In addition, delegation is one of the ways for developing individuals, and one of the necessities of organizational improvement (Ghassan, 2011).

The process of delegating authority is an important motivator that enhances self-confidence; and thus increases employee satisfaction and contributes to the quantity and quality of performance. Mookherjee (2006) explained that delegating powers means giving the person authorization to conduct administrative work and the freedom to think and plan away from any external pressures (Hassan & Al-Ajmi, 2007). While Al-Maaytah (2007) defined it as “granting some powers to some subordinates, provided that he takes the necessary measures and means to hold them accountable, whereas when making them accountable for their results, it ensures the task is carried out with the required quality” (p. 22).

According to Yukl (2013), delegating authority is “giving new responsibilities to subordinates to improve the quality of performance” (p. 13). Delegating authority gives the employee the authority to issue orders to complete the task successfully, and the delegation process gives the person the opportunity to prove his abilities and competence and also contributes to enhancing self-confidence, which helps career growth (Sev, 2017). Venton (1997) suggested that delegation of authority aims to improve the quality of performance, and also that the process of delegation has its advantages and disadvantages, as it may show weakness in the subordinates, and, on the other hand, gives the subordinates the opportunity to show their talents and abilities. In this case, the role of the manager becomes more important in addressing weaknesses and shortcomings, strengthening them, and paying attention to human resources. According to the study by Joiner and Leveson (2015), there is a positive and strong relationship between the delegation of authority and performance. Obi, Okpara, and Lugard’s (2018) study confirmed that delegation of authority creates a state of satisfaction and self-confidence for workers, which is positively reflected in the quality of performance. Based on the above, the following hypotheses are deduced:
H1: There is a positive and direct relationship between the delegation of authority and the performance of employees in the banking sector in Palestine.

H2: There is a positive and direct relationship between the delegation of authority and job satisfaction of employees in the banking sector in Palestine.

2.2. Job satisfaction

Employees are the cornerstone of the success of any organization and are the ones responsible for achieving its goals. Therefore, employees have become the center of attention of top management. Management should pay more attention to maintaining good relationships with employees, raising their level of satisfaction with the enterprise, and working together for the overall benefit of the enterprise (Kiiza & Picho, 2015). Therefore, job satisfaction is considered one of the priorities of HRM in different organizations, although it is one of the vaguest topics for HRM because it is an emotional state related to the human element and is not easy to measure and understand (Bozkurt, 2012). One of the benefits of delegating authority is assigning competent employees to undertake new tasks, and this creates a sense of self-confidence and thus increases their job satisfaction (Yuki, 2013).

Job satisfaction may be an independent variable or it may be a dependent variable and this has attracted the attention of many researchers (Belias & Koustelios, 2014). The success of any organization is related to the efficiency and experience of its employees, and these competences and experiences are affected by the employees' level of satisfaction (Kombo, Obonyo, & Oloko, 2014). Most studies have proven that job satisfaction plays a major role in the growth of an organization (Joiner & Leveson, 2015). According to the study of Al-Jamal, Al-Khasawneh, and Hamadat (2015), there is a positive and strong relationship between the delegation of authority and job satisfaction, and this relationship has a positive impact on the growth of the institution. This is confirmed by the study of Joiner et al. (2006), which discussed the effect of positive delegation on employee satisfaction.

Kennedy and Keino (2017) reached similar results as Ahmad, Iqbal, Javed, and Hamad (2014), which confirms the effect of positive delegation on employee satisfaction.

Job satisfaction contributes to enhancing the company's position in the market by increasing the quantity and quality of performance at the lowest possible costs (Akhtar & Iqbal, 2017). Employees who are satisfied with their organization and their work increase their motivation at work and feel a spiritual connection to their organization. This feeling reflects positively on performance (Aronson, Laurenceau, Sieveking, & Bellet, 2005). There are several other factors that contribute to increasing job satisfaction among employees, including a reward system (i.e., incentives, rewards, and promotions that are distributed fairly and transparently among employees) (Hashem, 2010). Another factor is supervision which includes the method of supervision and the degree of delegation of authority granted by a manager to his subordinates. Also, organization policy which is related to understanding the close relationship between the worker and the organization in which s/he works. Similarly, competency development is the ability to perform work efficiently. The process of developing competencies is one of the most important approaches to achieving satisfaction. Finally, another contributing factor to satisfaction is empowerment which focuses on giving broader decision-making powers to employees at lower levels, thereby providing them with some degree of independence that reflects the extent to which management is confident in the ability of its employees to meet work requirements (Al-Binnaa, 2005). The pioneers of the school of human relations in management believe that an increase in job satisfaction leads to an increase in performance and that the relationship between them is interrelated, a causal relationship in which job satisfaction is an independent variable (Dora, 2003). Based on the above discussion, the following hypothesis can be formulated:

H3: There is a positive and direct relationship between job satisfaction and employee performance in the banking sector in Palestine.

