

**A STUDY ON THE EFFECT OF PSYCHOLOGICAL  
EMPOWERMENT ON JOB SATISFACTION AND JOB RELATED  
STRESS AMONG THE BANK EMPLOYEES**

*Thesis Submitted to the  
Cochin University of Science and Technology  
for the award of the Degree of  
Doctor of Philosophy  
Under the Faculty of Social Sciences*

*By*

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**MARCH, 2013**

# **A study on the Effect of Psychological Empowerment on Job Satisfaction and Job Related Stress Among the Bank Employees**

*Ph.D. Thesis under the Faculty of Social Sciences*

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## **Certificate**

This is to certify that the thesis entitled **“A Study on the effect of Psychological Empowerment on Job Satisfaction and Job Related Stress among the bank employees”** is a bonafide record of the work done by Ms. Elizabeth George under my guidance and supervision in Department of Applied Economics, in partial fulfillment of the requirements for the Degree of Doctor of Philosophy under the Faculty of Social Sciences, Cochin University of Science and Technology.

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## *Declaration*

I, Elizabeth George hereby declare that the thesis **entitled “A Study on the effect of Psychological Empowerment on Job Satisfaction and Job Related Stress among the bank employees”** is a bonafide record of the work done by me under the guidance of Dr. Zakkariya K. A., Reader, School of Management Studies, CUSAT, Cochin-22 for the Ph.D programme in Department of Applied Economics of Cochin University of Science and Technology. I also declare that this research work is the result of my own effort and has not previously formed the basis for the award of any Degree, Diploma, Associateship, Fellowship or any other similar titles of recognition.

Kalamassery  
20 /03/13

**Elizabeth George**



# Acknowledgement

*I thank God Almighty for showering his blessings and grace on me through all the stages of this humble endeavour.*

*There are many persons that I am grateful to and am indebted to who have helped me during the various stages of the study.*

*I wish to express my profound sense of gratitude and indebtedness to my supervising guide Dr. Zakariya KA, Reader, School of Management Studies, CUSAT, for his invaluable and untiring guidance, constructive suggestions and continuous encouragement all through the tenure of my research work. Without his intellectual inputs and constant support, this work would not have been complete, in any respect. His strenuous efforts in reviewing the thesis and his creative suggestion are gratefully acknowledged. I solemnly submit my honest and humble thanks to him for bringing my dreams into reality.*

*Special thanks to my doctoral committee member, Prof. (Dr.) Meera Bai, Head, Department of Applied Economics, for her encouraging, positive and supportive attitude throughout the process.*

*I am also fortunate that I had the opportunity to start my research under the supervision of Prof. (Dr) K.C. Sankaranarayanan, Former Dean, Faculty of Social Sciences and Former Head, Department of Applied Economics, CUSAT. I am profoundly obliged to him for his valuable comments and suggestions. His immeasurable expertise and willingness to help played a significant role in completing my thesis.*

*My grateful thanks are extended to Prof (Dr.) D. Rajasenan, Prof (Dr) S. Harikumar, Prof (Dr.) P. Arunachalam and Dr. P.K. Manoj of Department of Applied Economics for their enthusiastic encouragement, suggestions and useful critiques of this research work.*

*I express my sincere thanks to Prof. (Dr.) Anandakutan B. Unnithan (Associate Professor, IIM Kozhikode) for providing insightful advice during the analysis phase.*

*I am also grateful to Dr. Sebastian Rupert Mampilly (Professor, School of Management Studies) Dr. Samson Thomas (Asst. Professor, School of Management Studies), Dr. Rajitha Kumar (Associate Professor, School of Management Studies), Dr. Manoj Edward (Asst. Professor, School of Management Studies) and Prof.(Dr.) Joshy Joseph (Associate Professor, IIM Kozhikode), for their insightful advices and valuable suggestions.*

*I express my sincere thanks to the office staff and library staff of Department of Applied Economics who were always available and lend a helping hand.*

*I would like to extend my thanks to Mr. Sreekanth S. (Asst. Manager, IDBI Bank Ltd.), Meghna Prabhu (Asst. Manager, State Bank of Travancore), Mr. Jibu Jacob (Asst. Manager, Federal Bank Ltd.), Ms Shaina S. Shajahan (Asst. Manager, State Bank of India), Dharsana G Mony (Asst. Manager, State Bank of Travancore), M.I. Paulose (Senior Manager, South Indian Bank) and Mary Kuriakose (Asst. Manager, Federal Bank Ltd.) for their valuable help during the phase of data collection.*

*My heartfelt thanks are due to all the respondents of various banks who took time away from their busy schedules to answer and return the questionnaire. The successful completion of this dissertation would not have been possible without their support and cooperation.*

*I express my sincere gratitude to my parents Mr. K. George and Leela George and thanks to my sister Saira for their prayers, unconditional love and support and encouragement throughout the years.*

*I am indebted to my husband Mr. Biju C. Mani and our kids Sandra and George for their kind understanding, patience, encouragement and unwavering support throughout my extended student life.*

*Elizabeth George*



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## INTRODUCTION

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- 1.2 *Theoretical frame work and Research Model of the study*
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- 1.6 *Scheme of the study*

The present era recognises human resource as the most valuable asset. This necessitates a re-orientation in our thinking and philosophy of managing people. The process of globalisation has changed the role of human resource management and has extended new strategic questions with a global perspective. Strategic HRM can help in this regard to address the dynamic needs of this situation. Through strategic human resource management, organisations have been trying to increase the individual and organisational effectiveness by unleashing the creative and innovative energies of employees. There is also a managerial logic in focusing attention on employee's skills and intellectual assets to provide a major competitive advantage when technological superiority, even once achieved will quickly erode (Barney, 1991; Pfeffer 1994, 1998). This situation has stimulated a need for employees who can take initiative, embrace risk, kindle innovation and cope with high uncertainty (Spreitzer, 1995a). Empowerment is an effective means of promoting this highly desirable quality. Thus empowerment is a management strategy that has been touted by the practitioners and researchers as one of the answers for the organization to meet the challenges of the current business environment.

Empowerment has been accepted as an important organisational factor in satisfying the psychological needs of the employees in work place and improving organisational and personal effectiveness and thereby achieving organisational goals. Many managers and scholars have identified that the true sustainable competitive advantage of any organization is its employees and that the employees should be actively involved in the activities of the organization for its success (e.g. Lawler, 1992, 1996). This is closely associated with the concept of empowerment which means giving employees the autonomy to make decisions about how they go about their daily activities (Ford and Fottler, 1995). The success of an organisation, be it a manufacturing organisation or a service organization, largely depends on its empowered workforce.

Early use of the construct of empowerment tends to revolve around the issues of power and control. The researchers have given different definitions to empowerment like giving authority to make everyday decision, authority over work processes, command over performance goal and measurement and so on (Sternberg,1992; Pfeffer,1994; Beer,1991). Empowerment is seen as a critical variable that enables the organizations to be more competitive and provides the potential to bring significant improvement in organizational performance through new organizational structures and forms (Mills and Ungson, 2003).

Employee Empowerment is a strategy to enhance organizational performance and to develop a flexible organization that is capable of adapting to a changing external environment. Empowered employees view themselves as more effective in their work and they are evaluated as more effective by their co-workers (Quinn and Spreitzer, 1997). Empowerment enables them to adopt performance enhancing behavior and contribute to the development of the organization's competitive strength and success. Empowerment has been linked to improvements in the organizational systems and processes (Blanchard, Carlos and Randolph, 1996, 1999). Empowerment programs have been

introduced in a number of organizations in order to improve productivity, increase customer satisfaction and enhance competitive advantage (Hardy and Leiba-O'Sullivan, 1998).

Various empirical studies including that of Liden, Wayne and Sparrowe (2000), Sparrowe (1994), Spreitzer (1995a) and Spreitzer, Kizilos and Nason (1997) support the relationship between employee empowerment and various work-related outcomes. Empowering employees may be one of the strategies that enable organizations to balance employees' performance and job satisfaction. Empowerment and job satisfaction have been considered as important issues and emphasized as ways to reduce employee turnover, improve workplace environments, and help organizations function effectively in the hospitality industry (Erstad, 1997). Kouzes and Posner (1987) emphasize the positive relationship between empowerment and organizational effectiveness, as indicated by higher profits, growth and expense control, in their study. It also affects employee satisfaction, loyalty and service delivery of employees, especially in service sector (Fulford and Enz, 1995).

Different empowerment programs have failed to get the results expected because the psychological composition of the people who are being empowered had not been taken into consideration. Researchers like Spreitzer, (1995a); Thomas and Velthouse, (1990) have focused more on complex cognitive psychological states which focus on what employees believe and feel rather than specific management practices like empowering structures, policies, and practices which are intended to empower the employees. This is because of the fact that employees are more influenced by their perceptions rather than by an objective reality (Bandura, 1997). Menon (2001) also suggested that a focus on psychological empowerment is preferable as the benefits of empowerment can be attained only if the employees actually experience empowerment i.e. the psychological state of empowerment.

Psychological empowerment has been positively correlated with managerial effectiveness, increased levels of job satisfaction and decreased level of job strain (Spreitzer, Kizilos and Nason, 1997). Nykodym et al. (1994) stated that the role conflict and role ambiguity of those employees who consider themselves as empowered have been reduced as they can control their own environment. Seibert, Silver, and Randolph (2004) have shown that psychological empowerment had a mediating role in individual-level outcomes of performance and job satisfaction. Further literature in psychological empowerment reveals that organizations where employees are psychologically empowered shows increase in productivity (Akbar et al., 2010), higher job satisfaction (Carless, 2004, Patah et al., 2009 and Fuller et al., 1999), high organizational commitment (Chen and Chen, 2008, Joo and Shim, 2010, Bhatnagar, 2005), lower burnout (Cavus and Demir, 2010), reduced employee turnover intent (Collins, 2007) and reduced strain (Martin, 2007).

The above studies show the importance and concern of practitioners and researchers in empowerment especially psychological empowerment and the need to develop conceptual and theoretical knowledge contributing to the perception of empowerment of employees and the expected outcome from employees who are empowered.

## **1.1 Statement of Problem**

World Bank (2003) data indicated that more than half of the working population in both the high income nation and low income nation groups has been engaged in the service sector at the beginning of the 21<sup>st</sup> century. Today's economy is getting more service oriented and we live in a service society. At the same time service sector has become highly competitive due to various developments that have taken place in this industry. The customers have a wider range of services to choose. So the traditional management technique and

philosophies used in manufacturing organizations are not enough for the organizations in the service sector. Employees are the core ingredients of service organizations because minimal time separates the production of the service from its delivery.

Chen (1998) pointed out that service operations are characterized by extensive interactions between customers and providers and so customer satisfaction is closely associated with service performance and various service encounters throughout the system. For this reason, it is important for employees to take initiatives, to be independent, to experience satisfaction from their work and feel that they contribute to the operation of their company. Thus they need to feel empowered in their working environment. Employee empowerment enhances the personal power of employees and enables them to delight their customers (Lashley, 1995b).

In this dynamic global business environment, service organizations try to compete by providing high quality customer service by empowering their workforce (Corsun and Enz, 1999). The competitive success can be achieved through employees by giving them more freedom to work (Pfeffer, 1994). In tertiary sector where the direct contact and communication between employees and customers exists, service excellence and customer's satisfaction comprise the most fundamental goal of the organization. The means to achieve the same is to empower the human resource. Empowered workforce is of utmost importance in tertiary sector where the employees and customers interact (Gkorezis and Petrido, 2008).

Banking sector is one of the most important service sectors. Banking has now become a totally competitive industry, virtually worldwide (Wilkinson and Lomax, 1989). New customer service programmes were introduced during the 1980s and early 1990s in the race to be competitive and ultimately, expand

the business. Banks are adding more services to their customers and the Indian banking industry is passing through a phase of customers' market. Thus the banks have focused on customer centric services by using new technology, tools and techniques to identify customer's needs and then offering the products to match them. The customers have more choices in choosing their banks. Intense competition has been established among the banks operating in India due to the advancement of technology in banking sector. Banks are focusing on service quality in order to achieve its goals and high performance quality.

In banking sector, employees are less satisfied and less motivated than employees in other lines of work (Kelley, 1990; Bajpai, Naval and Deepak, 2004). The banking industry also suffers from high employee turnover rate (Branham, 2005; Nelson, 2007) and high level of stress (Chen and Lien, 2008). There are no adequate studies linking psychological empowerment and job satisfaction, stress, turnover etc. among employees of banking sector. Lack of psychological empowerment could be a reason for these problems faced by banking sector. Further majority of studies in psychological empowerment are carried out in manufacturing sector and studies in service sector are concentrated on hotel industry and hospitals. Empowerment takes different forms in different contexts (Zimmerman, 1995).

In the light of above discussion, the present research is directed to explore the dimensions of psychological empowerment of employees in banking sector and to find out whether high psychological empowerment can increase job satisfaction and reduce job related stress among employees in banking sector.

## **1.2 Theoretical frame work and Research Model of the study**

The present research is carried out to understand how psychological empowerment, job satisfaction and job related stress are related. Based on a



thorough review of literature, the researcher had presumed certain relationship among these variables and the same had been conceptualized in the model represented in Figure 1.1. Some of the important research findings in the literature that had helped the investigator to formulate such a conceptual model (Figure 1.1.) are reported below for the justification of the model proposed.

Job satisfaction is defined as the feelings a person has about her or his job (Balzer, et al., 1997; Spector, 1997). The employees who perceive their jobs to be significant feel higher levels of work satisfaction than employees who see their jobs as having little value. The work satisfaction results from the perception that one's work fulfils or allows the fulfillment of one's desired work values (Locke, E.A., 1976). The employees who feel confident that they will succeed are happier with their work than employees who fear that they might fail (Martinko and Gardner, 1982). Research studies have shown the link between psychological empowerment and job satisfaction (Spreitzer, 1995a; Spreitzer, Kizilos and Nason, 1997). According to Thomas and Tymon (1994) the task assessments i.e., the facets of empowerment, generate intrinsic rewards associated with the job, and so they should be positively related to job satisfaction.

At the team level, Kirkman and Rosen (1999) found support for the notion that empowerment is positively related to job satisfaction. Researchers found that there is a link between the four dimensions of psychological empowerment and job satisfaction. (e.g. Spreitzer et al., 1997; Thomas and Tymon, 1994). Spreitzer et al. (1997) concluded that meaning was the strongest predictor of general job satisfaction, while impact was unrelated to job satisfaction whereas Thomas and Tymon (1994) reported that meaning, self-determination and impact were significant predictors of general job satisfaction and that competence was unrelated to general job satisfaction. Theory on the impact dimension states that individuals should get a sense of job

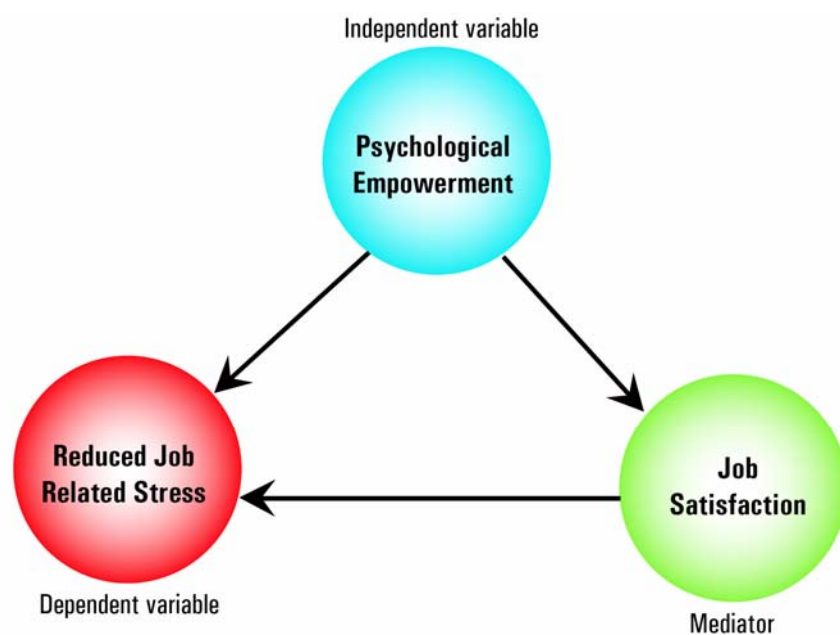
satisfaction when they feel that they have been directly involved in outcomes that affect the organization (Ashforth, 1989).

Researchers who have examined the antecedents of job related stress shows autonomy as an important mechanism for reducing stress. Thomas and Tymon (1994) found that competence is related to lower levels of strain in a sample of managers. They also found that impact was strongly related to reduced stress, but not related to work performance. Laschinger, Finegan and Shamian (2001) identified that high levels of psychological empowerment i.e. a greater sense of meaning in their work, greater confidence, more autonomy and a greater belief that they can have an impact on their work and their work settings strongly influenced job strain. Li, Chen and Kuo (2008) also argued that psychological empowerment was found to be significantly associated with work stress

Many studies showed an inverse relationship between job stress and satisfaction. Flanagan (2006) found that job stress was a significant predictor of job satisfaction. Similarly according to Aghdasi, Kiamanesh and Ebrahim, (2011) occupational stress had a direct negative effect on job satisfaction. Some studies show a reverse relationship between job satisfaction and job related stress. Rahman and Sen (1987) in a study of two groups of workers who were highly satisfied and less satisfied indicated that the low satisfied workers experience more stress and described their job more unfavourably than the highly satisfied workers. Heslop, Smith, Metcalfe, Macleod and Hart (2002) suggested that there was an association between job satisfaction and perceived stress. Similarly Rahman and Sen (1987) also investigated the effect of job satisfaction on stress, performance and health in self-paced repetitive work and found that low satisfaction leads to high stress. Spector et al. (2004) studied that long working hours in the organization increase the stress among the employees. Thus these studies show that there is a relation between job satisfaction and job related stress.

These arguments give theoretical and empirical support for the relationship between Psychological Empowerment and Job Satisfaction; Psychological Empowerment and Job Related Stress; and Job Satisfaction and Job Related Stress. The proposed model (Figure 1.1.) shows the hypothesized relationship, both direct and mediating, between the three variables: Psychological Empowerment, Job Satisfaction and Job Related Stress. In other words, an attempt is made in the present study to find out whether there is any positive relationship between the overall construct of Psychological Empowerment and Job Satisfaction; whether there is a negative relationship between Psychological Empowerment and Job Related Stress; and whether there is a negative relationship between Job Satisfaction and Job Related Stress. This study also attempts to find out the mediating effect of Job Satisfaction in the relationship between Psychological Empowerment and Job Related Stress.

It is clear from the figure 1.1 that there are three direct relationships and one mediating relationship presumed in the conceptual model. In the relationship between Psychological Empowerment and Job Satisfaction, Psychological Empowerment is the independent variable and Job Satisfaction is the dependent variable. In the relationship between Psychological Empowerment and Job Related Stress, Psychological Empowerment is the independent variable and Job Related Stress is the dependent variable. In the relationship between Job Satisfaction and Job Related Stress, Job Satisfaction is the independent variable, and Job Related Stress is the dependent variable. At the same time, when we take all the three variables together, Psychological Empowerment is the independent variable, Job Related Stress is the dependent variable and Job Satisfaction becomes the mediator in the model (figure-1.1).



**Figure 1.1 Research Model of the Study**

### **1.3 Rationale of the Study**

This study focuses on psychological empowerment of employees in banking sector because of the reasons stated below:

Firstly, very little research has been conducted in understanding empowerment as a psychological construct. Majority of the studies have been conducted on the various empowerment practices in the organizations.

Secondly, there is no empirical evidence that the empowerment practice will create a subjective feeling of empowerment within the individual. Employee empowerment will be effective only if the employees actually experience the empowerment. Even if the organizations have the empowerment practices like providing power and open communication it is not necessary that the employee is empowered. Empowerment describes only the condition of work environment. It does not describe employees' response to these conditions. These responses form the basis for psychological empowerment (Sprietzer, 1995a).