H4: Job satisfaction mediates the relationship between the delegation of authority and employee performance in the banking sector in Palestine.

2.3. Employee performance

The success of any organization depends on the capabilities and competencies of its employees, where highly qualified and experienced employees contribute to strengthening the institution's position in the market; and maximizing its competitiveness (Gunapalan & Ekanayake, 2019). The performance of employees can be defined by the quantity and quality of work performed by an employee or a group of employees in accordance with the standards and regulations of the organization (Schmerhorn, 1989). Performance is the set of activities performed by employees during a specified period of time (Islam, Othman, Osman, & Raihan, 2019). The ability and efficiency of performance depend on the ability and competence of employees who are able to compete, as well as their ability to achieve the objectives of the organization (Jameel & Ahmad, 2019; Santos, Reis Neto, & Verwaal, 2018).

The performance of employees is directly affected by the state of employee satisfaction, which means that employees who feel highly satisfied have a positive and significant impact on achieving goals, while employees who are not satisfied have a low organizational impact and commitment (McCausland, Pouliakas, & Theodosiou, 2005). A study by Ahmad and Jameel (2018) showed that employee performance is positively affected by job satisfaction and contributes to improving performance and productivity. The results of a study by Altwaijri (2007) showed a positive, statistically significant relationship between the delegation of authority and the performance of the employees at King Khalid Airport in Riyadh.

The performance of employees is affected by the policies related to delegation of authority because of their impact on the development of leadership skills among employees, and also contribute to strengthening relationships within the organization and managing work time effectively (El-Helow, 2010).
3. THEORETICAL FRAMEWORK

Through the conceptual framework, the variables, their relationships, and their influence on each other can be clarified (Khaled, 2022). The performance and evaluation of employees receive great attention and are considered among the most important topics that fall within the competence of human resources in various institutions. Performance is affected by many different variables. In this study, performance is a dependent variable affected by the delegation of authority, which is the independent variable, and job satisfaction is the mediating variable.

The current study focuses on the relationship between the variables as previous literature highlighted mixed results regarding delegation of authority and employee performance. Also, recent research focused on the mediating role of job satisfaction and the problems related to how it can be measured, and why it impacts both dependent and independent variables. Also, previous works explained this in different types and businesses, where focus on the banking sector is missing, especially in Palestine. The delegation of authority shows trust from top management in its subordinates, and at the same time can help it determine responsibility centers and managers of these centers, which later on relate to both reward and punishment based on performance. On the other hand, if employees feel the trust of management, they become more loyal and willing to spend more time and effort to help the company achieve its goals. Recent research also explained that such efforts are positively related to performance and mentally related to satisfaction of employees, as they are more aware of the importance of their roles in the overall success of their company. This also implies a deeper understanding of company policies and how these affect employee work, thus enabling employees to follow with a higher level of satisfaction, such policies, and procedures. The below graph shows the different relationships explained earlier.

Figure 1. The relationship between study variables

4. RESEARCH METHODOLOGY

In this study, the descriptive analytical method was adopted and used, which is concerned with studying the current reality as it is. The descriptive approach can be considered the best for such studies as it lends explanation to different numerical results and helps better examine relationships between different variables (Abdel Rabbo, 2019). The required data were randomly collected from the study population of about 6000 employees, and the study sample consisted of 300 employees in various banks operating in Palestine at different administrative levels, in order to obtain high-accuracy and credible data and information. This data has been processed and analyzed, whereas conclusions about the relationship between the variables were tested to investigate the study hypotheses and to identify practical procedures appropriate later on. The SPSS program for data analysis was used and the results were reached accordingly.

The questionnaire was adopted as the main tool for collecting data, where the researchers presented the questionnaire to a group of experts, who are professors from various Palestinian universities, as well as some human resources managers in banks operating in Palestine. The questions were selected from previous studies which focused on the same variables as the current study. The questionnaire aimed to study the relationship between the delegation of authority, employee performance, and the mediating variable of job satisfaction. A five-point Likert scale was used to check the validity of the questions, and the Pearson correlation coefficient was used. The instrument was validated by calculating the Pearson correlation coefficient for each item with the scale’s total score. Also, to check the credibility of the questionnaire, Cronbach’s alpha coefficient was used to measure reliability of the questionnaire. The researchers calculated the reliability in a way that calculates the internal consistency of the Cronbach's alpha formula as shown in Table 1 below:

<table>
<thead>
<tr>
<th>Variables</th>
<th>No. of paragraphs</th>
<th>Alpha value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delegation of authority</td>
<td>13</td>
<td>0.887</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>10</td>
<td>0.868</td>
</tr>
<tr>
<td>Employees' performance</td>
<td>8</td>
<td>0.824</td>
</tr>
</tbody>
</table>

Table 1. Cronbach's alpha coefficient for the entire questionnaire
5. RESULTS

This section includes the study results, in order to answer the research questions.

RQ1: What is the level of delegation of authority in the banking sector in Palestine?

To answer the first research question, means and standard deviations, and relative weights of the level of delegation of authority in the banking sector in Palestine were calculated, which is shown in Table 2.

Table 2. Means, standard deviations, and relative weight of the level of delegation of authority in the banking sector in Palestine

<table>
<thead>
<tr>
<th>No.</th>
<th>Items</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>Relative weight</th>
<th>Ranking</th>
<th>Degree of agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>q1</td>
<td>The process of delegation of authority is of great interest to the senior management of the institution.</td>
<td>3.89</td>
<td>0.80</td>
<td>77.8</td>
<td>1</td>
<td>High</td>
</tr>
<tr>
<td>q2</td>
<td>Delegating authority aims to reduce the workload of the responsible person.</td>
<td>3.76</td>
<td>0.75</td>
<td>75.2</td>
<td>8</td>
<td>High</td>
</tr>
<tr>
<td>q3</td>
<td>The process of delegation of authority aims to enhance confidence in subordinates.</td>
<td>3.84</td>
<td>0.69</td>
<td>76.8</td>
<td>2</td>
<td>High</td>
</tr>
<tr>
<td>q4</td>
<td>The process of delegation of authority aims to speed up the completion of work.</td>
<td>3.81</td>
<td>0.72</td>
<td>76.2</td>
<td>4</td>
<td>High</td>
</tr>
<tr>
<td>q5</td>
<td>The manager delegates the powers to have the competencies and experience of subordinates.</td>
<td>3.80</td>
<td>0.78</td>
<td>76.0</td>
<td>5</td>
<td>High</td>
</tr>
<tr>
<td>q6</td>
<td>The purpose of the delegation of authority process is to increase the quality of performance.</td>
<td>3.73</td>
<td>0.82</td>
<td>74.6</td>
<td>9</td>
<td>High</td>
</tr>
<tr>
<td>q7</td>
<td>The process of delegation of authority aims to increase trust among employees.</td>
<td>3.84</td>
<td>0.71</td>
<td>76.8</td>
<td>3</td>
<td>High</td>
</tr>
<tr>
<td>q8</td>
<td>Expansion of powers contributes to and increases employee satisfaction.</td>
<td>3.70</td>
<td>0.79</td>
<td>74.0</td>
<td>10</td>
<td>High</td>
</tr>
<tr>
<td>q9</td>
<td>Delegating powers work to raise the morale of employees.</td>
<td>3.77</td>
<td>0.79</td>
<td>75.4</td>
<td>7</td>
<td>High</td>
</tr>
<tr>
<td>q10</td>
<td>Delegating authority contributes to discovering new competencies in the organization.</td>
<td>3.69</td>
<td>0.76</td>
<td>73.8</td>
<td>11</td>
<td>High</td>
</tr>
<tr>
<td>q11</td>
<td>The authorization process was completed due to the inability of the president to carry out the work as required.</td>
<td>3.64</td>
<td>0.84</td>
<td>72.8</td>
<td>13</td>
<td>High</td>
</tr>
<tr>
<td>q12</td>
<td>Delegation of powers contributes to the exchange of experiences between the superior and subordinates.</td>
<td>3.77</td>
<td>0.67</td>
<td>75.4</td>
<td>6</td>
<td>High</td>
</tr>
<tr>
<td>q13</td>
<td>Decisions issued by the delegated level are binding on the higher levels.</td>
<td>3.65</td>
<td>0.74</td>
<td>73.0</td>
<td>12</td>
<td>High</td>
</tr>
</tbody>
</table>