Thirdly, majority of the studies in psychological empowerment are carried out in manufacturing sector. Studies in hospitality sector are concentrated on hotel industry and hospitals. Zimmerman (1995) states that empowerment takes different forms in different contexts. There is no much study investigating the effect of psychological empowerment in banking sector.

These deficiencies in the research related to the construct of psychological empowerment shows the requirement for more empirical research and it would be more appropriate if conducted in banking sector.

#### **1.4 Research Objectives**

This study is an attempt to analyze Psychological Empowerment in relation to Job Satisfaction and Job Related Stress among the employees of various Private sector banks, Public sector banks and new generation banks in Kerala. The objectives of the study are:

- 1) To assess the dimensions of psychological empowerment among the bank employees.
- 2) To determine the relationship of overall psychological empowerment and its dimensions with job satisfaction.
- 3) To study the relationship between job satisfaction and job related stress.
- 4) To determine the mediating role of job satisfaction while considering the relationship between psychological empowerment and job related stress.
- 5) To find out whether existence of psychological empowerment have any association with the demographic background of employees such as age, gender and education and level of employees.

## **1.5 Significance of the Study**

Little empirical work has been done on empowerment, although it has been discussed by several management scholars (Conger and Kanungo, 1988). Empowerment literature also reveals a lack of interest in the employee's perspective of empowerment. Although a few previous studies have examined empowerment from the employee's perspective (Spreitzer, 1995, 1997; Corsun and Enz, 1999) majority of the empirical work has been focused on management perspectives (Brymer, 1991; Bowen and Lawler, 1995; Lashley, 1999; Psoinos and Smithson, 2002). This study will be of importance from academic point of view, as the results of this study may enrich the literature of empowerment with respect to employees' perspective.

Significance of service sector has been increasing and the sector has become highly competitive in terms of both investment and in terms of services provided. In India banking sector has undergone drastic changes due to liberalization and globalization. Research reveals that bank employees are facing high degree of dissatisfaction and stress (French and Caplan, 1972, Beehr and Newman, 1978). If this study proves that psychological empowerment can increase the job satisfaction thus reducing the job related stress, findings can be applied in the banking sector by taking measures to empower the employees and thus increasing the satisfaction and reducing the stress level of employees in the banks, which ultimately lead to organizational effectiveness.

## **1.6 Scheme of the study**

The thesis is organized under seven chapters. Chapter I provide the framework of the research. This includes statement of the problem, research objectives, definition of the terms and significance of the study. Chapter II

describes the conceptual frame work of the study. Chapter III compiles previous research on psychological empowerment, job satisfaction and job related stress and psychological empowerment research related to service sector especially banking sector. Chapter IV states the hypotheses and methodology of the study. Tools used to measure the variables are also discussed in this chapter. Chapter V presents analysis of data using appropriate tools. Chapter VI provides the major findings and discussions of the study. Finally, in Chapter VII a summary, implication of the major findings of this study and conclusion are presented. The implications for future research are also discussed.

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**CONCEPTUAL FRAMEWORK**

<i>Contents</i>	2.1	<i>Empowerment</i>
	2.2	<i>Psychological Empowerment</i>
	2.3	<i>Job Satisfaction</i>
	2.4	<i>Job Related Stress</i>
	2.5	<i>Banking Sector in India</i>

This chapter provides a theoretical body of knowledge related to the three variables of the study, namely psychological empowerment, job satisfaction and job related stress. This includes current view concerning the beginning of empowerment, different perspectives of empowerment, psychological empowerment, models of psychological empowerment, barriers to empowerment, antecedents of employee empowerment, consequences of employee empowerment and measuring of the empowerment. The definition, models and theories of other two variables job satisfaction and job related stress are discussed. The factors determining job satisfaction and measuring of job satisfaction and a brief summary of banking sector in India are also included.

**2.1 Empowerment**

Empowerment is a new employee involvement initiative controlled and implemented by management to enhance employee commitment and to increase the quality of product and services (Lashley, 1995; Wilkinson, 1998). Employee Empowerment has received recognition in management circles because it is one of the fundamental elements of managerial and organizational effectiveness that increase when power and control are shared in the organization (Ergeneli et al., 2007). Today, more than seventy percent of

organizations have adopted some kind of empowerment initiative at least for a part of their workforce (Lawler, Mohrman and Benson, 2001). In the last decade empowerment has become particularly important for services, aiming to control or enhance service quality and customer satisfaction at the point of service production (Klidas et al., 2007).

### **2.1.1 The Beginning of Empowerment**

There is a little bit of confusion about the beginning of the concept of employee empowerment. The concept of empowerment is derived from theories of participative management and employee involvement (Spreitzer et al, 1997). The confusion emerges from the different positions taken by scholars. For example some scholars hold the view that Elton Mayo's Hawthorne Studies serve as foundation for the concept of employee participation (Herrenkohl, Judson and Heffner, 1999). Some researchers claim that the Human Relation School of Thought (1930) is the root of empowerment (Korunkonda, Watson and Raj Kumar, 1999). Job Enrichment focused on increasing control and decision-making in one's work whereas the literature on job autonomy, addressed another component of what is today referred to as employee empowerment [(Herzberg, Mausner et al., 1959; Herzberg, 1968) as cited by Linda Honold, 1997]. Mc Gregor's Theory Y concept also states that an employee is capable of self-control.

The idea of empowerment has been around for hundreds of years. But management practitioners began to use the term empowerment in business organizations only from 1970s (Klose, 1993). Prior to 1990 empowerment could only be accessed through concepts such as participative management, total quality control, individual development, quality circles, and strategic planning (Sullivan, 1994). Some studies (Kanter, 1977) showed the importance of sharing of power and control, in increasing organizational effectiveness.

Research on the team dimension of empowerment (Beckhard, 1969); leadership approach that empowers subordinate (Bennis and Bert, 1985) and employee participation (Lawler, 1992) also led towards the evolution of the new concept called employee empowerment.

### **2.1.2 Different Perspectives of Employee Empowerment**

The literature on employee empowerment can be looked upon from different perspectives. Over the last two decades, two different, yet interrelated theories have been emerged in the literature of empowerment (Liden and Arad, 1996; Hardy and Leiba-O'Sullivan, 1998; Spreitzer, 1997). One is macro and the other micro in orientation. The macro orientation is referred to as the relational approach or social structural approach to empowerment and the micro orientation is referred to as the motivational or psychological approach to empowerment (Conger and Kanungo, 1988). The relational approach emphasis the idea of sharing power between managers and subordinates with the aim of pouring relevant decision-making power to lower levels of the organizational hierarchy (Liden and Arad, 1996) where as psychological approach focuses on how the individual perceives about their role in the organization.

Some researchers such as Laschinger et al. (2001) and Seibert et al. (2004) have viewed empowerment from a multidimensional perspective also.

#### **2.1.2.1 Relational or Social Structural Perspective of Empowerment**

Much research has been conducted on social structural perspective of empowerment. In the structural view, the underlying principle is that employees will behave in an empowered way by making necessary changes at structural level. Here the relationship between the manager and subordinate are examined in terms of the distribution of power. They are mainly focused at unit level and firm level. Kanter's (1977) Men and Women Corporation was a classic study in the development of social-structural theory of empowerment. In this

perspective empowerment is defined as having power in the organization (Burke, 1986). Power means ability to take decision regarding one's own job and to have authority over the resources of the organization. (Lawler, 1992) Here empowerment is viewed as a relational construct. Empowerment as a relational construct is defined as the process by which leader or manager shares his or her power with subordinates. It is about sharing of power through delegation of responsibility (Conger and Kanungo, 1988). Thus, relational approach gives the employees more freedom for performing their job. This perspective has received considerable attention in the literature largely through research on participative management, decision making, employee involvement, delegation and power distribution [(e.g., Cotton, Vollarth, Froggatt, Lengnick-Hall and Jennings, 1988; Dachler and Wilpert 1978; Locke and Schweiger,1979) as cited by Spreitzer,1992].

Bowen and Lawler (1995) have framed a well-known social-structural model of empowerment. They defined empowerment as sharing various organizational factors like information, power, reward and knowledge, with employees in the lower level of the organizational hierarchy. This can be implemented in three levels-first level is allowing the employees to suggest, second level is job involvement by reducing intensive supervision and the third level is high involvement which include direct participation of employees. Some practices that point out a high involvement include participative decision-making, open flow of information, flat organizational structures, training and knowledge-based pay. Each of these practices contributes to employee empowerment by increasing access to opportunity, information, support, or resources (Sprietzer, 2007). The real impact comes from the interaction and reinforcement of all these practices (Lawler, 1996; Mac Duffie, 1995).

The social-structural perspective emphasizes the importance of changing organizational policies, practices and structures (Bowen et al., 1995). This perspective focuses on how organizational and other forces can eradicate the conditions that foster powerlessness in workplace by sharing of power between superiors and subordinates (Liden and Arad, 1996). Konzack et al. (2000) developed the Leader Empowering Behavior Questionnaire to study the relational approach. It measured various empowering behaviours of managers like skill development, delegation of authority, accountability, self-directed decision making, information sharing, and coaching for innovative performance.

The concept of empowerment can be classified into five main types such as upward problem solving, task autonomy, self management, attitudinal shaping and information sharing (Wilkinson, 1998). Bartunek et al. (1999) found that participation of employees were imperative for introducing empowerment in organizations. This perspective is democracy in organization (Prasad, 2001). According to Daft (2001), in an environment characterized by intense competition and new technology, many top managers believe that giving up centralized control will promote speed, flexibility and decisiveness in employees' actions. Employee involvement is very important in organizations which have a team environment. The empowered team can control their work (Lawler, 1992). Based on Lawler's principles, Cohen et al. (1996) suggested that the organizations having self-managing teams should focus on employee involvement. Thus different studies use different terms like power, decision making, authority, self managing teams, employee involvement, and employee participation as synonyms for empowerment (Conger and Kanungo, 1988; Lawler, 1992; Cohen et al., 1996). But this perspective does not view empowerment from the employee's point of view.

### **2.1.2.2 Motivational or Psychological Perspective of Empowerment**

The psychological perspective focuses on perceptual or psychological dimensions of empowerment (Liden et al, 2000). The structural view of empowerment fails to explain the biases which are inherent in perception (Jones, 1990) and cannot assure the empowerment felt by the employees. Psychological perspective lays emphasis on employee's perception and experience on empowerment. The work of Conger and Kanungo (1988), Thomas, and Velthouse (1990) etc. have contributed towards clarification of the psychological approach to empowerment. According to Spreitzer (1996) worker's interpretation and the perceptual realities is what matters and not the efforts taken by the management.

The employees' attitudes and perceptions of the work environment are a necessary intervening variable in any model of the empowerment process (Robbins *et al.* (2002). In this approach, the emphasis is upon perceptions and beliefs of power, competence, control and self-efficacy (Psoinos and Smithson, 2002). According to Mishra and Sprietzer (1998), people get involved in activities and behave confidently when they judge themselves capable of handling situations which would otherwise be threatening. This approach is also called psychological empowerment. Psychological empowerment is the main variable of the study. It is discussed in detail in section 2.2

### **2.1.3 Antecedents of Employee Empowerment**

Organizations can empower the employees and increase the effectiveness of the organization. Research studies on structural approach have identified some pre-requisites that facilitate and encourage empowerment efforts. But there is lack of consensus on how it is to be done.

Conger and Kanungo (1988) discussed several sets of contextual factors that could affect one's self-efficacy and, thus, empowerment. They are

organizational factors, including poor communication and network forming systems, job design including lack of role clarity and unrealistic roles, supervisory style including negativism and high control and reward system including lack of competence based rewards. Empowerment requires people to make decisions about their work, and to take the appropriate actions to carry out these decisions. All the factors mentioned above hinder the implementation of effective empowerment. Chiles and Zorn (1995) found that lack of relevant information from management, strict atmosphere and negative communication with management, negatively affected empowerment of the organization.

Kirwan (1995) states that there are four key ingredients for an empowerment programme to succeed. They are top management support, reward, training and the programme should warrant fanfare. Randolph (1995) similarly stated that the three keys to empowerment include sharing information, communicating a vision, and teamwork. Other researchers identified autonomy, skill and knowledge, self esteem and internal locus of control as the antecedents of employee empowerment

According to Spreitzer (1995a), organizational structure, organizational support, access to strategic information, organizational resources and organizational culture are identified as antecedents of employee empowerment. Quinn and Spreitzer (1997) also identified various organizational factors, which affected the empowerment. They insisted that the employees understood the vision and goals of top management and have good communication with management. According to them, employees had to believe that they can work together with each other to solve problems, in order for them to be willing and able to take empowered actions. The organization should also emphasize on openness and teamwork. The Japanese organizations have identified several global standards in human resource management practices. They are Open lines of communication, Clear job objective, Transparent organizational culture, Shared ethical values, Scope for creative world,

Leadership at all levels, Open and fair appraisal system, Equal code of conduct, Self-efficacy and Sharing responsibility.

In order for employee empowerment process to be successful the following six pillars should be put in place by management: resource, coaching, alignment, information, climate and training of employees (Ongori *et al.*, 2008). Ghani *et al.* (2009) determined five factors as antecedents to empowerment in private higher education institutions i.e. access to information, resources, organizational support, and opportunity to learn and develop, and trust. According to Bordin *et al.* (2007), employee participation, supervisory social support, job security and access to information had a major role in predicting psychological empowerment.

After reviewing prior research, the following can be considered as the empowerment antecedents:

- 1) **Information Sharing:** Kanter (1977) suggested that in order to be empowering, organizations must make more information available to more people at more levels through more devices. Information is an important antecedent to psychological empowerment (Chiles and Zorn, 1995; Randolph, 1995; Ghani *et al.*, 2009; Bordin *et al.*, 2007). Information about the organization's reward and information about performance can also boost empowerment in organizations (Spreitzer, 1995a).
- 2) **Open communication:** For the employees to interact at all levels of hierarchy, open communication should be provided in the organization Conger and Kanungo 1988; Randolph, 1995).
- 3) **Top Management Support and Supervisory Support:** Top management should have a positive attitude towards empowerment. Employees who get high supervisory social support are more empowered than others who don't get (Spreitzer, 1996; Kirwan, 1995; Bordin *et al.*, 2007).



- 4) **Access to resources:** Access to various critical organizational resources like material, fund etc. may lead to feelings of personal control and ultimately a sense of empowerment (Hodson, 1991; Ghani et al., 2009).
- 5) **Opportunity for Self- Development:** Opportunity given to employees for developing the skills and talents of employees will facilitate the employees to develop their potentials and capabilities thus enabling them to take decisions more effectively.
- 6) **Autonomy:** Autonomy gives some discretion to take decision on job related matters and provides for self-development and increases the satisfaction level of employees thus leading to empowerment.
- 7) **Teamwork:** Quinn and Spreitzer (1997) identified that among organisational characteristics, teamwork is essential for empowerment. Randolph (1995) also suggested teamwork as a key to empowerment.
- 8) **Self- esteem and Locus of Control:** Spreitzer (1995a) also included these two important personality traits as antecedents to empowerment.
- 9) **Employee participation:** Employees should be included in decision-making and there should be more prominence on individual initiative for enhancing empowerment. Employee participation is an essential antecedent of employee empowerment (Bordin et al., 2007). Spreitzer (1996) argues that a participative climate can promote feelings of psychological empowerment.
- 10) **Training for employees:** Adequate training is to be given to employees before the implementation of empowerment (Ongori et al., 2008; Kirwan, 1995).
- 11) **Rewards and Incentives:** Individual performance based rewards are found to be important for empowerment because a) these recognize and

reinforce personal competencies and b) provide individuals with incentives for participating in the decision making processes and impacting them (Conger and Kanungo,1988; Kirwan,1995).

#### **2.1.4 Outcome of Employee Empowerment**

Various studies have proved that the outcomes of employee empowerment include job satisfaction (Seibert et al., 2004; Jun and Lee,2000; Fuller et al.,1999; Bordin et al., 2007); job involvement (Menon, 2001); organizational commitment (Liden et al,2000; Bordin et al., 2007; Menon, 2001); extra-role behavior (Menon, 2001); reduced turnover intent, better performance, productivity and higher service quality (Gralis and Terziovski, 2003; Lashley, 1995b); innovation, upward influence, self-efficacy and managerial effectiveness (Sprietzer,1995) and more responsive customer service (Hellriegel et al., 1999). Empowerment has a direct influence on the intrinsic satisfaction derived from work in a productive function within the industry. Empowerment can also lead to strong sense of self- esteem among employees (Greasley et al., 2005).

Managerial effectiveness and innovative behaviour are also considered as outcome of psychological empowerment. Thomas and Velthouse (1990) argued that empowerment will increase concentration, initiative and resiliency and thus improve managerial effectiveness. When employees are considered individually, as the individuals believe they are autonomous, they are likely to feel less constrained than others and will be more creative (Amabile, 1988).

#### **2.1.5 Barriers to Empowerment**

The research into barriers of empowerment revealed that the organizations may face different kinds of difficulties while empowering the employees. The superiors and subordinates may resist empowerment at certain stages. The barriers to empowerment can be grouped under six headings. They include

information and transparency, fear and risk factor, mutual trust, down-sizing, lack of clarity, and negligent use of power.

**Information and transparency:** Some organizations implement empowerment without providing adequate information and training to the employees. Training is especially relevant for employees when they are not willing or capable of being empowered. Some managers retain their power by maintaining the information from the subordinates (Conner; 1997). The shareholders also may not be aware of the purpose of empowerment in the organization.

**Fear and Risk Factor:** The superiors or managers may be reluctant to the implementation of empowerment because they fear that they may have to give up their power to the subordinates and that the subordinate will have an upper hand in the organization. They also fear of loss of control, loss of their jobs and exposure of their inabilities to top management. Employees also fear empowerment because of their lack of ability to be empowered. All the employees may not be equally capable to use the power for decision-making and to take up accountability and high involvement of the job. They may also resist because of the fear of taking up more responsibility (Johnson; 1994). When decision-making power is given to the employee, there are chances that the employee may become over confident and make wrong judgments.

**Mutual Trust:** Mutual trust forms the basic ethical foundation of empowerment. The employees may resist empowerment because sometimes they believe that empowerment is just another technique of the management to exploit the employees. Empowerment may be viewed as a tool to manipulate the employees and get greater organizational commitment from them. It can be argued that management increases the work load using the technique of democracy. The employees may feel under-compensated, under-praised, and under-appreciated. They feel that empowerment is only for the benefit of the organization and may not accept empowerment.

**Downsizing:** The organizations implement empowerment at the time when there is an economic slowdown, to increase the effectiveness of the organization. Downsizing occurs due to economic slowdown, introduction of new technology, restructuring etc. So at times empowerment and downsizing may occur simultaneously and the employees link the two. When organizations implement empowerment employees believe that there will be a downsizing which will lead to loss of job and thus they resist the change. Managers also believe that empowerment and downsizing may lead to flat organizational structure thus reducing their power and status (Adler; 1993).

**Lack of clarity:** Managers do not really understand what employee empowerment means. As the exact meaning of empowerment is not clear, the managers may not know how to implement empowerment. Managers fail to establish boundaries for employee empowerment. Sometimes managers define the decision making authority and boundaries with staff, but micromanage the work of employees without giving them any freedom. The employees also do not know the extent to which they can use the freedom.

**Negligent use of power:** The discretion given to the employees may be exploited by the employees for running personal errands. The flexibility in the time may be misused for personal purposes. Using the power given for personal gain can reduce the quality and quantity of performance of the employees. This shows that in spite of its popularity, empowerment is surrounded by numerous obstacles.

## 2.2 Psychological Empowerment

The psychological perspective of empowerment is known as Psychological empowerment. Psychological empowerment is the belief that one has necessary knowledge and skills to perform the job well that can make a difference in the organization (Sprietzer, 1995a). Researchers from psychological perspective say that psychological empowerment can be enhanced by change in both the internal

mental aspects of the employee and the external work environment. Psychological empowerment is a reflection of the ongoing ebb and flow of employee's perceptions and attitudes about their work environment.

### **2.2.1 Models of Psychological Empowerment**

Several researchers like Conger and Kanungo (1988), Thomas and Velthouse (1990), Spreitzer (1995a), Menon (2001) etc. have developed different models for psychological empowerment. These models are summarised below.

#### **2.2.1.1 Empowerment in the view of Conger and Kanungo**

The work of Conger and Kanungo (1988) is often considered as a starting point in literature on psychological empowerment. They were the first to criticize the approach to empowerment which only concentrated on sharing of power and delegation of authority. Bandura's (1997) self-efficacy theory is the base of Conger and Kanungo's approach to empowerment. Self-efficacy theory states that people who believe in themselves that they are capable can set more challenging goals (Bandura 1997; Locke and Latham 1990). Conger and Kanungo (1988) defined empowerment as "a process of enhancing the feelings of self-efficacy among organizational members through the identification of conditions that foster powerlessness and through their removal by both formal organizational practices and informal techniques of providing efficacy information".

According to them, the effect of empowerment is the initiation and persistence of behaviour by empowered employees to accomplish task objectives. They clearly distinguished empowerment interventions and the feeling of being empowered. Conger and Kanungo (1988) identified five stages while explaining the process of empowerment (Shown in Table 2.1): (a) Conditions leading to a psychological state of powerlessness which include organizational factors, reward system, supervision and nature of job,

(b) The use of managerial strategies and techniques like participative management, job enrichment, feedback system, goal setting, competence based reward, modeling, (c) To provide self-efficacy information to subordinates using four sources like enactive attainment, vicarious persuasion, vicarious experience and emotional arousal till they overcome the state of powerlessness, (d) Results in empowering experience of subordinates were the sub-ordinates are empowered, (e) Leading to behavioural effects which result in accomplishment of task.

In the first stage four main conditions are specified leading to a psychological state of powerlessness. The first condition include organizational factors such as access to relevant information, labour problems, available equipment within the organization, and technological changes, second condition the supervisory style like high control, some control and non controlling, third, the reward system and the fourth the job design such as lack of role clarity, lack of meaningful goals etc.. They stated that these conditions cause powerlessness in organizations

In the second stage of the model Conger and Kanungo suggested that by implementing management techniques like goal setting, modeling, participative management etc. employees can reduce the feeling of powerlessness they experienced in the first stage. According to them, in the third stage, employees can use the technique of Bandura (1989). The employees are provided with self-efficacy information by using enactive attainment, vicarious experiences, verbal persuasion and emotional arousal thus removing the conditions of powerlessness. This will make the employees empowered in the fourth stage. The empowering experience in the fourth stage leads to behavioural effects of subordinates. Thus the subordinates are enabled and their self-efficacy is believed to be increased. The initiation and persistence of behaviour leads to accomplishment of objectives.

**Table 2.1 The Process of Empowerment by Conger-Kanungo (1988)**

Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Conditions leading to a psychological state of powerlessness	The use of managerial strategies and techniques	To provide self efficacy information to subordinates using four sources	Results in empowering experience of subordinate	Leading to behavioral effects
<ul style="list-style-type: none"> <li>▪ Organizational Factors</li> <li>▪ Supervision</li> <li>▪ Reward System</li> <li>▪ Nature of</li> </ul>	<ul style="list-style-type: none"> <li>▪ Participative management</li> <li>▪ Goal setting</li> <li>▪ Feedback system</li> <li>▪ Modeling</li> <li>▪ Contingent/ competence based reward</li> <li>▪ Jobenrichment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Enactive attainment</li> <li>▪ Vicarious experience</li> <li>▪ Vicarious persuasion</li> <li>▪ Emotional arousal</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strengthening of effort performance expectancy or belief in personal efficacy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Initiation/persistence of behavior to accomplish task objectives</li> </ul>
		Remove conditions listed under section 1		

**2.2.1.2 Thomas and Velthouse -Cognitive Model of Empowerment**

Thomas and Velthouse (1990) argued that the concept of empowerment is much more complex and could not be fully explained in a one dimensional construct such as self-efficacy. They defined empowerment as a set of cognitions that helps to create an active-orientation to one’s job. They put forth a cognitive model of empowerment. In this model, they proposed four psychological cognitions or task assessment that contributes to a person’s intrinsic motivation towards a task. Thomas and Velthouse’s (1990) cognitive model was different from Conger and Kanungo’s model in three different ways.(1). The empowerment is defined as intrinsic task motivation, (2) Task assessment has been identified in which self efficacy is only one of the four cognitions, (3) An interpretive perspective is given to empowerment. The four

psychological cognitions of Thomas and Velthouse's (1990) model are impact, competence, meaningfulness and choice. Thomas and Velthouse (1990) considered that six key variables influence these cognitions. They included environmental events, task assessments, global assessments, interpretative styles, behaviours and interventions.

According to Thomas and Velthouse (1990), **Impact** is the degree to which behaviour is seen as 'making a difference' in terms of accomplishing the purpose of the task (Thomas and Velthouse, 1990). It is the degree to which a person can make a difference in strategic, administrative or operational outcome at work (Ashforth, 1989); **Competence** is the degree to which a person can perform his or her job efficiently when he or she tries (Thomas and Velthouse, 1990). It is a person's belief in his or her own capacity to perform the job skillfully (Gist, 1987). This dimension put forward by Thomas and Velthouse is analogous to self-efficacy described by Conger and Kanungo; **Meaningfulness** is the value of a work goal or purpose. It involves the individual's intrinsic caring about a given work (Thomas and Velthouse, 1990) and **Choice** involves causal responsibility for a person's actions. Thomas and Velthouse (1990) suggest that environmental factors such as leadership, delegation, job design, and reward systems influence the feeling of empowerment. It is the person's choice in initiating and regulating his own actions (Deci, Connell and Ryan, 1989)

### 2.2.1.3 Spreitzer's Model of Empowerment

Using the Thomas and Velthouse model as foundation, Spreitzer (1995a) operationalised it by developing a scale to measure the four components of empowerment. Spreitzer renamed meaningfulness cognition to 'meaning' and choice cognition was renamed to 'self-determination'. Spreitzer (1995a) conducted a study in an industrial firm and an insurance company. She found that the four dimensions of psychological empowerment, namely meaning,



competence, self-determination and impact, combine additively to create an overall construct of psychological empowerment which result in managerial effectiveness. She also found that the absence of any one dimension will reduce the effect of empowerment but will not completely eliminate the overall effect of empowerment experienced. Similarly Spreitzer et al. (1997) found that one dimension of empowerment alone was not associated with organizational outcome such as effectiveness, satisfaction, and low job-related strain. They concluded that if an organization has to achieve its outcome such as effectiveness, satisfaction, and low job-related strain the employee must experience all four of the empowerment dimensions. To ensure that these four dimensions truly captured the essence of empowerment, Spreitzer (1997) distilled the interdisciplinary literature on empowerment, drawing various aspects from psychology, sociology, social work and education. She found wide support for these four dimensions of empowerment across the literatures. Based on these results, she further refined these four dimensions.

For the purpose of this study, these four dimensions of psychological empowerment have been discussed in detail.

**a) *Meaning***

Meaning involves a fit between the needs of a person's work role and his or her beliefs, attitudes, values and behaviours. This term is similar to one of the critical psychological states in the Job Diagnostic Survey of Hackman and Oldham (1975) named as meaningfulness. It is the value of work goal and purpose as perceived by the individual in relation to his own personal mission and expectation (Spreitzer, 1995b; Brief and Nord, 1990; Hackman and Oldham, 1980). According to Mishra and Spreitzer (1998), 'meaning' reflects a sense of purpose or personal connection to work. Work is seen as meaningful when the task is congruent with the beliefs, attitudes, and values that employees care about and see as important (Quinn and Spreitzer, 1997). It is described as

the value of a work goal or purpose judged in relation to an individual's own ideals or standards (Thomas and Velthouse, 1990).

If the person perceives the task to be performed as something important, then the task becomes meaningful and if the task is perceived as unimportant the task becomes meaningless. The employee will be committed to his job if he perceives the job as meaningful where as he will move away from the job and will not be interested in the job if he considers the job as less meaningful (Thomas and Velthouse, 1990). When the organizational mission and goal are congruent to their own value system, employee will feel that their work is important and they care about whatever they do (Spreitzer, 1995b; Thomas and Velthouse, 1990). According to Hackman and Oldham (1975), meaning is one of the three critical psychological states for intrinsic task motivation. It involves not only intrinsic caring about the job, but also external factors affecting people's cognitions about how they feel are also important.

**b) Competence**

Competence stems from the work of Bandura (1977, 1989) on self-efficacy, the belief that one can successfully perform a given behaviour. Competence is the degree to which a person can perform task activities skillfully when he or she tries (Thomas and Velthouse, 1990). When the self-efficacy of an individual is high, they will be more committed in achieving difficult goals, they will be more determined to succeed when they fail to achieve a task, and will try hard to achieve greater performance levels (Goodale et al., 1997). Competence refers to the self-efficacy specific to work i.e. ability of an individual to perform his/her job activities with the needed knowledge and skill (Spreitzer, 1995b). This dimension is named as competence instead of self-esteem because it is the efficacy specific to the individual's work role.

For individuals to feel empowered they must have a sense of self-effectiveness or personal competence (Bennis and Nanus,1985; Conger and Kanungo,1988) Conger and Kanungo (1988) state that competence is knowledge that an individual possess the skills needed to perform his/her job successfully in certain context. On the other hand, Thomas and Velthouse (1990) refer to competence as how far an individual can perform his/her job using high level of skill. Competence is the capability of a person to perform a task successfully ( Spreitzer, 1995b ) Thus, the individual believes in his or her skills and abilities, that he or she can perform the task and influence the work and organization effectively and competently. Employees feel competent when they are confident about their ability to do their work well and know they can perform (Quinn and Spreitzer, 1997)

**c) *Self-determination***

Self determination reflects autonomy in the limitation and continuation of work behaviours and process (Bell and Staw 1989, Specter, 1986). Where competence reflects a mastery of behaviour, self-determination reflects a choice of behaviour. Empowered individuals believe that they have personal direction concerning the methods used to perform their role in the system (Sprietzer, 1992). To be self-determining means to experience a sense of choice in initiating and regulating one's own action (Deci, Connell and Ryan, 1989). A supporting work environment can increase the employees' autonomy and interest in their work. Employees that have autonomy will make more rational choices, and arrange their own actions (Deci et al., 1989).

Spreitzer (1995b) defines self-determination as autonomy in performing one's job and the ability to choose how to behave in various job related situations (Spreitzer, 1995b). It is the opportunity to select the tasks that make sense and to perform these tasks in ways that seem appropriate to the person (Quinn and Spreitzer, 1997). It reflects autonomy in decision- making process

in performing his own work. Employees with feelings of self-determination in their work role are more likely to exhibit quicker and more appropriate responses in service recovery efforts on a consistent basis (Goodale et al., 1997). They feel a sense of control over the initiation and continuation of behavior and feel more responsible for their activities. Autonomy can be seen in making decision especially concerning work methods, procedure, time and effort (Spreitzer, 1995b).

**d) *Impact***

Impact is the extent to which one can influence events in an organization and work outcome and how far an individual believe that he/she can influence the strategic output, management and operation in the workplace ( Spreitzer, 1995b; Ashforth, 1989). It is the belief that individuals can influence the system in which they are embedded (Mishra and Spreitzer, 1998). Impact may seem to be similar to locus of control, but, it is different because locus of control is a global personality characteristic whereas impact is influenced by the work context (Spreitzer, 1995a). Quinn and Spreitzer (1997) state that impact is the triumph one feels in achieving goals. It involves creation of feeling in employees that they are really accomplishing something and that others listen to them.

It refers to the extent that an individual feel that he can make a difference and his work can affect the overall goal achievement. Employees feel a sense of impact when they perceive influence in decision making processes (Thomas and Velthouse, 1990). Where the third dimension, 'self determination' reflects control over behaviour, 'impact' reflects control over the outcome. Impact is influenced by the work context and is not a global personality characteristic that endures across situations (Wolfe and Robertshaw, 1982). The workers who believe that they can influence the outcome of the organization would expect to be able to use information about customer preferences and the organization'

s ability to meet customer needs, to impact departmental operations and perceived service quality (Goodale et al., 1997). It is the extent to which an individual can have control over organizational outcomes.

These dimensions contribute additively to a state of psychological empowerment (Spreitzer, 1995a). Spreitzer (1995a) also added that non-existence of any single dimension will reduce the overall extent of empowerment. Similarly low rating in any dimension will also lower the overall empowerment. Therefore, higher ratings in all the four dimensions are needed to ensure a high level of empowerment (Lee and Koh, 2001). Spreitzer, Kizilos and Nason (1997) state that an individual needs to experience all four components of empowerment for both the personal and organizational benefits to occur.

According to Brancato (2006), a worker should understand the dimensions of psychological empowerment whereas Hancer and George (2003) suggested that the management should examine each dimension and take actions necessary to increase the level of employee perception towards the dimensions and thus increase the level of psychological empowerment experienced by employee.

According to Spreitzer (1995a) and Bandura (1989) the four dimensions jointly indicate an active, rather than a passive, orientation to a work function. By active orientation it implies an orientation in which an employee wishes and feels able to shape his or her work function or context. Bhatnagar (2005) further mentioned that these dimensions merge additively to create a total construct of Psychological Empowerment. Spreitzer, Kizilos and Nason (1997) state that an individual needs to experience all four components of empowerment for both the personal and organizational benefits to occur. (Spreitzer, 1995a) also concurs with the latter by adding that the lack of any

single cognition will reduce, though not totally eliminate, the overall extent of empowerment.

#### **2.2.1.4 Menon's view of Empowerment**

Menon (1999) has put forward an entirely new set of dimensions. He defined the psychologically empowered state as a cognitive state characterized by a sense of perceived control, perception of competence and internalization of goals.

Menon (2001) suggested that psychological empowerment is a psychological state which can be measured. According to him psychological empowerment is important because of various reasons. First, even though organizations introduce policies and practices to empower its employees, the real benefits of empowerment can be attained only if the employees actually experience or perceive empowerment i.e. the psychological state of empowerment. Second, while there are many actions that could be considered empowerment, the most proficient among them is to focus on the psychological state of the employee. Third, psychological empowerment acts as a mediator between the empowerment practices and behavioural and other outcomes like job satisfaction. The three dimensions that capture this conceptualization of psychological empowerment are subsequently derived, namely:

***Perceived control*** — It includes belief about authority, availability of resources, autonomy in decision making, autonomy in the scheduling of work and performance of work etc. This has a similarity to the 'choice' dimension of Thomas and Velthouse's model (1990) and 'self-determination' in Spreitzer's models (1995a).

***Perceived competence*** —It is defined as belief in one's capabilities to meet given situational requirement. It reflects role-mastery which not only includes accomplishment of assigned task but also handling non-routine role related situations.

**Goal internalisation** — It is defined as feelings of significance, community and enjoyment and ownership of organisational goals. Menon (2001) claims goal internalisation is a unique feature of this conceptualization. It has similarity to the meaning dimension put forward by Spreitzer (1995a).

### 2.2.2 Measuring Psychological Empowerment in Organizations

Various researchers have developed different tools to measure empowerment and some of the popular tools used for measuring empowerment are given below:

Spreitzer (1992, 1995a) developed a 12-item scale to measure psychological empowerment. It measures each of the four dimensions put forward by Spreitzer. The meaning item was taken from Tynon (1988). The competence scale was adopted from Jones (1986). Hackman and Oldman's (1975) autonomy scale was used to create the measurement of self-determination and the impact scale was taken from Ashford's (1989) helplessness scale.

Fulford and Enz (1995) modified the scale constructed by Spreitzer, (1992, 1995) to measure service employees' feeling of empowerment. A three factor structure was identified which included meaning, competency and influence. Lin (1998) developed a 33 item questionnaire and 6 point scale based on the following key characteristics of empowerment: empowering leaders, empowering culture, empowering practices and empowered employees.

Menon (1999) developed a 60-item questionnaire and a seven point scale to measure psychological empowerment. The seven-point scale covered three dimensions of perceived competence, goal internalization and perceived control. Sample items include: "I have the skills and abilities to do my job well"; "I have the competence to work effectively"; "I am inspired by the goals of the organization".

Konczak, L. J., Stelly, D. J. and Trusty, M. L. (2000), developed Leader Empowerment Behaviour Questionnaire (LEBQ) to measure whether the

managers show empowering behaviour that facilitate the perception of psychological empowerment within employees. It measures six dimensions: decision-making, information sharing, skill development and coaching for innovative performance, delegation of authority and accountability.

Matthews Russell A, Diaz Wendy Michelle and Cole Steven G. (2003) developed an Organizational empowerment scale (OES), a 19 item scale with both positively and negatively phrased statement that measure empowerment in an organization with three specific dimensions of DSF (Dynamic Structural framework), CWD (Control of workplace decisions) and FIS (fluidity in information sharing). The OES was validated against Spreitzer's (1995a) psychological empowerment scale.

## **2.3 Job Satisfaction**

Job Satisfaction is considered as an important motivator. Studies have revealed that employees' attitudes and feelings towards their jobs and/or job experiences have been found to have significant effect on their performance. Hawthorne studies conducted by Elton Mayo and his associates states that psychological and social influences were more effective than changes in wages and hours which had been considered as the prime matter of importance for a long period of time by the managers. Job satisfaction is especially important for service industry employees because it is assumed that if employees are satisfied with their job in service industry then only they can satisfy their customers. It is not the customers alone who should be satisfied but the employees of the organization should also be satisfied in order to get customer satisfaction.

### **2.3.1 Definitions of Job Satisfaction**

The pleasurable emotional state arising from the appraisal of one's job or job experiences is called job satisfaction (Locke, 1976). That is, when a person



values a particular facet of a job, his satisfaction is greatly impacted positively, when expectations are met and negatively, when expectations are not met, compared to one who doesn't value that facet.

Job satisfaction or dissatisfaction is a function of perceived relationship between what one expects and obtains from one's job and how much importance or value he attributes to it (Kemelgor, 1982). According to Lawler (1990), job satisfaction refers to people's feelings about the rewards they have received on the job. Hsiao and Kohnke (1998) defined job satisfaction as one's emotional response to a job that results from the person's expectations of the job and the reality of the job situation.

Job satisfaction is defined as an attitude that individuals have about their jobs which results from their perception of the jobs and the degree to which there is a good fit between the individual and the organization. Employees in flat organization where they have more control of their work and decision making power reports more job satisfaction (Ivancevich et al., 1997, 1980).

Spector (1997) described job satisfaction as how people feel about their jobs and different aspects of their jobs. Motivation to perform the job will increase, when people consider their jobs as meaningful and enjoyable. The nature of job satisfaction implies that an individual would tend to stay with a job which is satisfying him and quit a job which is dissatisfying him.

Susskind, Borchgrevink, Kacmar, and Brymer (2000) describes that job satisfaction represents the workplace and employees' perceptions of their job. Job satisfaction can be envisaged by levels of support an employee gets from his organization, the employment situation and employees' evaluation of the work climate in the organization.

### 2.3.2 Models and Theories of Job Satisfaction

Herzberg, Mausner and Synderman (1959) clearly explain a two-dimensional paradigm of factors affecting work attitudes that can be regarded as a theory base for job satisfaction. They emphasize about the factors characterizing events on the job that lead to extreme job satisfaction (intrinsic factors) and those lead to extreme dissatisfaction (extrinsic factors). Motivating or intrinsic factors refer to factors that stem from performing the work and from experiencing feeling of accomplishment like achievement, recognition, responsibility, and advancement. These are considered as strong determinants of job satisfaction. Hygiene or extrinsic factors are derived from the reward given to an employee like supervision, interpersonal relations, working conditions, and salary. These are dissatisfiers.

Traditional theory put forward by Hazer (1976) also explains about job satisfaction. This theory views the feeling of an individual as a whole which includes the environmental factors as well as the job related factors. According to this theory, an employee is neither satisfied nor dissatisfied with his or her job and the satisfaction and dissatisfaction are extreme opposite to each other.

Vroom's (1964) theory of job satisfaction explains the interaction between personal and workplace variables. He also incorporated the element of workers' expectations into his theory. The essence of this theory is that if workers perform better at work, then they will be compensated accordingly. The difference that occurs between expected compensation and actual outcome lead to dissatisfaction. Vroom's' expectancy theory states that human behavior is a function of three factors-the perceived value of the reward that certain behavior yield, the expectation in the doer that certain behavior will yield a reward and the probability that expresses perceived relationship between level of effort and level of performance.