The data in the above table indicate that level of delegation of authority in the banking sector in Palestine was high, with a mean of 3.76 and a percentage of 75.2%. "The process of delegation of authority aims to increase the quality of performance." was ranked the highest with a mean of 3.73 and a percentage of 77.8%, whereas item "The authorization process was completed due to the inability of the president to carry out the work as required" scored the least with a mean of 3.64 and a percentage of 72.8%.

RQ2: What is the level of job satisfaction in the banking sector in Palestine?

To answer the second research question, means and standard deviations, and relative weights of the level of job satisfaction in the banking sector in Palestine were calculated, as shown in Table 3.

Table 3. Means, standard deviations, and relative weight of the level of job satisfaction in the banking sector in Palestine

<table>
<thead>
<tr>
<th>No.</th>
<th>Items</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>Relative weight</th>
<th>Ranking</th>
<th>Degree of agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>j1</td>
<td>Your salary is commensurate with the effort and responsibilities placed on you at work.</td>
<td>3.71</td>
<td>0.73</td>
<td>74.2</td>
<td>5</td>
<td>High</td>
</tr>
<tr>
<td>j2</td>
<td>Your salary is commensurate with your peers in other institutions.</td>
<td>3.76</td>
<td>0.79</td>
<td>75.2</td>
<td>2</td>
<td>High</td>
</tr>
<tr>
<td>j3</td>
<td>The remuneration policy is subject to fair standards.</td>
<td>3.64</td>
<td>0.71</td>
<td>72.8</td>
<td>8</td>
<td>High</td>
</tr>
<tr>
<td>j4</td>
<td>Work regulations apply to everyone without discrimination.</td>
<td>3.72</td>
<td>0.70</td>
<td>74.4</td>
<td>3</td>
<td>High</td>
</tr>
<tr>
<td>j5</td>
<td>The promotion is carried out based on clear, transparent, and well-known criteria for everyone.</td>
<td>3.61</td>
<td>0.67</td>
<td>72.2</td>
<td>9</td>
<td>High</td>
</tr>
<tr>
<td>j6</td>
<td>Certifications and training courses are a priority for promotion.</td>
<td>3.72</td>
<td>0.75</td>
<td>74.4</td>
<td>4</td>
<td>High</td>
</tr>
<tr>
<td>j7</td>
<td>Being part of a harmonious team makes you feel comfortable.</td>
<td>3.70</td>
<td>0.73</td>
<td>74.0</td>
<td>6</td>
<td>High</td>
</tr>
<tr>
<td>j8</td>
<td>The working hours system is applied to everyone without discrimination.</td>
<td>3.54</td>
<td>0.76</td>
<td>70.8</td>
<td>10</td>
<td>High</td>
</tr>
<tr>
<td>j9</td>
<td>Spend your free time without any disturbance.</td>
<td>3.68</td>
<td>0.73</td>
<td>73.6</td>
<td>7</td>
<td>High</td>
</tr>
<tr>
<td>j10</td>
<td>The institution provides you with a camel environment that is safe from dangers.</td>
<td>3.81</td>
<td>0.72</td>
<td>76.2</td>
<td>1</td>
<td>High</td>
</tr>
</tbody>
</table>

The total degree of job satisfaction was calculated, with a mean of 3.69 and a percentage of 73.8%.
The above table indicates that level of job satisfaction in the banking sector in Palestine was high, with a mean of 3.69 and a percentage of 73.8%. "The institution provides you with a camel environment that is safe from dangers" scored the highest mean (3.81) and a percentage of 76.2%, whereas the item "The working hours system is applied to everyone without discrimination" scored lowest with a mean of 3.54 and a percentage of 70.8%.