In the discrepancy model job satisfaction is determined by the discrepancy between what employees want, value and expect and what the job actually provides. Thus the employees will experience dissatisfaction if there is a discrepancy between what they want and what the job offers. According to discrepancy model of job satisfaction, when the employees expectations are high about their job and when their expectations are not met, employees will be dissatisfied (Lee, 1992). Theories that focus on this aspect include Maslow's hierarchy of needs theory, ERG theory, Two-factor theory and McClelland's needs theory (Aamodt, 2004).

Job Characteristics Theory (Hackman and Oldham, 1976) suggests that personal and organizational outcomes are influenced by five job characteristics such as autonomy, task identity, task significance, skill variety and job feedback. Job Diagnostic Survey (JDS) was also developed by them to evaluate these characteristics. The researchers found that a mixture of these characteristics predicts the overall job satisfaction.

Quarstein, McAfee, and Glassman (1992) put forward situational occurrences theory where job satisfaction is determined by two factors: situational characteristics and situational occurrences. Situational characteristics are those factors like pay, supervision, working conditions, promotional opportunities, and company policies which the employee considers before accepting the job. The situational occurrences are those factors which take place after taking up the job. There can be a positive occurrence or a negative occurrence. Positive occurrences can be an extra vacation time which the employee gets after joining the organization while negative occurrences might be bad relationships with a co-worker.

The Core Self-evaluations Model, proposed by Timothy A. Judge, Edwin A. Locke, and Cathy C. Durham (1997) argued that there are four core self-

evaluations that determine one's disposition towards job satisfaction: self-esteem, general self-efficacy, locus of control, and neuroticism. This model states that higher levels of self-esteem and general self-efficacy and having an internal locus of control leads to higher job satisfaction whereas lower levels of neuroticism lead to higher job satisfaction.

### **2.3.3 Factors Determining Job Satisfaction**

Studies reveal that one attitudinal factor alone cannot measure job satisfaction. The basic factors determining job satisfaction can be broadly categorized into two: intrinsic factors and extrinsic factors (Buitendach and De Witte, 2005). Extrinsic factors include pay, physical working condition; working hours, job security work group, work itself, supervision etc. and intrinsic factors include personality, values, recognition, advancement etc. Research on job satisfaction has also identified certain personal or demographic variables like age, gender, tenure etc. which influence satisfaction.

#### **2.3.3.1 Extrinsic Factors**

Extrinsic factors are those factors beyond the control of the employee. All aspects of the job and organization can affect the job satisfaction of employees. Even though in earlier studies salary was not a predictor of job satisfaction, in later studies salary was found to be the most significant factor in determining job satisfaction (Kanungo, 1982; Derlin and Schnieder, 1994). Similarly in Spector's (1997) study, the correlation between the level of pay and job satisfaction tends to be surprisingly small. Later he suggested that it is the fairness of pay that determines satisfaction rather than the actual level of pay itself (Spector, 1996).

Employees, who enjoy their work, are more satisfied and motivated than employees who do not enjoy their work (Gately, 1997 as cited by Aamodt, 2004). Employees prefer jobs with variety and freedom. They also want regular feedback on their performance. Luthans (1995) stated that the content of the

work performed by employees is a major predictor of job satisfaction. Promotion serves as a source of satisfaction to employees. Research indicates that those employees who perceive that promotion decisions are made in a fair manner and through proper performance appraisal system are most likely to experience job satisfaction.

Research indicates that people who enjoy working with their supervisors will be more satisfied with their jobs (Aamodt, 2004). Studies have shown that employees who have positive interactions with supervisors are more satisfied at work (Vroom, 1982). According to Robbins (1989), job satisfaction will increase if the supervisor is emotionally supportive and willing to listen to the employees. Employees also prefer supervisors who give respect to them and satisfy their interpersonal needs. The workgroup itself is another source of satisfaction. The employees who have supportive co-workers will be more satisfied with their jobs. Job satisfaction depends on how friendly and supportive co-workers are (Robbins, 2005). Thus if the co-workers are positive about their job and organization, the employee will also be satisfied with the job.

Connolly and Myers (2003) explain that the employee's work setting may also be related to enhancing job satisfaction and good job performance. Temperature, humidity, ventilation, noise, hours of work, lighting etc are the factors of working condition which affect job satisfaction. Research has shown that employees, who perceive high levels of constraints in their work environment, tend to be dissatisfied with their work (Spector, 1997).

Studies have demonstrated that employees prefer physical surroundings that are safe, clean, comfortable and with a minimum degree of distractions (Robbins, 2005). According to Spector (1997), research has shown that employees who perceive high levels of constraints in terms of their work

environment, tend to be dissatisfied with their jobs Working conditions is an extrinsic factor that has a moderate impact on an employee's job satisfaction (Luthans, 1995). Working conditions refer to such aspects as temperature, lighting, noise and ventilation. Robbins (1989) stated that employees were concerned with their work environment both for their personal comfort and for their good job performance.

Vroom (1964) identified seven factors that contribute to satisfaction of job. They include amount of pay, promotional opportunities, acceptance from co-workers, ability to interact with other workers, pace of work, worker's perception of their influence in decision making, amount of perceived supervisor consideration.

According to Robbins (1996) there are four primary factors that lead to increased job satisfaction. The first factor is for the individual employee to have mentally challenging work. The second factor is equitable rewards where employees monetary systems and policies that are in line with their expectations. The third factor is supportive working conditions. The fourth factor is to have supportive friendly colleagues.

National Business Research Institute, Inc. (2007) identified six factors that influence Job Satisfaction. The factors are authority, opportunity, stress, leadership, work standard and reward. When these factors increase job satisfaction also increases and when these six factors decrease then job satisfaction also decreases. Thus it is the responsibility of the organization to see that the employees are adequately provided with these factors.

### **2.3.3.2 Intrinsic Factors**

Apart from pay, job security, and other extrinsic and tangible factors of employment, the intrinsic aspects of work are also relevant to the study of job satisfaction. Intrinsic sources of job satisfaction come from within the employee

and lasts longer than the extrinsic sources (Atchison, 1999). Personality is an important determinant of how people think or feel about their job. An individual's personality influences the extent to which thoughts about the job are positive or negative (George and Brief, 1992). Individuals with a positive inclination towards life would have a positive attitude towards their job as well. But Spector (1997) argues that most research on the personality-job satisfaction relationship has not given a theoretical explanation when they insist that the correlation exists.

Martinez-Ponz (1990) found that intrinsic rewards were more effective in increasing job satisfaction and commitment than providing the employee with financial incentives. Tatsapaugh (1994) identified that lack of opportunity for advancement on the job is a factor which tempts an employee to quit the job. Studies showed that opportunity for advancement does not increase job satisfaction but some findings suggest that poor opportunity for advancement is related to job dissatisfaction (Levinson, Fetchkan and Hohenshil, 1988). Interesting work, open communications, and opportunities for advancement were marked as the top priorities in a study conducted by Cappelli (2000) as the top three things they desire in their jobs. Recognition for the performance of employees also increases the satisfaction towards the job.

Demographic variables like age, gender, race, tenure etc also affect the job satisfaction. Job satisfaction shows a tendency to increase with age (Spector, 1997). As far as gender is concerned some studies show that there is a relation with job satisfaction whereas some studies say that there is no relation between gender and job satisfaction. (Iacqua et al. 1995). Literature indicates a positive correlation between tenure and job satisfaction, which means that employees with longer job experience are more satisfied compared to those with fewer years of experience (Okpara, 2004).

### 2.3.4 Consequences of Job Satisfaction

In Mobley's model of turnover process, the whole process of turnover starts with job satisfaction (Mobley, 1977). In the model, only employees who are dissatisfied think of quitting the job. When job satisfaction increases, there will be improvement in employees' creativity and will also reduce the turnover rate as well as absenteeism (Dickson and Lorenz, 2009) and it is of significant interest for the employer (Alexander, Nuchols, Bloom and Lee, 1995). An analysis of 67 studies revealed a negative link between job satisfaction and turnover (Griffeth et al., 2000).

A meta-analysis by Judge, Thoresen, Bono and Patton, 2001 has found a strong positive link between performance and job satisfaction. Job satisfaction-performance relationship is the strongest in complex jobs where employees have more freedom to perform their work (Judge et al, 2001). When there is an enhancement of employees' job satisfaction within the organization, there is an increase in their overall organization productivity and performance (Dickson et. al, 2009).

The customer satisfaction is yet another consequence of job satisfaction. There is a positive relationship between customer satisfaction and job satisfaction (Griffith, 2001; Koys, 2001). According to the results of different studies, organizations where employees have high job satisfaction, reduce their turnover by 50 %, increase customer satisfaction to an average of 95%, lower labor cost by 12% and increase the profit margins by an average of 4% (Carpitella, 2003).

Srivastava (1987) reported a significant correlation between job satisfaction and organization climate in a study of junior and middle level central government officers. Similarly, Sharma and Sharma (1989) found significant



positive correlations between job satisfaction and dimensions of organizational climate.

Berta (2005) reported job satisfaction linked to experiencing positive relationships with the freedom to participate in decision making. In a comparative study of American and Indian employees of manufacturing organizations, Krishnan and Krishnan (1984) found that leadership style and participation in decision making were significant correlates of job satisfaction for American employees, whereas recognition, advancement in career and absence of intradepartmental as well as interdepartmental conflicts were significant correlates of job satisfaction for the Indian employees. Employees feel themselves valuable when they participate and find that their participation lead to results (Calder, 1999). This shows the need to give a greater role for employees in decision making.

Organizational Citizenship Behaviour is the behaviour that is beyond the call of duty that is not required of organizational members but is nonetheless necessary for organizational survival and effectiveness like helping the co-worker, protecting the organization from fire, care for organizational property etc. (George and Brief, 1992). A meta- analysis covering 7100 people and 22 studies revealed a significant moderate positive correlation between organizational citizenship behaviour and job satisfaction (LePine, Erez and Johnson, 2002).

### **2.3.5 Measuring Job Satisfaction**

As there is no single accepted definition of job satisfaction, and no widely accepted theory to explain it, there is no general consensus on the best way to measure job satisfaction (Wanous and Lawler, 1972). The most widely cited survey instruments found in the literature include The Job Satisfaction Survey (JSS), the Job Descriptive Index (JDI), Job Diagnostic Survey (JDS) and the Minnesota Satisfaction Questionnaire (MSQ).

### ***The Job Satisfaction Survey (JSS)***

The Job Satisfaction Survey was developed by Paul E. Spector (1985) to assess employee attitudes about the job and aspects of the job. The JSS is a 36 item questionnaire that contains nine separate facets of job satisfaction. Those facets include pay, promotion, benefits, supervision, contingent rewards, operating procedures, coworkers, nature of work, and communication. Each of these facets is assessed with four items, and a total score is computed from all 36 items.

### ***Job Descriptive Index (JDI)***

Developed by Smith, Kendell and Hulin (1969), the Job Descriptive Index (JDI) is 90-item scale designed to measure job satisfaction of employees. It has become one of the most popular job satisfaction survey instruments. It has five facets of job satisfaction which include pay, promotion, supervision, work and co-workers. According to Cooper and Locke (2000), JDI is reliable and has an impressive array of validation evidence behind it. It has been used by researchers for over 40 years.

### ***Job Diagnostic Survey (JDS)***

The Job Diagnostic Survey was developed Hackman and Oldham (1975) to study the effects of job characteristics on people. The JDS covers several areas of job satisfaction, such as growth, pay, security, social, supervisor as well as global satisfaction.

### ***Minnesota Satisfaction Questionnaire***

Minnesota Satisfaction Questionnaire (MSQ) is the most widely used instrument to evaluate job satisfaction. It was developed by Weiss, Dawis, England and Lofquist (1967). Two forms of MSQ have been developed i.e. long form and short form. The long form contains 100 items and the short form

contains 20 items measuring different facets of job satisfaction (Spector, 1997). It also measures facets as well as overall job satisfaction. The Minnesota satisfaction questionnaire has been used in this study as it measure specific aspects of an employee's satisfaction with his or her job, than do more general measures of job satisfaction.

## **2.4 Job Related Stress**

### **2.4.1 Stress**

The term 'stress' originated in the field of physics in the late nineteenth century and later was transferred into human psychology. Stress has been defined by different people differently. Hans Selye is considered as the father of stress concept. Stress has been defined by him as the non-specific response of the body to any demands made upon it (Selye, 1976). His model view stress as an internal response where continued and prolonged stress may result in fatigue and tension leading to depression and anxiety (Selye, 1946). Stress is defined as any circumstance that places special physical and/or psychological demands on a person such that an unusual or out of the ordinary response occurs (Dipboye, Smith and Howell, 1994). Parkes (1989) stated that stress was a relationship between an individual and the environment where as Robbins (2001) defines stress as a dynamic condition in which the individual is confronted with an opportunity, constraint or demand related to what he or she desires and for which the outcome is perceived to be both uncertain and important. The factors causing stress in a person are called stressors. Stress can be caused by environmental, organizational and individual variables (Matteson and Ivancevich, 1999; Cook and Hunsaker, 2001).

### **2.4.2 Types of Stress**

Stress is always mistaken as bad, and negative. Stress also has a positive value. It is an opportunity when it affects potential gain (Boswell et al., 2006).

Positive stress is called Eustress and negative stress is called Distress. Eustress may result in stimulating and enhancing work performance. It may positively encourage workers to work harder. Distress may result in negative effects and hence affect the worker's health and work performance. This directly affects the company's performance. There are different sources of stressors. Major stressors are one's personal life which include minor and major life events (George and Brief,1992); one's job responsibilities like role ambiguity, role conflict, role under load, role overload, challenging assignments, promotion etc; membership in work group and organisation related stressors like uncomfortable and unsafe working condition; work life balance and environmental uncertainty (George et al., 2008).

### **2.4.3 Job Related Stress**

Work-related stress is of growing concern because of its significance in economic implications of the organizations. Job stress is different from general stress as along with individual element it also has organizational and job related elements. Caplan et al. (1975) stated that stress refers to any characteristics of the job environment which pose a threat to the individual. Job stress can be defined as an employee's awareness or feeling of personal dysfunction as a result of perceived conditions or happenings in the workplace, and the employee's psychological and physiological reactions caused by these uncomfortable, undesirable, or threats in the employee's immediate workplace environment (Montgomery et al., 1996).

Cooper and Payne (1978) reported that stress occur when the environmental demands were larger than the employees' abilities and the environmental supplies were smaller than the employees' expectations. Job stress is the extent to which employees feels a tension of anxiety caused by their jobs (Gill, et al., 2006). Dewe and Guest (1990) stated stress as relationship between the person and their work

environment, as appraised by the person as demanding or exceeding his or her resources, as well as endangering his or her own well-being. Job stressors may refer to any characteristics of the work place that poses a threat to the individual (French and Caplan, 1972).

Job stress can also be defined as the harmful physical and emotional responses that occur when the requirements of the job do not match the capabilities, resources, or needs of the worker (National Institute for Occupational Safety and Health, 2002).

#### **2.4.4 Significance of Job Stress**

The role workplace stress plays are adversely affecting employee productivity, absenteeism, and related work out comes (Rahman and Zanzi, 1995). Stress if not managed properly will affect an individual's productivity, effectiveness, personal health and quality of work. Each of these factors results in extensive cost to employees themselves, organization in which they work and society as a whole (Spielberger and Reheiser, 1994). Job stress alone costs American business an estimated \$200 billion annually, the UK Pounds 63 billion and Australia \$15 billion. These are the cost they incur for compensation claims, reduced productivity, absenteeism, and health insurance costs and direct medical expenses for stress related problems and illnesses (Savery and Luks, 2000).

Moore (2000) states that increased environmental stressors may cause employee burnout. A study conducted by the American Institute on Stress (2005) reveals the following consequences: (a) Forty percent of turnover was caused by stress and (b) Sixty to eighty percent of workplace accidents occurred due to job stress. Tombaugh and White (1990) indicated that during the organizational change, the employees have to take more of a work load, which caused employees' job stress. Thus stress leads to increase in turnover of

employees, employee burnout and high rate of accidents and increase in overall expense of the organization. Individuals in service industries face particularly stressful work situations.

According to the National Institute for Occupational Safety and Health (NIOSH, 2002), job stress has become a costly problem in the workplace. NIOSH listed several occupations as highly stressful. The effect of job stress leads to physical and mental health problems of employees. Job stress victims show lack of confidence, low motivation at workplace, increased blood pressure, job dissatisfaction and intention to leave the job. Stress reduces the effectiveness of the organisation, leads to high desertion rates and low morale (Jimmieseon, Terry and Callan, 2004). Therefore, stress management is essential in an organisation to cope up with and resolve stress.

#### **2.4.5 Models of Job Related Stress**

There are numerous models and theories that are used to explain the stress response. Cooper and Marshall's (1976) developed a model of work related stress which includes five sources of stress at work. They are (a) Intrinsic to the job, including factors such as poor physical working conditions, work overload (b) role in the organization, including role ambiguity and role conflict (c) career development, including lack of job security and under promotion; (d) relationships at work, including poor relationships with the boss or colleagues, and (e) organizational structure and climate, including little involvement in decision-making.

Beehr and Newman (1978) described a general model of occupational stress. It lists seven job stress-employee health research domains in which researchers and theoreticians on occupational stress are usually interested in. They are (1) An environmental facet (2) a personal facet; (3) a process facet, (4) a human consequences facet, (5) an organizational consequences facet (6)

an adaptive and (7) the time facet. Beehr describes the core relationship of occupational stress, as the relationship between an environmental facet and a human consequence facet (Beehr, 1995), which is mediated by process facet (psychological processes). The variability in definitions of stress is a consequence of different conceptualization of this the process facet.

The Job Demand-Control (JDC) Model was developed by R. A. Karasek in the late 1970s (Karasek, 1979). The JDC focuses on two dimensions of the work environment -job demands and job control. Job demand refers to work load, time pressure and role conflict. Job control (decision latitude) includes two components- skill discretion and decision authority. Psychological strain arises from the combination of low control and high demand. Stress probabilities for employees were found low with moderate workloads combined with high control over working condition. This model has often failed to demonstrate the predicted interaction effect of high job demands and low job control on measures of strain.

The transactional process theory put forward by Lazarus (1966) and Lazarus and Folkman (1984) distinguished between stressful conditions (Stressors) and how they will be perceived and cognitively appraised by a person. It also addressed the resulting emotional reactions when stressors were perceived as threatening and the person lacked effective coping capabilities. Lazarus' approach required a detailed analysis of specific stressors that were associated with specific jobs, and of how workers uniquely reacted to each of the stressors while considering each individual's past experience and coping skills.

Person- Environment Fit (P-E Fit) (French, Caplan and Harrison, 1982) is one of the most widely accepted models conceptualizing the nature of job stress. The Person-Environment (P-E) fit model states that stress is evolved

from a misfit between a person and the environment. P-E fit models thus define a stressor as a combined effect of personal and environmental variables. P-E fit models generally have an objective fit element as well as a subjective fit element. The extent, to which the person's skills and abilities match the demands of the job, represents one kind of fit and the extent, to which the person's needs are supplied in the job environment, is another kind of fit. The misfit leads to three kinds of strain: a) psychological strains, b) physiological strains and c) behavioral symptoms of strain. The objective fit elements can be categorized on the 'stressor' side of Beehr's core relationship of occupations stress (Beehr, 1995). Campbell, Dunnette, Lawler and Weick (1970) argued that the P-E Fit theory was pure process theory, with no definition of content of the person and environment dimensions. Lazarus (1994) also criticized the model as it does not include the person's perception of the situation and his cognitive appraisal, which define it as stressful.

Kahn (1979) developed the following model which is the basis of this study. Kahn felt that a worker brings to the work environment specific job capabilities and needs. The work environment has set resources and demands specific outcomes from the workers. When there is a lack of balance between the person and their work environment, stress results. Kahn Wolfe, Quinne and Snock, (1964) proposed that two types of role stressors occur in organizations: role conflict and role ambiguity. Role has been defined as the simultaneous occurrence of two or more sets of pressures such that compliance with one would make compliance with the other more difficult (Kahn, et al., (1964).