**Table 4.** Means, standard deviations, and relative weight of the level of employee performance in the banking sector in Palestine

<table>
<thead>
<tr>
<th>No.</th>
<th>Items</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>Relative weight</th>
<th>Ranking</th>
<th>Degree of agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>ep1</td>
<td>Executing the tasks assigned to you makes you feel proud and proud.</td>
<td>3.72</td>
<td>0.66</td>
<td>74.4</td>
<td>4</td>
<td>High</td>
</tr>
<tr>
<td>ep2</td>
<td>The outputs of your work that you are satisfied with to a high degree.</td>
<td>3.74</td>
<td>0.64</td>
<td>74.8</td>
<td>2</td>
<td>High</td>
</tr>
<tr>
<td>ep3</td>
<td>The institution is committed to implementing the regulations and instructions to accomplish your work.</td>
<td>3.73</td>
<td>0.65</td>
<td>74.6</td>
<td>3</td>
<td>High</td>
</tr>
<tr>
<td>ep4</td>
<td>Changing the tasks assigned to you affects the quality of performance.</td>
<td>3.65</td>
<td>0.65</td>
<td>73.0</td>
<td>7</td>
<td>High</td>
</tr>
<tr>
<td>ep5</td>
<td>The organization provides solutions to the problems you face during work.</td>
<td>3.70</td>
<td>0.66</td>
<td>74.0</td>
<td>5</td>
<td>High</td>
</tr>
<tr>
<td>ep6</td>
<td>Are you ready to work outside office hours?</td>
<td>3.66</td>
<td>0.62</td>
<td>73.2</td>
<td>6</td>
<td>High</td>
</tr>
<tr>
<td>ep7</td>
<td>Your position at work is commensurate with your qualifications and experience.</td>
<td>3.72</td>
<td>0.65</td>
<td>74.4</td>
<td>4</td>
<td>High</td>
</tr>
<tr>
<td>ep8</td>
<td>The performance evaluation criteria are clear and transparent.</td>
<td>3.88</td>
<td>0.63</td>
<td>77.6</td>
<td>1</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>The total degree of employee performance</td>
<td>3.73</td>
<td>0.43</td>
<td>74.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

It is clear from Table 4 that the level of employee performance was high, where the averages ranged between 3.65 and 3.88. The highest response paragraph according to the relative mean is as follows: In paragraph (ep8), the relative mean equals 3.88 with a percentage of 77.6%, which states that "The performance evaluation criteria are clear and transparent". And the lowest response according to the relative mean was as follows: In paragraph (ep4) the relative mean equals 3.65 with a percentage of 73.0%, which states that "Changing the tasks assigned to you affects the quality of performance".

**RQ3:** What is the level of employee performance in the banking sector in Palestine?

To answer the third research question, means and standard deviations, and relative weight of the level of employee performance in the banking sector in Palestine were calculated as shown in Table 4.

**Table 5.** Pearson correlation coefficients for the relationship between the delegation of authority and job satisfaction and employee performance

<table>
<thead>
<tr>
<th>Delegation of authority</th>
<th>Job satisfaction</th>
<th>Employee performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.719**</td>
<td>0.548**</td>
</tr>
</tbody>
</table>

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

The results from the above table show that the correlation coefficients between the delegation of authority and job satisfaction were positive and statistically significant at 0.01, and this indicates the existence of a positive statistically significant correlation between the delegation of authority and job satisfaction. This means that increasing delegation of authority will increase job satisfaction.

Also, the correlation coefficients between the delegation of authority and employee performance were positive and statistically significant at 0.01, and this indicates the existence of a positive statistically significant correlation between the delegation of authority and employee performance. This means that increasing delegation of authority will increase employee performance.

### 5.1. Mediation analysis

In order to test these hypotheses, mediation analyses were conducted using path analysis in the Amos program. The significance of the paths in the mediation model can be found in Figure 2.
**Figure 2.** Mediation of delegation of authority and employee performance by job satisfaction

![Diagram](image)

<table>
<thead>
<tr>
<th>Type of effect</th>
<th>Variable</th>
<th>Job satisfaction</th>
<th>Employee performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standardized direct effect</td>
<td>Job satisfaction</td>
<td>-----</td>
<td>0.546</td>
</tr>
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<td></td>
<td>Delegation of authority</td>
<td>0.719</td>
<td>0.156</td>
</tr>
<tr>
<td>Standardized indirect effect</td>
<td>Job satisfaction</td>
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<tr>
<td></td>
<td>Delegation of authority</td>
<td>-----</td>
<td>0.392</td>
</tr>
<tr>
<td>Standardized total effect</td>
<td>Job satisfaction</td>
<td>0.719</td>
<td>0.548</td>
</tr>
<tr>
<td></td>
<td>Delegation of authority</td>
<td>0.719</td>
<td>0.548</td>
</tr>
</tbody>
</table>

**H1 test results:** The results of the path analysis show that there is a positive effect of delegation of authority on employee performance, where the coefficient of direct effect was positive and equal to 0.156.