Role conflict occurs when two or more role messages are contradictory. Four types of role conflict were identified: a) Inter sender conflict-incompatible expectations within a person, b) Inter-sender conflict-expectations from one role sender are in the opposition to expectations from other role senders, c) Inter role conflict-expectations for behaviours in two roles held by



one person that are incompatible, d) Person –role conflict-needs and values of a person conflict with his role. Role ambiguity occurs when clear and consistent information is not communicated to a person about his role. According to role theory it has been postulated that ambiguity increases the probability that a person will be dissatisfied with his role and will experience psychological and physical stress.

Ivancevich and Matteson (1980) identified four categories of work stressors: physical environment, individual level (a mixer of role and career development variables), group level (primarily relationship-based) and organizational level (a mixture of climate, structure, job design and task characteristic).

## **2.5 Banking Sector in India**

The Service Sector like transportation, banking, communications, trade, insurance, financial services, medical and hospital services, public administration and miscellaneous services, contribute to major portion of the Gross Domestic Product of both developed and developing countries. Among the service sectors in India, the banking sector is the fastest growing sector and occupies an important place in development of economy in India. Banks are the main participants of the financial system in India. Banking is an intermediary function but one that is very essential for sustained economic growth. Banking services worldwide can broadly classified into investment banking and commercial banking. Investment banking is concerned with helping corporate bodies to raise funds whereas commercial banking is concerned with channelling savings to customers.

### **2.5.1 History of Banking Sector in India**

The instigation of Banks in India began in the eighteenth century with The General Bank of India in 1786. Later The Bank of Bengal was established in 1809, Bank of Bombay in 1840, Bank of Madras in 1843 and Bank of Hindustan in 1870.

Allahabad Bank was the first bank completely run by Indians. It was established in 1865. In 1921 all the presidency banks were amalgamated to form Imperial Bank of India and in 1935 the Reserve Bank was established. To streamline the activities of commercial banks, the Banking Regulation Act was enacted in 1949. It empowered the Reserve Bank of India (RBI) to regulate and control the banks in India. In 1969, 14 largest commercial and privately owned Banks were nationalized. Again in 1980, six more banks were nationalized on the pretext of controlling the credit delivery in India. Since the nationalization of banks in 1969, banking has been primarily in the Central Government's domain.

### **2.5.2 Structure of Indian Banking System**

The banking system in India comprises commercial and cooperative banks, of which the commercial bank accounts for more than 90 per cent of banking system's assets. Commercial Banks refer to both scheduled and non-scheduled commercial banks which are regulated under Banking Regulation Act, 1949. Scheduled Commercial Banks are grouped under following categories: a) State Bank of India and its Associates b) Nationalised Banks c) Foreign Banks d) Regional Rural Banks and Other Scheduled Commercial Banks. State Bank of India and its Associates and Nationalised Banks constitute the public sector banks whereas, other scheduled commercial banks are known as private sector banks. Among the commercial banks, Private sector banks, Public sector banks and New Generation banks were considered for this study which is briefed below.

#### **a) Private Sector Banks**

Private sector banks are banks in which majority of the stake are held by the private shareholders and not by government. Private sector banks came into existence to supplement the performance of Public sector banks and serve the needs of the economy in a better way. The Private

sector banks are the banks which are controlled by the private lenders with the approval from the RBI. These are the major players in the banking sector as well as in expansion of the business activities in India. The present private-sector banks are equipped with all kinds of contemporary innovations, monetary tools and techniques to handle the complexities. They have a highly developed organisational structure and are professionally managed.

**b) Public sector Banks**

Public Sector Banks are banks in which majority stake (i.e. more than 50%) is held by a government. Public Sector Banks dominate commercial banking in India. The shares of these banks are listed on stock exchanges. State Bank of India and its Associates and Nationalised Banks along with Regional Rural Banks constitute the public sector banks. The Reserve Bank of India (RBI) owns the majority share of SBI and some Associate Banks of SBI. Nationalized banks are wholly owned by the Government, although some of them have made public issues. In 1975, the state bank group and nationalized banks set up Regional Rural Banks in partnership with individual states to provide low-cost financing and credit facilities to the people in rural area.

**c) New Generation Banks**

In the early 1990s, as part of the Government's liberalization policy a few private banks called New Private Sector Banks (NPSBs) also known as New Generation tech-savvy banks were allowed to set up. This included Global Trust Bank, which later amalgamated with Oriental Bank of Commerce, UTI Bank (now re-named as Axis Bank), ICICI Bank and HDFC Bank. Now there are nine NPSBs that provide commercial banking services. Industrial Development Bank of India Ltd. renamed as

IDBI Bank Ltd which is also a new generation PSU Bank was incorporated under Companies Act 1956, as a Limited Company. Considering the shareholding pattern, IDBI Ltd. has been categorized under a New Sub-Group 'Other Public Sector Banks'.

### **2.5.3 Changing Scenario of Banking Sector**

As a result of liberalisation, privatization, globalisation, increased competition, introduction of new technology and downsizing the banking horizon of the country has changed significantly and the banking sector has undergone rapid changes including policy changes. To have a competitive edge to cope with multinational led environment, the banking sectors and their conventional pattern were compelled to change. Due to these changes, the employees in the banking sector are experiencing a high level of stress. It has affected the social and psychological domain of the employees working in banking sector. The existing literature also reveals that majority of the bank employees face several problems due to the stress experienced by them.

It is in this context that the study of psychological empowerment among bank employees is relevant.

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**REVIEW OF LITERATURE***Contents*

- 3.1 *Employee Empowerment in the Service Sector*
- 3.2 *Research in Psychological Empowerment*
- 3.3 *Job Satisfaction and Job Related Stress*
- 3.4 *Empowerment Research in Banking Sector*
- 3.5 *Psychological Empowerment in Banking Sector*

The focus of this study is to investigate the relationship between psychological empowerment, job satisfaction and job related stress. The primary goal of this chapter is to review and summarize literature that is relevant to the understanding of these three variables. The first part of the literature review discuss about the Previous Research on Employee Empowerment in service sector, Research on Psychological Empowerment specifically in service sector, Psychological Empowerment and Job Satisfaction, Psychological Empowerment and Job Related Stress. Following the literature on empowerment, literature of the research on Job Satisfaction and Job Related Stress are discussed. Lastly, a brief review of literature on the empowerment research in banking sector especially psychological empowerment in banking sector is presented.

According to Dimitriades and Maroudas (2007) empowerment has been discussed in the literature at the organizational, team and individual level of analysis. At the individual level empowerment is classified into two broad categories which are the structural approach (relational approach) and the motivational approach (Psychological Empowerment).

### **3.1 Employee Empowerment in Service Sector**

Even though there are so many research studies in the area of employee empowerment, research on empowerment in service sector are comparatively less. The application of empowerment in service organizations is different from that of manufacturing organizations. In service organizations employees have more direct contact with customers. So the employees are to be more empowered than the employees in manufacturing organizations. Empowerment has been examined in a wide range of service contexts including hospitals, restaurants, supermarkets, hospitality firms and also banking sector.

The service employees have intensive interactions with the customers. Thus customer satisfaction is closely associated with service performance and various service encounter (Chen 1998). The researchers on empowerment claim that empowered employees will be more enthusiastic, respond more quickly to customer needs, complaints and changes in customer tastes and take up the responsibility of the service encounter (Barbee and Bott, 1991).

Empowered employees have a personal power which allows them to delight their customers. When the employee has to go through the organizational hierarchy to get an approval it will result in delay in the service and will affect the customer satisfaction. The empowerment can result in employee commitment, quality, responsiveness, synergy, products and services, efficiency, management leverage, and increased competitiveness in the global marketplace (Lashley, 1995). When the employee is empowered the labour turnover of the organization will be reduced (Cook, 1994), the employee uses his inherent talents for the benefit of the organization (Ripley and Ripley, 1993) resulting in customer satisfaction (Johns, 1993)

Some researchers argue that more discretion should be given to the service employees. Some service offers require employees to exercise discretion in

detecting and delivering customer service needs (Lashley, 1999). In contrary, there are researchers who argue that service employees should not have any discretion. In some case the service offer is highly standardised and require employees to practice service delivery in “the one best way” (Lashley, 1999). According to Levitt (1972, 1976), the production- line approach and the industrialization of services are to be implemented if the productivity of services is to be improved. But this approach does not provide any degree of discretion for service employees. The degree of employee empowerment of service employees should depend upon the structure of the service organization. In high contact organizations, employee self-management and peer-reference techniques are suggested and for low contact organizations employees can be controlled with rules and regulations (Mills 1985).

According to Bowen and Lawler (1992) the nature of operations would determine the degree to which service organizations empower their employees. They suggested that the service organizations can be categorized on the basis of strategy - the organizations following production- line approach which emphasize standardization and the relationship-oriented approach which insist on customer relationships. The empowerment in organizations following production –line approach gives more importance to employee suggestion and communication where as in, relationship-oriented organizations focus is on employee involvement. Bowen and Lawler (1992) have put forward a contingency framework for empowering employees in service organizations. According to them there are five contingencies of empowerment, namely types of employees, business strategy, business environment, technology and tie to the customer.

Lashley (1995) one of the most prominent writers on empowerment literature in service sector examined the meanings of the term empowerment as applied by managers in various hospitality sector and the perceptions when

designing a particular initiatives in a particular organization. He stated that empowerment enhanced the personal power of the employees and enabled them to delight their customers leading to service quality. Lashley's inquiry into various initiatives under the name of empowerment revealed a variety of managerial meanings like empowerment through participation, empowerment through involvement, empowerment through commitment and empowerment through delayering. Thus the motives shaped the nature of initiatives selected by each organization as each organization are in different positions in relation to their customers, the products which they sell, brand attributes and the degree of discretion with which they can empower employees. Lashley (1999) also noticed that the hospitality organizations increased their emphasis on empowerment as a human resource strategy to gain competitive advantage through service quality.

Morrison, Jones and Fuller (1997) studied the relationship between leadership styles and empowerment and its effect on job satisfaction among the nursing staff of a regional medical center. The result showed that transformational and transactional leadership; and empowerment were positively related to job satisfaction. Thus researchers concluded that in order to create job satisfaction among employees, leadership styles and employee empowerment are effective strategy. There were differences in the contributions of empowerment and leadership style in predicting job satisfaction for licensed and unlicensed workers.

Hales and Klidas (1998) offered two approaches – 'structured but reactive empowerment' and 'flexible and proactive empowerment'. The former relates to decisions within specified limits and permission to act beyond that when the situation demand whereas later states about empowerment which emphasis on creative input and initiate change within broad guidelines. They inferred that empowerment is viewed as a conditional management strategy that



replaces direct control with indirect controls. They also stated that empowerment is only employee 'choice' at the margins of their jobs and not increase in employee 'voice' Hales and Klidas (1998) proposed that middle management can be empowered by top management to encourage innovation and change.

Lin (2002) conducted a study on three insurance companies that operated in Taiwan to have a comprehensive understanding of the essence of empowerment. He proposed a 4-dimensional empowerment model namely, empowering leaders, empowering culture, empowering practices, and empowered employees in an organizational setting and a matrix that incorporates the 4 dimensions and the **7S** organizational factors. The study indicated that employees in the insurance companies were generally provided with a rather favorable empowerment environment, but employees, who were older, more experienced, and served as supervisors did not perceive a more favorable empowerment environment. Personal characteristics like, age, tenure, and position did not show a significant influence on perceived empowerment. Female employees rated empowering culture and empowering practices more favorably than the male employees. Empowering practices, empowered employees, and empowering culture significantly explained the variance in job satisfaction.

Sutton, Verginis and Eltvik (2003) attempted to identify some of the issues of empowerment of restaurant managers' in the multi-cultural environment of Dubai's international five-star hotels. The key areas which were investigated include quality service, customer satisfaction and financial implications. The data collected for 24 managers revealed that in a multi-cultural environment like Dubai, implementation of empowerment is important and can have critical effects in these three areas as the customers and the employees have different perceptions and come from different background.

Sarmiento, Laschinger and Iwasiw (2004) aimed to test a theoretical model specifying relationships among structural empowerment, burnout and work satisfaction. A sample of 89 Canadian full-time college nurse educators employed in Canadian community colleges reported a moderate levels of empowerment in their workplaces as well as moderate levels of burnout and job satisfaction. Empowerment was significantly related to all burnout dimensions, most strongly to emotional exhaustion and depersonalization. Emotional exhaustion was strongly negatively related to access to resources and support. While both empowerment and emotional exhaustion were significant predictors of perceived job satisfaction, empowerment was the stronger of the two. The results also provided support for Kanter's (1977) organizational empowerment theory in the Canadian college nurse educator population. Higher levels of empowerment were associated with lower levels of burnout and greater work satisfaction.

Klidas, Berg and Wilderom (2007) aimed at testing four antecedents of the behaviour of empowered employees during the delivery of service to customers. The data were collected from 356 frontline employees of 16 luxury hotels in seven European countries. The regression analyses at the department level revealed that two means of control – ‘customer-oriented culture’ and ‘empowering management style’ correlated significantly with empowered behaviour where as there was no support for the ‘effect of training ‘and ‘performance-related rewards’. This implied that in luxury hotel service settings, enhancement to employee empowerment may be achieved through careful management and organizational development.

Vasugi, Kaviatha and Prema (2011) examined whether employee empowerment provided job satisfaction and improves the performance of the employees in middle level employees of software companies in Bangalore. They also examined the factors that influenced the employees towards

empowerment. The data were collected from 150 employees from five software companies. The study showed that there is a relationship between empowerment and job satisfaction. The study also identified several practices relating to employee empowerment including employee participation in decision making, handing more responsibility and authority to employee (coupled with accountability) etc.

Previous research shows that empowerment has more relevance in service sector than the manufacturing sector as the service sector employees have direct contact with customers and empowerment reflect on the behaviour of employees towards the customers. In short employee empowerment is intended to correct the suppression of employee competence resulting from traditional management practices (Hall, 2008).

### **3.2 Research in Psychological Empowerment**

Compared to the relational perspective, the psychological perspective, has received only a little attention in research. Different studies on psychological empowerment have examined psychological empowerment from a variety of orientations. Various schools of thought regarding psychological empowerment have evolved over time, including the work of Conger and Kanungo (1988), Spreitzer (1995a) and Thomas and Velthouse (1990). Most of the existing studies have used a variation of the Thomas and Velthouse (1990), and Spreitzer and her colleagues' (Spreitzer 1992, 1995a, 1995b, 1996; Spreitzer et al., 1997; Spreitzer et al., 1999) work. Psychological Empowerment is a motivational construct where power and control are seen as motivational states internal to individuals. The research includes the relationship between psychological empowerment and leadership, psychological empowerment and trust, psychological empowerment and work related outcome like organizational commitment, job satisfaction, mediating and moderating role of

psychological empowerment, the antecedents of and outcomes of psychological empowerment etc.

The basis for psychological empowerment was formed by Bandura's (1977) construct of self-efficacy. Bandura (1977) developed the social cognitive theory that offered several major advances in the field of psychology and organizational behavior. Bandura identified two levels of learning; the social part is of the social origin i.e. what individuals learned by being part of a society, whereas the cognitive part recognized the influential contribution of thought processes to human motivation, attitudes and action. From this theory, Bandura advanced the concept of self-efficacy.

Conger and Kanungo (1988) began to study psychological empowerment based on Bandura's studies. They argued that a social-structural perspective of empowerment was incomplete because the empowering managerial practices would have little effect on employees if they lacked a sense of self-efficacy. They viewed enhancing personal efficacy as motivational construct and in the motivation approach empowerment was conceptualised as psychological enabling where empowerment was referred to as a process that enhances self-efficacy and weakens the feelings of personal powerlessness. They viewed empowerment as enabling employees by creating conditions for heightening motivation for task accomplishment through the development of a strong sense of personal self-efficacy. Thus they made a distinction between empowering interventions and the sense of being empowered. Bandura (1990) also asserted that empowerment is closely related to people's perceptions about themselves in relation to their work environments. This conceptual piece by Conger and Kanungo (1988) motivated researchers to think differently about empowerment. Conger and Kanungo (1988) emphasis that empowering interventions enable workers to feel they can perform their work competently and increase initiation and determination of subordinate's task behavior.

Thomas and Velthouse (1990) views psychological empowerment differently. They developed a cognitive model of empowerment and described psychological empowerment as intrinsic task motivation that consists of four cognitive elements that reflects a person's understandings of his or her work role and task responsibility; these cognitive elements are meaningfulness, competence, choice and impact. Even though Conger and Kanungo (1988) also viewed Psychological Empowerment as increasing task motivation, Thomas and Velthouse (1990) incorporated sense of meaning and control as being necessary to increase task motivation. They also suggested that empowered employees have higher levels of concentration, initiative, and resiliency, which in turn enhance their level of organizational commitment.

In a study, Zimmerman (1990, 1995) proposed a framework for psychological empowerment which included three interrelated components: intrapersonal psychological empowerment, interactional psychological empowerment and behavioral psychological empowerment. The intrapersonal component of psychological empowerment which includes sociopolitical control (SPC) was conceptualized as involving notions of competence, motivation to control, and perceived control and self-efficacy with regard to specific aspects of the subject's life, e.g. work, family, community; interactional psychological empowerment includes , critical awareness and understanding of options, opportunities and barriers in the socio political environment, capacity to mobilize resources, and decision-making, problem-solving, and leadership skills where as behavioral psychological empowerment refers to actions intended to directly affect outcomes. This understanding suggests that an empowered person can attain psychological empowerment without necessarily obtaining authority to directly achieve his or her objectives (Riger, 1993).

Zimmerman and his colleagues (1992) further extended the theoretical model of psychological empowerment, by studying a large randomly selected

urban and suburban community sample and examining the race differences. Results suggested that one underlying dimension that combines different measures of perceived control may be interpreted as the intrapersonal component of psychological empowerment because it distinguishes groups defined by their level of participation in community organizations and activities (behavioural components). The association found between the intrapersonal and behavioural components is consistent with empowerment theory. Interaction effects between race groups and participation suggested that participation may be more strongly associated with the intrapersonal component of psychological empowerment for African American than for white individuals.

Zimmerman (1995) also stated that there are three conditions underlying psychological empowerment. Psychological empowerment is different among diverse populations and settings requiring different sets of perceptions, skills, and actions. Second, it may change for the same person across different aspects of his or her life. Finally, psychological empowerment is dynamic and may change over time.

Spreitzer (1995a) distinguishes between two classic empowerment approaches namely, Social Structural Empowerment and Psychological Empowerment. Social-Structural Empowerment is a more macro approach and focuses on the contextual conditions that enable empowerment in the workplace (Spreitzer, 1995a). Psychological Empowerment is a more micro orientation and focuses on the psychological experience of empowerment at work (Spreitzer, 1995a). Spreitzer's (1995a) model, based on the approach of Thomas and Vethouse (1990), defines psychological empowerment as increased intrinsic motivation manifested in employees' cognitions about their work role. These four cognitions are meaning, or value of work goal or purpose (replacing meaningfulness); competence, or self-efficacy; self-determination, or a sense of autonomy on the job (replacing choice); and impact, or a sense of having an

influence on work outcomes. The primary sample used for construct validation was composed of mid-level employees from a fortune 50 industrial organization and the second sample was composed of lower-level employees from an insurance company to cross-validate the result.

In another study Spreitzer (1996) conducted survey of a sample of 393 middle managers of different work units from a Fortune 50 company and tested the managers' perceptions of their work environments in regard to empowerment and social structure characteristics. The study focused on six characteristics of purported high involvement systems: role ambiguity, span of control, sociopolitical support, access to information, access to resources, and participative unit climate and found general support for all of the characteristics except role ambiguity that was found to be negatively related. Higher levels of education were found to be essential for enhancing empowerment. Training and development programs also were found to have parallel effects on empowerment. Spreitzer (1996) concluded that the findings of the study helped to understand the importance of perceptions in the interpretation of a work environment as being either empowering or disempowering to individuals.

Spreitzer (1996) stated that future research must begin to explore the relationships between different social structural characteristics and each of the four dimensions of empowerment to determine which characteristics affect which dimensions and which affect the construct of psychological empowerment taken as a whole. Spreitzer also suggested that research should also be conducted at different levels of organization hierarchies. According to Mishra and Spreitzer (1998), employees fear and tend to avoid situations they believe exceed their skills whereas they get involved in activities and behave confidently when they judge themselves capable of handling situations that would otherwise be intimidating. The four dimensions of empowerment could help people feel more in control.

Menon (1999) defined psychological empowerment from the perspective of the individual employee, and a measure was developed using three different samples. The psychologically empowered state was considered to be a cognitive state characterized by a sense of perceived control, perceptions of competence, and internalization of the goals and objectives of the organization. Menon perceives competence as signifying self-efficacy and confidence with regard to role demands. The result showed that empowerment was negatively related to organizational centralization while it was positively related to delegation and consulting behaviours on the part of the immediate supervisor, the individual's global self-esteem, and three outcome variables including organizational commitment, job involvement, and organizational citizenship behaviour. Perceived control had a strong negative correlation with centralization while perceived competence was strongly related to self-esteem. Goal internalization was highly correlated with affective organizational commitment and job involvement.

Spreitzer, Janasz and Quinn (1999) examined the relationship between psychological empowerment and leadership on 393 mid-level supervisors from different units of a Fortune 500 organization. The study was based on supervisory perceptions of empowerment and subordinate perceptions of leader characteristics and found that supervisors who felt empowered were seen by their subordinates as more innovative, upward influencing and inspiring. No relationship was found between supervisory empowerment and monitoring behaviours. Even though the three aspects of leadership had a positive relationship with psychological empowerment, there was a difference in the magnitude of the relationships between empowerment and the three aspects of change-oriented leadership. While empowered supervisors are particularly adept at innovation and the upward influencing of their bosses, they were only adequate in terms of inspiring subordinates.



Siegall and Gardner (2000) examined the relationships between four contextual factors related to empowerment (communication with supervisor, general relations with company, teamwork, and concern for performance) and the four components of psychological empowerment (meaning, impact, self-determination, and competence) identified by Spreitzer and her colleagues. They surveyed 203 employees of a manufacturing firm, using new and established measures of contextual factors and Spreitzer's measures of empowerment components. The contextual factors were found to be differentially associated with the elements of psychological empowerment. Communication with supervisor and general relations with company were significantly related to the empowerment facets of meaning, self-determination, and impact, but were not related to the facet of competence. Teamwork was related to meaning and impact. Concern for performance was related to meaning and self-determination. These associations also varied by type of job.

In their study, Liden et al. (2000) tested the mediating role of empowerment in relations between job characteristics, leader-member exchange (LMX), team-member exchange (TMX), and work outcomes. The meaning and competence dimensions of empowerment mediated the relation between job characteristics and work satisfaction. The meaning dimension also mediated the relation between job characteristics and organizational commitment. Contrary to prediction, empowerment did not mediate relations between leader-member exchange, team-member exchange, and the outcome variables. Rather, leader-member exchange, team-member exchange were directly related to organizational commitment. In addition, TMX was directly related to job performance. These findings suggest that work satisfaction is explained largely by job characteristics (through empowerment) but that LMX and TMX combine with job characteristics and empowerment to explain variation in organizational commitment and job performance.

Menon (2001) highlights that if psychological empowerment is considered a psychological state it provides a mediating link between empowering acts and employee outcomes such as contentment, participation and organizational commitment. Menon (2001) also points out that the psychological state of the employer is more relevant to the success or failure of the empowerment initiative than to the fundamental nature of empowerment as experienced by the employee.

Hu and Leung (2003) conducted an exploratory research to determine the effects of Chinese women's attitudes and their expected values toward the Internet, their innovativeness, use of information technologies, and demographics on psychological empowerment. Data were collected from 357 Chinese women at the workplace, aged 28 or above. Results showed that attitude towards the Internet, innovativeness expected values from Internet use (such as socialization, connectivity, and surveillance), were positively related to psychological empowerment in general. Attitude towards the Internet was also significantly correlated to three cognitive components of psychological empowerment: competence, impact, and meaning but innovativeness was only related to impact and meaning cognitions. The result also revealed that psychological empowerment as a whole experienced by women employees were found positively related to e-mail and online newspaper but was not related to the use of mobile phones and online forum. Furthermore, heavy mobile phone women users find meaningfulness in their work. These results explained that women who believed that the Internet could satisfy their information-seeking needs are empowered women who can influence the organizational results.

Seibert, Silver, and Randolph (2004) tested a multilevel model of empowerment. The study focused on the work unit's level of performance in relationship to employee perception of the empowerment climate where

empowerment climate was defined in terms of employee perceptions of managerial structures, policies, and practices related to empowerment. Seibert et al. stated that their study was the first multilevel analysis of psychological empowerment but no attempt was made to measure psychological empowerment at the group level. The findings of the study revealed that psychological empowerment served a mediating role in individual-level outcomes of performance and job satisfaction. The study also revealed that work-unit empowerment climate is positively related to individual psychological empowerment. The study concluded that psychological empowerment should be seen as a theory of intrinsic motivation and not as a comprehensive theory of work performance.

In a study by Zhu, May and Avolio (2004), they advanced a model that attempted to explain how ethical leader behavior influences employees' organizational commitment and trust through psychological empowerment. They proposed that employees' psychological empowerment (i.e. meaning, self-determination, competence and impact) mediated the relationship between ethical leader behaviour and organizational commitment and trust.

Houghton and Yoho (2005) developed a contingency model of leadership and psychological empowerment that specified situations under which self-leadership of the followers should be encouraged. Self-leadership is a process through which people influence themselves to achieve the self-direction and self-motivation necessary to perform the task. Houghton et al. states that self-leadership strategies, such as reward strategies, facilitate psychological empowerment. The Houghton and Yoho model focus on achieving a state of psychological empowerment using an empowering leadership.

In a study conducted by Bhatnagar (2005) psychological empowerment emerged as a predictor of organizational commitment among Indian managers.

All the components of organizational commitment were an outcome of psychological empowerment with continuance commitment being the weakest variable, and affective commitment being a slightly stronger outcome variable than normative commitment. The level of psychological empowerment of power-sector managers was the highest while for the banking sector the level of organizational commitment was highest. The managers of this sector had almost a parallel level of psychological empowerment and organizational commitment.

Greasley et al. (2005) examined how empowerment is perceived by individuals in a construction environment. The study focused on the psychological dimension of empowerment and was based on the cognitive model of Thomas and Velthouse (1990). The prime objective of the study was to find out whether employees feel empowered because of the purposeful actions on the part of their managers. The strict health and safety regulations under which construction employees operate limit the workers' freedom to influence the work that they undertook and did not meet the standard of psychological empowerment in the model of the study. Greasley et al. defined empowerment as can be attained through the exhibition of trust, and by the level of decision-making they were permitted. The result of the study reveals that it supports the view of Thomas and Velthouse that competence is necessary for empowerment to occur. It also indicated that there can be a gap between the employee experience and the management rhetoric. According to them the role of the employees' immediate supervisor also had a strong influence on the diffusion of empowerment.

Huang, Shi, Zhan and Cheung (2006) investigated whether participative leadership behavior can produce psychological empowerment, which in turn, leads to organizational commitment for employees of Chinese state-owned enterprises. Based on the data collected from 173 employees in two state-owned enterprises, it

was found that participative leadership behavior was associated with organizational commitment, but not with all four dimensions of psychological empowerment, namely, meaning, competence, self determination, and impact.

Participative leadership behavior tended to make short-tenure employees feel competent and thus, more committed to an organization, but such leadership behavior did not have a significant impact on competence as well as organizational commitment for long tenure employees.

Aryee and Chen (2006) in their study examined organizational antecedents of Leader-member exchange and the mediating influence of psychological empowerment on the relationships between leader –member exchange (LMX) and the work outcomes of job satisfaction, task performance and psychological withdrawal behaviour. Respondents were 192 employees and 66 immediate supervisors of these employees from a listed Chinese company in Guangdong Province, People's Republic of China. The results revealed that supervisor control of rewards and work unit climate were related to LMX quality. The result also revealed that empowerment fully mediated the relationships between high LMX quality and the work outcomes including job satisfaction, task performance and psychological withdrawal behavior.

On the basis of repeated interviews, Greasley, Bryman, Dainty, Price, Naismith and Soetanto (2008) opined that the employees felt that they are empowered to some degree and that they want to be empowered to some extent. Thus, empowerment for employees operates as a continuum whereby they all accept some empowerment but the extent varies on an individual basis. They also added that employees emphasized the importance of “competence” (employees’ belief in their ability to do the work) as being crucial to their willingness to be empowered. The more competent they considered themselves; the more likely they were to be willing to accept increased levels of empowerment.

Nabila (2008) investigated the relationship between psychological empowerment and organizational commitment among employees in the construction sector in Malaysia. 171 employees from various backgrounds and positions working in the construction sector in Kota Kinabalu, Malaysia were interviewed. The findings indicated that when the construction employees feel empowered by giving them autonomy, freedom and opportunity in determining how they do their job, they will be more committed to their organization and put the best effort to ensure the sustainability of the organization. In addition, if the employees are directly involved in outcomes that affect the organization and the more the individuals are involved in decision making, the more committed they would be to their organization. The research findings also showed that education level and length of service did not significantly moderate the relationship between psychological empowerment and organizational commitment.

Meyerson and Kline (2008) conducted a study on university students and claimed that empowerment should be separated into its behavioral and psychological components. The dimensions of empowerment also differentially predicted job outcomes in the study. Environmental empowerment was better at predicting outcomes than was psychological empowerment. It was also found that transformational and transactional leadership predicted environmental empowerment more strongly than psychological empowerment.

Hall (2008) proposed a structural model in which he suggested that the effect of comprehensive performance measurement systems (PMS) on managerial performance is indirect through the mediating variables of role clarity and psychological empowerment. The data were collected 83 strategic business unit managers of Australian manufacturing firms to test the model. The model was tested using Partial Least Squares regression. The result indicated that comprehensive performance measurement systems (PMS) is not

directly associated with managerial performance but comprehensive PMS is indirectly associated with managerial performance through the intervening variables of role clarity and psychological empowerment. The result also highlighted the role of cognitive and motivational mechanisms in explaining the effect of management accounting systems on managerial performance.

Tuuli and Rowlinson (2009) examined the relationship between psychological empowerment and job performance, and whether three intermediate performance determinants; motivation, ability, and opportunity to perform hold the key to unlocking the empowerment-performance relationship dilemma. Responses from 380 project management-level staff were collected and the results showed that psychological empowerment not only has direct and positive performance consequences, but also indirect effects, mediated by intrinsic motivation, opportunity to perform and ability to perform. The findings provided preliminary evidence in support of a comprehensive model of work performance that takes into consideration not only motivation and ability but opportunity to perform. Opportunity to perform actually emerged as a stronger mediator in the psychological empowerment-contextual performance behaviours relationship than ability to perform. The researchers claimed that by demonstrating that empowered employees exhibit positive performance behaviours, psychological empowerment clearly emerges as a valuable path for organizations to pursue in their search for performance improvement in project settings.

According to Oladipo (2009) several empowerment programs that had been introduced at different times, by different regimes might not have yielded the expected results probably because attention has not been paid to the psychological empowerment of the masses. Human beings are psychological entities and as long as they experience psychological frustration, they may almost always antagonize government's move towards development and so

psychological empowerment of the masses (particularly the youths) is of paramount importance in enhancing national development.

Stander and Rothmann (2009) assessed the construct validity and internal consistency of the Psychological Empowerment Questionnaire (PEQ) for employees in selected organizations (manufacturing, mining, chemical, service and a government organization) in South Africa. A cross-sectional survey design with a convenient sample ( $N = 1405$ ) was used. Structural equation modeling confirmed a four-factor model for the Psychological Empowerment Questionnaire, consisting of competence, meaning, impact and self-determination. A cross-validation study confirmed the construct equivalence of the four-factor model for a study sample ( $n = 679$ ) as well as a replication sample ( $n = 726$ ) that was randomly selected for the total sample. The subscales showed acceptable internal consistencies.

Joo and Shim (2010) claimed that psychological empowerment, organizational learning culture, and demographic variables had a significant impact on organizational commitment for employees in the public sector of Korea. According to them employees showed higher organizational commitment when they perceived high psychological empowerment and a high organizational learning culture. Meaning, self-determination and impact were significantly associated with organizational commitment and competence is the only non-significant psychological empowerment dimension. Organizational learning culture had a moderating effect on the relationship between psychological empowerment and organizational commitment. Among the demographic variables, only educational level is significant.

Stander and Rothmann (2010) examined the relationship between psychological empowerment, job insecurity and employee engagement among 442 employees in a government and a manufacturing organization. Statistically



significant relationships were found between psychological empowerment, job insecurity and employee engagement. A multivariate analysis of variance showed that affective job insecurity had a main effect on three dimensions of psychological empowerment (viz. competence, meaning and impact) and on employee engagement. Affective job insecurity moderated the effect of psychological empowerment on employee engagement. Thus they opined that interventions which focus on the psychological empowerment of employees would contribute to the engagement (vigour, dedication and absorption) of employees and if job insecurity is high, it is crucial to attend to the psychological empowerment of employees.

Yao and Cui (2010) adopted the definitions of the control variable, the structured variable, and the environment variable about employee turnover tendency based on the Price-Mueller model and introduced employee psychological empowerment to study the moderating effect of the employee psychological empowerment in the decision process of the employee turnover tendency in selected private enterprise. The test result of the structure model by the empirical research showed that the single structured variables, the fair allocation, the promotion opportunity, the monotonous work and the social internal support had close relationship with the employee turnover tendency. The environmental variable, i.e. the exterior work opportunity, positively correlated with the employee turnover tendency. This means that all these factors influenced the employee turnover tendency. The employee psychological empowerment could adjust enterprise employees' turnover tendency. It is also suggested that enterprises should harmonize the relationship between the leader's authorization behavior and the employee's psychological empowerment to create healthy enterprise culture and promote effective talent encouragement.

With the view of examining the fields of psychological empowerment, work engagement and innovation, Bhatnagar (2012) conducted a survey on 291 managers from the Indian industrial sectors like pharmaceutical, heavy engineering, IT, electronics and aeronautics engineering and found that psychological empowerment affected work engagement and led to high innovation and lower turnover intention. Psychological empowerment was found to have strong predictive power on work engagement and innovation. Using structural equation model it was revealed that work engagement is strong mediator between psychological empowerment and innovation.

### **3.2.1 Research in Psychological Empowerment in Service Sector**

Considerable attention has been given by both researchers and practitioners to the concept of empowerment in the service sector. Many researchers like Lashley (1996, 1999, 2000, 2001), Brymer (1991), Fulford and Enz (1995), Corsun and Enz (1999), Klidas (2001), Lin (2002) etc. concentrated on empowerment in service sector. Hospitality Industry also increased its emphasis on empowerment as a human resource strategy to gain a competitive advantage through service quality. But, literature from hospitality industry revealed that majority of the researcher's efforts focused on the organizational practices and managerial role in creating empowering conditions and so there is a scarcity of literature so far as psychological empowerment in service sector is concerned.

Zimmerman and Rappaport (1988) integrated the citizen participation literature with research on perceived control in an effort to understand psychological empowerment among two different samples-college students and community residents. Eleven indices of empowerment representing personality, cognitive and motivational measures were identified to represent the construct. Three studies were conducted which examined the relationship between empowerment and participation. The first study examined differences among

group identified by a laboratory manipulation as willing to participate in personally relevant or community relevant situations. Second study examined differences for groups defined by actual involvement in community activities and organizations. Third study replicated the second with different population. In each study, individuals reporting a greater amount of participation scored higher on indices of empowerment. Psychological empowerment could be described as the connection between a sense of personal competence, a desire for, and a willingness to take action in the public domain. Discriminant function analysis resulted in one significant dimension, which was identified as psychological empowerment.

Corsun and Enz (1999) conducted a study from 292 service workers in 21 private clubs which revealed that service workers perception of experienced empowerment are greater when peer helping and customer supportive relationships exist i.e. supportive peer and customer relationships are predictive of higher levels of employee experienced empowerment. Both organizational and employee – customer relationships accounted for significant variation in the dimension of empowerment: meaningfulness, influence and self-efficacy. Peer helping and supportive customer relationships were the two most influential predictors of all three empowerment dimensions where as supportive organizational environment and employee-customer value congruity did not significantly predict any of the three empowerment dimensions.

Koberg, Boss, Senjem and Goodman (1999) examined the correlation and consequences of psychological empowerment among technically skilled professional and managerial hospital employees. Even though individual, group and organizational variables influenced the feeling of empowerment, group and organizational characteristics had more influence on the feeling of empowerment. Perceptions on empowerment increased with organizational rank, with group effectiveness, with approachable leader, with the worth of the

group and with tenure. There was no gender difference in feeling of empowerment. The study also revealed that workers who felt empowered had high job satisfaction and work productivity and low tendency to leave the organization.

In a study Peterson and Speer (2000) assessed perceived organizational characteristics within three community-based organizations, including a service-agency collaborative, an electoral association, and a multi-issue pressure group, and also examined the relationships with empowerment. Results revealed that perceived organizational characteristics combined with dimensions of empowerment to differentiate community-based organizations. Findings of the study also highlighted the importance of ecological specificity (i.e., whether and to what extent organizational characteristics are uniquely important for members' empowerment within specific settings) in empowerment theory.

In Boudrias, Gaudreau and Laschinger's (2001) study psychological empowerment is presumed to be a second-order latent construct composed of four dimensions: meaning, competence, self-determination, and impact. Based on the results of two validation studies, it has been hypothesized that loadings of the four dimensions on psychological empowerment could vary across gender groups. A multiple-group second-order confirmatory factor analysis was performed to verify if the factor structure of Spreitzer's psychological empowerment questionnaire was invariant between groups of 191 male and 200 female nurses. Results indicated that the structure of the psychological empowerment questionnaire could be assumed invariant across genders.

Dee, Henkin and Duemer (2003) indicated that psychological empowerment was positive related to organizational commitment for teachers from eight elementary schools of an urban district located in South-western United States. Dee, Henkin and Duemer (2003) revealed that only competence

cognition had no significant relationship with organizational commitment. They added that even though all the four cognitions of psychological empowerment did not have positive relationships with organizational commitment, psychological empowerment may be an important element for increasing employees' organizational commitment and is helpful in reducing the burnout and absenteeism (Dee, Henkin and Duemer, 2003).

Fock, Hui and Au (2002) reviewed both positive and negative arguments on empowerment strategy and possible reasons for its inconsistent effects. They also proposed a cross cultural research framework on empowerment as a discretion, a relational construct and a psychological construct to assess the effectiveness of empowerment concepts in services marketing context. They also emphasized on the diversified impact of empowerment on service employees under the influence of different cultural values.

Avolio, Zhu, Koh and Bhatia (2004) examined whether psychological empowerment mediated the effects of transformational leadership on followers' organizational commitment in a sample of 520 staff nurses of a large public hospital in Singapore. The study also examined whether structural distance (direct and indirect leadership) between leaders and followers moderated the relationship between transformational leadership and organizational commitment. Results from the analyses showed that psychological empowerment mediated the relationship between transformational leadership and organizational commitment. Similarly, structural distance between the leader and follower moderated the relationship between transformational leadership and organizational commitment. Avolio and his colleagues in their previous studies (Bass and Avolio, 1994) had also suggested that followers or employees, who work with leaders exhibiting high moral standards and expectations, feel more comfortable and empowered to do the activities required for successful task accomplishment.