**H2 test results:** The results of the path analysis show that there is a positive effect of delegation of authority on job satisfaction, where the coefficient of direct effect was positive and equal to 0.719.

**H3 test results:** The results of the path analysis show that there is a positive effect of job satisfaction on employee performance, where the coefficient of direct effect was positive and equal to 0.546.

**H4 test results:** The results of the path analysis show that there is a positive effect of delegation of authority on employee performance, where the coefficient of indirect effect when mediating was positive and reached 0.392, and this indicates that job satisfaction plays an important role as a mediating variable, as it was able to increase the effect of the indirect relationship of delegation of authority on employee performance by 0.392.

### 6. DISCUSSION OF RESULTS

The results showed that there is a process of delegation of powers to workers in the banking sector at a high rate, which has a positive impact on the performance of workers in this sector. The effect was positive and direct and equal based on the coefficient which totaled 0.156. Delegating authority benefits managers by focusing their time on the most important tasks and working towards the organization's strategic goals. It enhances their loyalty to the organization (Aviawe, 2015). This supports the validity of the first hypothesis and this result is consistent with Al-Jammal et al. (2015) and Abdel Rahim and Shehada (2020).

The second result related to the delegation of powers and job satisfaction was that there is a direct and positive effect between them, that is, the delegation of powers supports and enhances the satisfaction of workers in the banking sector in Palestine, and it was at a high rate and equal based on the coefficient which totaled 0.719. This supports the validity of the second hypothesis. Job satisfaction increases the employees’ ability to adapt to different work environments and enhances self-confidence. This result is consistent with Muhammad and Kazmi (2020) and Joiner et al. (2006).

The result of the third question about job satisfaction was high and equal based on the coefficient which totaled 0.546. That is, employee satisfaction contributes high to the development and improvement of performance. This approach is consistent with the study of Lirwy (2019). As for the indirect result that affects the performance of employees, it is when job satisfaction mediates between the independent variable, which is the delegation of power, and the dependent variable, which is the performance of employees; job satisfaction contributed to strengthening the relationship between them.

In light of the above discussion, it is clear that the process of delegation of power in the banking sector is high, and this positively affects performance. The delegation of powers also enhances the self-confidence of employees who have been assigned these powers, which increases the level of loyalty to the institution, and thus these combined factors improve and increase the quality and quantity of performance.
7. CONCLUSION

Based on the previous results and discussion, it is clear that there is a high level of delegation process in the banking sector, so the human resources department in these banks must make more efforts to raise awareness of the importance and effectiveness of delegation at the various administrative levels and train them on how to optimally use the power as well as raise awareness. Managers need to work in a team spirit in order to achieve the overall goals of the organization.

It is also clear that the delegation process contributes to increasing employee job satisfaction, enhancing self-confidence, and increasing the feeling of employees that they are an essential part of the organization, which contributes to more effort and attention to achieve goals.

This study provides contributions from a theoretical standpoint, as it provides an explanation of the relationship between delegation and performance, as well as its impact on job satisfaction, and can also help researchers in their future research. Field applications of this study may exert on other financial institutions and the organizing practices as well. It highlights a positive and convincing dimension as a practice that benefits all parties on an equal footing.

Therefore, we recommend that the personnel to whom authority will be delegated should be trained through specialized training programs. Also, work to provide an appropriate and safe work environment that contributes to and encourages the delegation of power. The current study also highlights the importance of paying more attention to employees on both materially and morally levels. We hope that this study will contribute to the promotion of the culture of delegation of authority on an organized and sound scientific basis. It enhances the state of job satisfaction that contributes to achieving goals within banks among other institutions. In this study, the variables of delegation of authority and job satisfaction and their impact on the performance of employees in the banking sector in Palestine were studied. These variables can be applied to other sectors using the same or other data collection and analysis methods.

The current study has some limitations, including the focus on employees in the banking sector only, and the focus on Palestine, where future research can make comparisons with other countries. Also, the current study is limited by the limited literature on the topic within Palestine, and the need to further investigate banking culture and differences between Arab and non-Arab countries.

REFERENCES


VIRUTS