Bhatnagar and Sandhu (2005) attempted to identify the strength of relationship among organisational citizenship behavior (OCB) and psychological empowerment among the managers of IT Sector in India. The managers who perceived psychological empowerment in their occupational environment exhibited organizational citizenship behaviour. Further organizational citizenship behaviour was predicted by psychological empowerment using regression analysis. OCB is a consequence of the psychological empowerment provided by the employer and not an independent phenomenon. A positive moderate correlation between OCB organization and meaning--a sub-variable of the Psychological Empowerment, depicts that extra-role behaviour is more pertinent for those who enjoy their work. Further IT managers, who exhibited psychological empowerment and OCB, also reflected intentions to stay. . It was found that male managers had a significant and positive level of psychological empowerment and OCB relationship than the female managers. The employees under the age 30 years and with a bachelor's degree depicted a significant and positive level of correlation between OCB and psychological empowerment as compared to the employees with age above 30 years and Master's degree.

Wallach and Mueller (2006) explored whether and to what extent job characteristics, including role ambiguity, role overload, participation, supervisor-supervisee relationships, and peer support, predicted empowerment among paraprofessionals from private human service organizations and state social welfare agency. This study indicated that work stressors, participation, supervisory relationship and peer support were associated with paraprofessionals' perceptions of empowerment. There is positive and significant relationships between empowerment and participation (participatory decision-making and unit decision-making) and empowerment and support (supervisory relationship and peer support), and significant negative relationships between empowerment and

work stressors (role ambiguity and role overload). When socio-demographic predictors, such as participant's age and gender, organizational unit size, and time in position were entered into the regression equation, theoretically defined variables predicted significant additional amounts of variance in empowerment.

Bordin, Bartram and Casimir (2007) studied the antecedents and consequences of psychological empowerment among ninety-nine Singaporean IT employees. An ordinary least square (OLS) regression analysis was used to investigate the role of access to information, employee participation, supervisory social support and job security on predicting psychological empowerment. The study also examined the role of psychological empowerment on organizational commitment and job satisfaction; and the moderating effect of supervisory social support on the relationship between job satisfaction and psychological empowerment. The result indicated that access to information, employee participation, supervisory social support, job security, organizational commitment and job satisfaction correlated positively to psychological empowerment; and that empowerment can increase organizational commitment and job satisfaction. The findings also revealed that supervisory support is an important determinant of the effects of empowerment on job satisfaction.

Dimitriades and Maroudas (2007) aimed at extending the empowerment literature by determining the transferability of Menon's instrument in a Greek public service context and by examining the relationship between psychological empowerment and internal service climate, defined as employee quality perceptions of internal service encounters. The study was conducted on 330 tax officers in Northern Greece. Both exploratory and confirmatory factor analyses reproduced the three dimensions suggested by Menon – namely perceived control, perceived competence and goal internalization – in a culturally diverse environment compared to the Menon's study. Also internal service climate was positively associated with psychological empowerment

On the basis of a study to identify aspects of employees' work environment that were related to the feelings of psychological empowerment in a luxury hotel group, Amenumey and Lockwood (2008) suggested that the four dimensions of psychological climate that were identified-Managerial Support, Customer Orientation, Internal Service, and Information / Communication positively influenced employees' feelings of psychological empowerment, conceptualised as a three-dimensional construct-Meaning, Influence, and Competence.

In their study on 213 employees at three Taiwan state owned enterprises undergoing privatization or re-organization (Chunghwa Telecom, Chunghwa Post Co. Ltd and Taiwan Cooperative Bank Co. Ltd), Chen and Chen (2008) tried to explain how to use work redesign and psychological empowerment to strengthen employee commitment to an organization undergoing change. The major findings of the study indicated that appropriate work redesign and increased psychological empowerment can enhance employees' organization commitment when the organizations undergo change. The result showed that psychological empowerment played an intermediating role between work redesign and organizational commitment.

Knol and Linge (2009) attempted to investigate the relationship between structural empowerment/psychological empowerment and innovative behaviour. They conducted a cross-sectional co-relational survey among 519 Registered Nurses in the Netherlands. Structural and psychological empowerment was significant predictors of innovative behaviour. Informal power and impact were the most important determinants of innovative behaviour, impact being the strongest determinant. Psychological empowerment functioned as a mediator between structural empowerment and innovative behaviour. The moderating effect of structural empowerment could not be proved.



Ghani, Hussin and Jusoff (2009) conducted a study on a sample of 312 lecturers from 25 private higher education institutions in three states in Malaysia. The behavioural outcome of psychological empowerment was operationalized as innovative behaviour. The study verified the validity of the psychological empowerment scale of comprising four dimensions whereas innovative behaviour scale was unidimensional. Survey data was analyzed using correlation and regression analyses to assess the relationship between psychological empowerment and innovative behaviour as well as the impact of psychological empowerment on the behavioral outcome. The results indicated that psychological empowerment has significant relationship with innovative behaviour. Psychological empowerment is also found to be a significant predictor of innovative behaviour.

To determine the relationship between psychological empowerment (meaningfulness, competence, influence, self-determination, and trust) and entrepreneurship, Safari, Rastegar and Jahromia (2010) conducted a survey on 189 clerical staff from Fars Payame Noor University. 29 item questionnaire of entrepreneurship by Samad-Aghaee (2001) and Spreitzer's (1995) 18-item questionnaire of psychological empowerment with factors including meaningfulness, competency, impact, self-determining and trust were used. Bivariate regression analysis indicated that there exists a meaningful relationship between psychological empowerment factors and entrepreneurship in Fars Payame Noor University clerks. Among the psychological empowerment factors, meaningfulness represented the highest amount of entrepreneurship variance and competence the least amount of entrepreneurship variance. The results also showed that psychological empowerment factors simultaneously predicted entrepreneurship. On the basis of the findings of the study it was suggested that some measures must be taken for the clerks to feel independent in what they do and the individual should be capable of penetrating into strategic, institutional

or operational consequences in his work domain as the meaningfulness, self-determination and impact was related to entrepreneurship.

Chan and Casimir (2010) examined whether the relationship between psychological empowerment and performance on service quality is moderated by the need for achievement. The data collected from 94 full-time property managers in Hong Kong using a self-administered survey, indicated that both empowerment and need for achievement are correlated positively to service quality and that the relationship between empowerment and service quality is moderated by need for achievement such that the strength of the positive relationship between empowerment and service quality decreases as need for achievement increases.

Akbar, Saeid, Mehdi and Saeid (2010), assessed the relationship between psychological empowerment of employees and human resources productivity among the employees of a Cultural and Recreative organization of Esfahan Municipality. The results showed that all the psychological empowerment dimensions had a direct relationship between the trust and productivity of human resources. Impact and meaning had a direct relationship with trust and indirect relationship with human resource productivity. Among employees with 10 to 15 years of experience, trust and impact and among contract employees, self-determination had a direct relationship with human resources productivity. But, education did not have any effect on the relationship between psychological empowerment of employees and human resources productivity.

Çavus and Demir (2010) examined the relationship between the level of perceived structural and psychological empowerment and the level of burnout among nurses in health service organizations. The multiple regression analyses indicated that the dimensions of structural empowerment and psychological empowerment were negatively related to dimension of the emotional exhaustion

and positively related to dimension of personal accomplishment of burnout. Thus, higher structural and psychological empowerment corresponds to less burnout.

A study was conducted by Kim, Losekoot and Milne (2011) to investigate the impact of psychological empowerment on work outcomes like Organizational Citizenship Behaviour (OCB) and objective indicator of job performance (i.e. average check size per customer) for individual servers in hotel restaurants in the United States. A final sample consisted of 108 servers who are in charge of table-services such as order-taking and delivering food with the Point of Sales (POS) system. The results of this study demonstrated a positive impact of psychological empowerment on OCB and an objective indicator of job performance (i.e., average check size per customer). Thus it was found that empowered employees are more likely to demonstrate helping behaviours and generate larger check sizes. Each of psychological empowerment dimensions, however, had a unique impact on the outcome variables. Specifically influence, one of the dimensions of empowerment, had a positive effect on supervisor-rated OCB whereas attitude, the other dimension of empowerment had a positive impact on objective job performance (i.e. average check size per customer).

Gkorezis and Petridou (2011) examined the impact of a bundle of rewards, namely skill variety, information, recognition and job security, on the psychological empowerment of public nurses. Further, they investigated the influence of demographics on this construct. Data from 258 public nurses demonstrated that information, recognition and job security have a significant association with employees' feelings of psychological empowerment. This study showed no relationship between skill variety and psychological empowerment. With respect to demographics, age, work experience and tenure had an impact on psychological empowerment.

Fook et al. (2011) investigated factors that influence the psychological empowerment with work motivation and work withdrawal intention of school principals in Malaysia. A total of 101 Principals of different schools were interviewed. The Educational Work Components Study Questionnaire (EWCSQ) which consisted of intrinsic and extrinsic components was used to assess the motivational variables. Total scores from the four psychological empowerment dimensions and the overall psychological empowerment were correlated individually with scores from the independent variables of Work Motivation and Work Withdrawal Intention. Out of the five sets of total scores on psychological empowerment, only Impact did not show significant relationship with the intrinsic components of motivation (Willingness to Seek Reward (WSR), Competitiveness Desirability and Reward of Success (CDRS), TWP: Tolerance for Work Pressure(TWP), Potential for Personal Challenge (PPCD)). However, the entire total scores on PE (PE-Overall, Self-determination, Competence, Meaning and Impact) had insignificant to very low correlations with the extrinsic component of motivation (Surround Concern (SC) and Conservative Security (CS)). Another result of the study was that total scores on psychological empowerment both dimensional and overall had a negative linear relationships with Intention to Quit scores for the school principals. However, the strengths of these linear relationships were low to moderate.

In a survey conducted by Safari, Haghghi, Rastegar and Jamshidi (2011) to investigate the relationship between psychological empowerment (meaningfulness, self-efficacy, impact, self-determination, and trust) and organizational learning, data were collected from 350 employees from Fars Province Department of Physical Education using cluster sampling method. The results obtained indicated that among the factors of psychological empowerment, self-efficacy, self-determination, impact and meaningfulness had the most power to predict

the organizational learning. There was no significant relationship between trust and organizational learning.

Kazlauskaite, Buciuniene and Turauskas (2012) aimed to clarify the meaning of empowerment concept and determine its role in the HRM-performance linkage. A survey of 211 customer-contact employees at hotels in Lithuania was conducted to study organizational empowerment, as a bundle of HRM activities, and its association with employee attitudes and behaviour. In their study organizational empowerment was considered as a bundle of HRM activities, and psychological empowerment, as an employee work-related attitude. Findings revealed that organizational empowerment was positively related to psychological empowerment, job satisfaction, and affective commitment. Psychological empowerment and affective commitment were found to mediate the impact of organizational empowerment on customer-oriented behaviour.

Allameh, Heydari and Davoodi (2012) conducted a survey on 150 teachers in different schools to find out the relationship between transformational leadership and psychological empowerment. Four components of transactional analysis which included ideal influence, mental persuasion, inspiring motivation and personal consideration and four components of psychological empowerment which included meaningful, competency, independence and being effective were measured. The results showed that there is a significant relationship between transformational leadership and degree of psychological empowerment. There is also a relationship among dimensions of transformational leadership and dimensions of psychological empowerment. Regression pointed out that the best predictor of psychological empowerment in dimensions of being meaningful and competency is ideal influence, in independence dimension is inspiring motivation and in being effective dimension is personal consideration. There is difference among the elements of competency and independence in

relation to teachers' educational level, but there is no difference between dimensions of transformational leadership in terms of demographic factors based on findings of multi-variable variance analysis.

In a recent study Chiang and Hsieh (2012) assessed how hotel employees perceive organizational support, psychological empowerment, organizational citizenship behavior (OCB), and job performance. The causal relationships among these variables were also assessed. Data were collected from 513 employees of Taiwan hotels. The assessment revealed that with regard to POS, hotel employees did not feel strong support from hotels; with regard to psychological empowerment, most employees agreed that they felt empowered by the hotel in completing tasks; In terms of OCB, employees considered themselves as proactive in helping coworkers and participating in other activities of the hotel. Employees also agreed that job performance was good. The result showed that perceived organizational support and psychological empowerment both positively affected organizational citizenship behaviour. Psychological empowerment of the employees and organizational citizenship behaviour positively influenced job performance but perceived organizational support did not positively influence job performance. Organizational citizenship behaviour partially mediated the relationship between perceived organizational support and job performance. OCB also had partial mediation on the relationship between psychological empowerment and job performance.

The Psychological empowerment research has concentrated on the extent to which individuals perceive empowerment from assessing their job tasks. The literature review shows research that supported the positive outcomes of empowerment such as improved productivity, increased organizational effectiveness, employee well being and enhanced service delivery and performance.

### **3.2.2 Psychological Empowerment and Job Satisfaction**

Job Satisfaction is defined as the feeling an individual has about his or her job (Smith et al., 1969). Similarly, Schultz (1982) stated that job satisfaction is essentially the psychological disposition of people toward their work. In the fifties, it has been stressed that the degree to which an individual finds work personally meaningful is an important precondition of work satisfaction (Herzberg et al., 1959). Later the job characteristic model proposed by Hackman and Oldham, 1980 suggested that critical psychological states like, experienced meaningfulness, feelings of responsibility etc. influence job satisfaction. Locke (1976) defined job satisfaction as a pleasant or positive emotional state as a result of the job evaluation and appraisal or job experience. Locke and Henne (1986) also pointed out that the achievement of one's job values in the work situation results in the pleasurable emotional state known as job satisfaction.

But models of empowerment such as Thomas and Velthouse (1990) and Conger and Kanungo (1988) did not include outcome variables of empowerment in their studies. Thomas and Tymon (1994) in their model assumed that presence of empowerment would lead to high level of job satisfaction. Thomas and Tymon (1994) with a sample of employees from a research hospital, electronics firm and computer services they reported that meaning, self-determination and impact were significant predictors of general job satisfaction. Competence was unrelated to general job satisfaction. Bandura (1990) also supposed that meaningfulness, competence and affect had a positive effect on employee confidence which contributed to a greater sense of satisfaction.

According to a study conducted by Fulford and Enz (1995) on the effect of psychological dimensions of empowerment, it was revealed that dimensions

of meaningful and influence were the two strongest influences on job satisfaction. When employees find a fit between their values and the organization's goals and delivering meaningful jobs, they are more likely to be loyal, service oriented, concerned with others, and high performers. Employees perceiving themselves as having influence over others is also a critical factor in shaping job satisfaction as liking the work and being able to influence what happens at work are critical (Fulford and Enz, 1995). They also suggested that perceiving oneself as empowered is positively linked to the emotional states of workers and their overall attachment to the work environment, but is not as strongly linked to service delivery and performance. Empowerment may contribute to an employee's job satisfaction, but may not shape work effort and performance as profoundly (Fulford and Enz, 1995).

Spreitzer, Kizilos and Nason (1997) examined the relationship between the four dimensions of psychological empowerment developed by Thomas and Velthouse (1990) and the three expected outcomes of empowerment: effectiveness, job satisfaction and job-related strain. Two separate samples were collected. The primary sample one consisted of mid-level managers from a Fortune 500 industrial organization and sample two consisted of lower-level employees from an insurance company. The result showed that meaning dimension was positively related to job satisfaction for both the samples. This is because, if an employee engages himself in a job which is meaningful to him he can derive satisfaction from his work. Spreitzer, Kizilos and Nason (1997) also indicated that there is no significant relationship between self-determination cognition and job satisfaction especially in lower-level employees. Competence was a predictor of job satisfaction in lower level and not a predictor in case of mid-level managers. Spreitzer et al. (1997) found that no one dimension of empowerment was associated with all of the outcomes studied (effectiveness, satisfaction, and low job-related strain). They concluded



that a person must experience all four of the empowerment dimensions in order for the organization to achieve its desired results. If an organization wants all of the benefits of empowerment, it needs to provide an environment that will help create all of the components of empowerment.

Fuller, Morrison, Jones, Bridger and Brown (1999) conducted a study on 230 nurses at a regional medical facility in the southeastern United States. A moderated multiple regression analysis was used to test the role of transformational leadership and empowerment in predicting job satisfaction. The result indicated that psychological empowerment moderated the relationship between three of the four dimensions of transformational leadership and job satisfaction.

Liden, Wayne and Sparrowe (2000) investigated the mediating effects of empowerment on the relationship between job characteristics and job satisfaction with a sample of 337 lower-level employees of a large service organization in three Midwest states in the United States. Meaning and competence were found to be significant mediating variables while self-determination and impact were not. In terms of the impact dimension of empowerment Liden et al. (2000) argues that when employees feel that their work can influence outcomes that affect their organization, they tend to feel more involved and therefore gain a sense of satisfaction with their job.

A cross-sectional study by Laschinger et al. (2001) examined relationships between structural empowerment, psychological empowerment, and job satisfaction in nurses. They found that structural empowerment affected job satisfaction in two ways. First one was that, structural empowerment directly predicted job satisfaction, and secondly, the relationship between structural empowerment and job satisfaction was mediated by psychological empowerment. But later in another study Laschinger, et al. (2004), did a longitudinal study on the same variables as longitudinal studies are in a better position to make causal statements and

provide a stronger test of the hypothesized relationships and concluded that psychological empowerment could not mediate the relationship between structural empowerment and job satisfaction. They found that changes in perceived structural empowerment had direct effects on changes in psychological empowerment and job satisfaction. Changes in psychological empowerment did not explain additional variance in job satisfaction beyond that explained by structural empowerment. The results of the study also hold that changes in perceptions of access to structural empowerment had an impact on changes in both psychological empowerment and job satisfaction.

Chan (2003) studied the relationships between social structural factors like organic-mechanistic structure of the organisation, access to information and resources, adoption of human and innovative culture and socio-political support given to the employees with psychological empowerment. The study also checked the moderating effect of 'employees' trust in their supervisors' on socio-structural factors and psychological empowerment. The relationship of job satisfaction and normative and affective commitment with psychological empowerment was also tested. The result supported the relationship of access to resources, adoption of human and innovative culture and access to information with psychological empowerment but the moderating role of trust in supervisors was not supported. Psychological empowerment positively and directly predicted job satisfaction which meant that employees with high psychological empowerment would be highly satisfied with their jobs. Psychological empowerment also had positive relation with affective and normative commitment. Job satisfaction and commitment also partially mediated the relationship between psychological empowerment and organizational citizenship behaviour.

Carless (2004), tested a model in which empowerment was hypothesized to mediate the relationship between psychological climate and job satisfaction. The

sample consisted of 174 customer service employees (59% female and 39% male). Support was found for the model in which empowerment mediated the relationship between climate and job satisfaction. It clearly demonstrated that employee perceptions of their work environment directly influenced their perceptions of empowerment which in turn, influenced their level of job satisfaction. This study showed that employee perceptions of key aspects of the work psychological climate, for example, leadership style, interpersonal relationships, opportunities for professional development, and individual-organisational goal congruence, has a strong influence on empowerment perceptions and an indirect influence on job satisfaction mediated by empowerment. Further the study on the facets of empowerment indicated that meaning and competence were the significant predictors of job satisfaction and thus largely responsible for the mediating effects of empowerment. The findings on impact were ambiguous, it was found to be a significant predictor of present job satisfaction, but not general job satisfaction. Findings also showed that those individuals with a negative outlook were more likely to negatively evaluate their work climate.

Hechanova, Alampay and Franco (2006) surveyed 954 employees and their supervisors to determine the relationship of empowerment with job satisfaction and performance in five different service sectors: hotels, food service, banking, call centers, and airlines. Psychological empowerment positively correlated with both job satisfaction and performance. Although intrinsic motivation was associated with higher levels of empowerment and job satisfaction, it did not moderate the relationship between empowerment and job satisfaction and performance. Men reported greater empowerment than women even when job level and performance were controlled. Cross-industry analyses indicated differences in empowerment across different types of service sectors with employees in call centers reporting less empowerment compared to employees in hotel, airlines, food establishments, and banks

Li et al. (2006) in his study of function mechanism of the revolutionary leadership on the employee satisfaction and the organizational commitment took the psychological empowerment as the agency variable. The result of the study revealed that the revolutionary leaders' moral criterion could completely influence the employee satisfaction and organizational commitment by the meaning dimension of psychological empowerment, and the vision encouragement could completely influence the work satisfaction by the self-effect, and influence the organizational commitment by the meaning and the self-effect.

Collins (2007) studied the relationship between Leader-Member Exchange (LMX), psychological empowerment, job satisfaction and turnover intention within the context of a service restaurant environment and the findings revealed that the quality of the LMX relationship and the level of psychological empowerment have direct linear relationships with job satisfaction. But job satisfaction did not have any relationship with turnover intention where as psychological empowerment proved to be the most reliable predictor of turnover intention.

Bordin, Bartram and Casimir G. (2007) conducted a study to examine some of the antecedents and consequences of psychological empowerment among Singaporean IT employees. The findings of this study showed that several factors are antecedents of psychological empowerment. The OLS regression analysis revealed that access to information, employee participation, supervisory social support, job security, organizational commitment and job satisfaction correlated positively to psychological empowerment. The study also revealed that empowerment can increase organizational commitment and job satisfaction. Moderated multiple regression also demonstrated a significant moderating effect of supervisory social support on the relationship between job satisfaction and psychological empowerment.

In their study to understand the relationships between organizational empowerment and job satisfaction among nursing assistants at long-term care facilities in Taiwan, Kuo, Yin and Li (2007) indicated that, where there was a moderate level of organizational empowerment, a higher level of job satisfaction was found. Organizational empowerment was significantly associated with total job satisfaction.

Wang and Lee (2009) investigated the interactive effects of the psychological empowerment dimensions on job satisfaction. Using data collected from 485 employees of local for-profit organizations (service, retail and distribution, research, and manufacturing), the authors find intriguing three-way interactions among the dimensions. Choice has a weak but negative effect on job satisfaction when both competence and impact are high or low but has a strong positive effect when one of the two dimensions of competence and impact is low and the other is high. Impact has no effect on job satisfaction when choice and competence are both high and both low. The effect of impact is positive only when one of the two dimensions is high and the other is low. In addition, high levels of choice and competence reinforce the positive effect of meaning on job satisfaction. It is evident that the dimensions may reinforce each other in affecting job outcomes. The results offer important insights for future theory development on psychological empowerment.

The study conducted by Dickson and Lorenz (2009) examined several relationships between psychological empowerment and job satisfaction of temporary and part-time nonstandard workers. Data were collected from undergraduate students employed in short-term jobs outside their field of study. This study found two cognitions of psychological empowerment (meaning and impact) to be positively associated with job satisfaction. The finding that impact was positively related with job satisfaction provides support that the perception of impact over one's work can be important in the workplace, even

for temporary and part-time nonstandard workers who may not have high expectations for their opportunities to impact their workplace. This study also found a positive relationship between organizational tenure and psychological empowerment and a negative relationship between organizational tenure and job satisfaction.

Patah, Radzi, Abdullah, Adzmy, Zain and Derani (2009) examined the influences of psychological empowerment on overall job satisfaction of Front Office Receptionists in Kuala Lumpur in five-star hotels. The results showed that psychological empowerment does have significant influences between the three dimensions of psychological empowerment (meaningfulness, competence and influence) and overall job satisfaction of the receptionists. This means that receptionists whose job has a higher level of meaningfulness, developed work skills and confidence and those who were influential in the workplace would be most likely to experience a higher level of job satisfaction. The findings also suggested that receptionists' age and tenure affected their sense of overall job satisfaction.

In their study, Gregory et al. (2010) through an online survey of all full-time faculty and staff employees of a public western US university's business college, indicated that psychological empowerment mediates the relationship between person organization fit (P-O fit) and job satisfaction. The results also implied a significant indirect effect of self-determination and impact cognition on job satisfaction.

Bitmiş and Ergeneli (2011) examined the mediating effect of leader-member exchange (LMX) on the relationship between dimensions of psychological empowerment and job satisfaction among 490 investment consultants, who worked for non-bank financial intermediaries. The result showed that the role of LMX depended on the dimensions of psychological

empowerment. The results also indicated that LMX fully mediated the relationship between competence dimension of psychological empowerment and job satisfaction. However LMX only partially mediated the relationships between meaning, choice and impact dimensions of psychological empowerment and job satisfaction. This meant that individuals who were more competent were more likely to strive for accomplishments, which linked to job satisfaction through better relationships with their leaders.

Dehkordi, Kamrani, Ardestani and Abdolmanafi (2011) in their study found psychological empowerment in general and its dimensions- meaning, impact and self-determination-seem to have a positive and significant relation to job satisfaction and organizational commitment. But dimension of competence was not positively linked to job satisfaction and organizational commitment. Multiple regression showed that, meaning, self-determination and competence significantly predicted overall job satisfaction while self-determination and meaning significantly predicted overall organizational commitment.

Fock et al. (2011) analysed the moderating effect of collectivistic value on the relationship between psychological empowerment and job satisfaction from two different countries: China and Canada. The multi-dimensional psychological effects of empowerment (i.e., meaning, competence, self-determination, and impact) on job satisfaction were also examined. The data included 193 hotel employees of Canada and 371 employees of China. The result indicated that influences of psychological empowerment dimensions on job satisfaction were not uniform and that their relationships were contingent upon employees' value orientation. Regression analyses indicated that the collectivistic orientation of employees raised the effect of self-determination but reduced the effect of impact. However, no significant results were found with respect to meaning and competence. This means that for high collectivistic

employees, psychological empowerment was more significant to satisfaction stemming from choice of work i.e. self-determination than to outcomes of work i.e. impact.

In a recent study conducted by Choong and Lau (2011) they examined the relationship between psychological empowerment and job satisfaction in the context of Malaysia's electronics and electrical industry. The study intended to appraise the existing literature and eventually develop the conceptual framework which linked psychological empowerment and the four cognitions of psychological empowerment: meaning, competence, self determination and impact with job satisfaction, so that the organizations and supervisors will have better ideas and knowledge on how to shape the attitude of the employees' by implementing psychological empowerment in order to increase job satisfaction thus leading to an improvement in the overall organizational performance.

Inradevi (2011) tried to analyze the impact of psychological empowerment on employee performance and job satisfaction of employees in pharmaceutical companies. Data was collected from a sample of 180 respondents from two pharmaceutical companies. This study had identified a strong association between employee psychological empowerment and employee performance and job satisfaction. The researcher found a high positive relationship between psychological empowerment and job satisfaction. Autonomy was found to be the most important component that predicted job satisfaction followed by meaningful work, competence and impact. Employee performance was also predicted by psychological empowerment and among the four components of psychological empowerment. The relationship was stronger in Meaningful work followed by impact, autonomy and competence.

Sparks (2012) studied the differences in nurses' generational psychological empowerment and job satisfaction with the assumption that generations differ in



work styles, leadership views, and on what constitutes innovation, quality, and service. The sample included 451 registered nurses employed at five hospitals in West Virginia. The result revealed that the Baby Boomer nurses reported higher mean total psychological empowerment scores than Generation X nurses which means that there were significant differences among the generations' psychological empowerment scores. But the result did not show any differences in total job satisfaction scores between the generations.

The empirical research on the studies linking psychological empowerment and job satisfaction found that psychological empowerment is significant and positively associated with job satisfaction. However, results of the relationship between the four cognitions of psychological empowerment and job satisfaction vary from one study to another.

### **3.2.3 Psychological Empowerment and Job Related Stress**

Beehr and Newman (1978) developed a model which suggested that the elements of the personal facet and the environmental facet interact by way of the process facet, producing human and organizational consequences. Thus this model brings together the various facets of stress. They also suggested that employees who do not believe that they will be able to undertake their job responsibilities i.e. employees with low self-efficacy would view organizational stressors as more threatening and are likely to exhibit more negative reactions than those who are more confident to undertake their job responsibilities i.e. employees with high self-efficacy.

In a study by Umiker (1992) individuals who feel that they are in control of their jobs and their futures are able to handle stress in a better way. Empowerment is facilitated when managers revise the employees' goals and plans. This must be done with the cooperation of the employees so that these goals will provide a feeling of being in control thus increasing the productivity of the employees.

A study by North Western National Life insurance Co. suggested that job stress is generally a consequence of two ingredients: a high level of job demands and little control over one's work. The study concluded that where employees are empowered, where they have more control over how they perform their work, the risk of stress and burnout is considerably reduced [as cited by Froiland, 1993].

A study conducted by Bushe et al. (1996) reported increased productivity and efficiencies from being empowered measured by reported increase customer satisfaction and innovation. Stress was reduced when a person did not have to report to someone daily. By empowering employees, the employees took upon control over their work themselves giving them a higher sense of accomplishment and that this was found regardless of occupational grouping.

Spreitzer et al. (1997) found that those who reported more of the meaning dimension in their work also reported more strain. They speculated that those who felt a closer connection to their work took the work more seriously and thus experienced more stress in their jobs. They felt that those who feel they have influence within the organization and necessary skills may be buffered from experiencing job related stress. Conversely Thomas and Tymon (1994) found no relation between meaning and stress but found that competence and impact was strongly related to reduced stress. Spreitzer (1996) also affirms that role ambiguity was found to have a strong relationship to empowerment. Siegall and Gardner (2000) found no link between competence, job satisfaction and stress.

Johnson (1997) states that psychobiological research on the work environment has shown that low levels of empowerment in daily work life, measured in relation to few possibilities to control work content and process, is strongly related to excess neurohormonal arousal, drug and alcohol use, mental

distress, excess chronic disease. Efforts to increase levels of power and control at the rank-and-file level of modern industrial organizations have resulted in improved health behaviour, greater activation, participation in occupational health and safety activities, and reduced levels of self-reported stress.

The research conducted by Savery and Luks (2001) showed that the higher the perceived amount of influence over areas of work the greater is the level of job satisfaction and lower is the levels of job stress. It seemed that the amount of influence is an important variable in job satisfaction and feeling of stress caused by the job. However when a person goes higher in the hierarchy it appeared that the employee would feel stressed even though he may have a large amount of autonomy. From this it can be understood that jobs with responsibility are perceived by the individual as stressful. Thus it may not be as clear as it first seems that autonomy is negatively related to levels of stress. The stress may be partially due to other factors such as length of the working week, level of responsibility, particularly concerning people rather than inanimate objects (Savery and Halls, 1986)

In their study to examine whether coping styles influences the impact of self-efficacy on stressor-strain relations of the US Army, Jex and Bliese (2001) revealed that there was three-way interactions among self-efficacy, role clarity, and active coping and among self-efficacy, work overload, and avoidance coping. Self-efficacy alleviates the effects of low role clarity on strain only when active coping was high. Also, strain levels were lower for participants with high self-efficacy than for participants with lower self-efficacy when work overload was low but avoidance coping was high. They found out that stressors would be more threatening to individuals who do not perceive themselves as having the competence to perform their job tasks. They also suggested that self-efficacy acts as a moderator in the relationship between stressors and job stress. Jex and Bliese (1999) also argued in their previous study that individuals with

high self-efficacy tend to do something about stressors, whereas those with low self-efficacy have a greater tendency to worry about them.

In a study by Laschinger, Finegan and Shamian (2001) on staff nurses, it was identified that structural empowerment conditions in their workplace resulted in high levels of psychological empowerment (i.e. a greater sense of meaning in their work, greater confidence, more autonomy and a greater belief that they can have an impact on their work and their work settings). These augmented feelings of psychological empowerment strongly influenced nurses' job strain and work satisfaction. However job strain did not have a direct effect on work satisfaction.

In their study of human service professionals in Canada, Lait and Wallace (2002) examined how certain conditions of work affected human service workers' job stress. They proposed and assessed a model of organizational –professional conflict, to determine how professional and bureaucratic conditions of work influenced service professionals' expectations and in turn their job stress. The findings suggested that, whether service professionals' expectations are met is critical in explaining job stress. Professional conditions of work, relating to working relationships and client interactions are key to fulfilling service providers' expectations, whereas bureaucratic conditions of work that reflect role conflict and excessive role demands are important predictors of job stress. The bureaucratization of procedures that may limit service workers' control over their work and autonomy does not contribute significantly to their job stress.

Holdsworth and Cartwright (2003) aimed to explore the relationship between stress, satisfaction and four dimensions of psychological empowerment (meaning, competence, self-determination and impact) within a call centre. The study found the call centre agents were more stressed, less satisfied and reported poor mental and physical health than general working population. The sample

perceived themselves as less empowered than other workers in a traditional office environment. The empowerment dimensions of meaning and impact contribute to the overall feeling of job satisfaction but the most significant relationship is with self-determination. But they do not influence health.

A study conducted by Li, Chen and Kuo (2008) explored the relationships between work empowerment, including both structural and psychological empowerment and work stress among nurses at long-term care facilities in Taiwan. The results indicated that there was a moderate level of psychological empowerment and structural empowerment. A moderate level of work stress was also found among the employees. Both psychological empowerment and structural empowerment were found to be significantly associated with total work stress. The variables of age, resources meaningful work and impact were significant predictors of work stress. They suggested that the managers of the facilities should provide available resources for nurses to accomplish work and to involve nurses in the development goals of the facilities to enhance their influence in making important changes within the organisation to decrease their work stress.

Martin (2007) examined the relationship between nurses' environmental and psychological empowerment on psychological strain in critical care nursing work environments. Quality of medical care is to a great extent dependent upon the mental well being of health care professionals. Martin highlighted that studies have found that workplace stressors that result in psychological strain in critical care nursing environments are significant and associated with a negative impact on performance. The result revealed a significant difference between nurses that had high levels of empowerment and those with low levels empowerment with regard to strain. Additionally, overall empowerment accounted for twenty eight percent of the variance in strain; and clear structures and team accountability were significant predictors of strain.

There are very few studies linking psychological empowerment with job related stress. Research findings provided a negative correlation between psychological empowerment and job related stress.

### **3.3 Job Satisfaction and Job Related Stress**

There are several studies which have examined the relationship between stress and job satisfaction. Some studies have also taken certain elements of job stress like role ambiguity, role over load etc. to study the relationship with job satisfaction.

Hendrix, Ovalle and Troxier (1985) measured organizational stress, job satisfaction and turnover intentions of employees working in the Department of Defense and a civilian hospital. No significant relationship between organizational stress and turnover intentions were found. But, results of a path analysis indicated that job satisfaction was affected by factors such as involvement in decision making, skill variety. Job satisfaction was strongly related to the intention to quit.

Kemery and associates (1985) repeated the Bedeian and Armenakis (1981) model of the relationship between role ambiguity and conflict, as well as job tension, satisfaction, and intention to leave. Three samples of accountants from public, government and industrial organizations and a sample of hospital employees were used in the study. The data from the three samples of accountants supported the Bedeian and Armenakis model. Stress had an indirect influence on turnover intentions through job satisfaction.

Kemery, Mossholder, and Bedeian (1987) tested three models that hypothesized causal relationships among role ambiguity, role conflict, and organizationally valued outcomes such as job satisfaction, physical symptoms, and turnover intentions. The survey was conducted on 370 university employees

including faculty, administrators and staff. Kemery et. al. (1987) found that role conflict and ambiguity put forth a direct influence on job satisfaction and physical symptoms, which in turn influenced turnover intentions. Research has shown that role ambiguity intimidate personal control and generate stress among employees (Sutton and Khan, 1987).

Tetrick and LaRocco (1987) examined a sample of 206 employees including physicians, dentists, and nurses from a naval hospital to find out the role of the ability to understand why and how organizational events happen, to predict the frequency, timing and duration of such events, and to control important outcomes by influencing events and significant others in the work environment. They found that perceived control moderated the stress-satisfaction relationship but the ability to predict events could not moderate the relationship between stress and satisfaction.

Drory and Shamir (1988) conducted a study on prison guards in Israel. They observed the effects of intra organizational factors, like role conflict, role ambiguity, management support; extra organizational factors like community support, family-role conflict; and task characteristics on the job satisfaction and burnout. They found that extra organizational factors, like community support, made the greatest contribution to job satisfaction. Task characteristics as well as organizational variables also accounted for job satisfaction to some extent. The results implied that extra organizational stresses as well as intra organizational stresses are important in determining an individual's levels of job satisfaction. However, in explaining job burnout, intra organizational factors accounted for a greater proportion than extra organizational factors. Task characteristics did not account for job burnout.

Bhagat and Allie (1989) examined the moderating effect of sense of competence on the relationship between stress and satisfaction of elementary

school teachers. They found that when the teachers had high level of organizational stress, those with a high sense of competence reported greater satisfaction with the work they do and co-workers and had a reduced feelings of depersonalization, compared to those with lower sense of competence. When the teachers experienced low stress, teachers who had high sense of competence were less satisfied with co-workers than were individuals with a low sense of competence. Competence also moderated the effects of personal life stress on organizational outcomes (like work satisfaction, supervision, emotional exhaustion, and feelings of depersonalization) in a similar way.

Richardson and Burke (1991) conducted an empirical study to find out the issues related to gender differences in the nature of occupational stress experienced by physicians, and the sources of satisfaction in medical practice. Data were collected from physicians in the Canadian provinces. About ten percent of the respondents were female. Major sources of stress indicated by the physicians were time pressures on the job, and major sources of satisfaction were relationships with patients and colleagues. Even though gender differences were found in terms of the specific variables that predicted job stress and satisfaction, for both women and men, various work setting variables positively predicted occupational stress and negatively predicted job satisfaction. Correlations indicated that for both female and male physicians, high levels of occupational stress was associated with less satisfaction with medical practice and more negative attitudes about the medicare system and health care in general. High job satisfaction was related to fewer specific work stressors and more positive attitudes about health care.

Fairbrother and Warn (2003) adopted the recommendations of Sparks and Cooper (1999) which advocated using job-specific models of stress as a way of developing a better understanding of the relationships. The study was conducted among a specific job context which consisted of 100 naval officer



trainees undergoing sea training. The results indicated that a general model of stress is unhelpful in identifying the predictors of stress and job satisfaction in specific job contexts. The authors suggested that identifying salient workplace dimensions is important when seeking workplace associations with stress. The experience of stress was found to have negative influence on job satisfaction for naval trainees. Conflict between the demands of navy life and the expectations of personal relationships contributed to lower job satisfaction where as uncertainty and loss of control contributed to stress of naval trainees.

Flanagan (2006) tested the concepts of stress and satisfaction as represented in the anticipated turnover model. The result showed that an inverse relationship existed between job stress and satisfaction among correctional nurses. Job stress was a significant predictor of job satisfaction, supporting the theorized conceptual relationship between job stress and job satisfaction as described in the anticipated turnover model.

Anton (2009) analyzed whether the variables such as job satisfaction and organizational commitment mediate the relationship between role ambiguity and conflict and employees' behaviour among a sample of Spanish blue-collar workers employed by a bus company and a water supply company. Result revealed that role stressors were negatively related to affective commitment and job satisfaction mediated the relationship. The result also showed that affective commitment to the organization put forth a positive influence on performance of employees and reduce the withdrawal behaviour such as intention to leave and absenteeism. The strongest predictor of intention to leave was identified as job satisfaction.

Aghdasi, Kiamanesh and Ebrahim (2011) explored the direct and indirect effects of emotional intelligence on occupational stress, job satisfaction, and organizational commitment. The data were collected from 234 employees in an Iranian organization. The results indicated that emotional intelligence does not

have any direct and indirect effects on occupational stress, job satisfaction, and organizational commitment. However, the results of the path analysis revealed that occupational stress had a direct negative effect on job satisfaction. It was also revealed that occupational stress had an indirect negative effect on organizational commitment. Job satisfaction had a strong direct positive effect on organizational commitment. The result also confirmed the mediatory role of job satisfaction in the effect of occupational stress on organizational commitment.

Calisir, Gumussoy and Iskin (2011) explored the effects of stressors (role ambiguity, role conflict, work-overload, and work-family conflict), job stress, job satisfaction and organizational commitment on intention to quit. The survey was conducted on IT professionals in Turkey. The structural equation modeling revealed that intention to quit one's job is explained by job satisfaction and organizational commitment. Role ambiguity and job stress had a negative indirect effect on the intention to quit one's job. Further, organizational commitment was strongly explained by job satisfaction, and job satisfaction was predicted by role ambiguity and job stress.

Malhotra and Chadha (2012) conducted a research on the 300 employees working in the call centres of the Mohali, Panchkula and Chandigarh to evaluate the reason for stress in the BPO sector and to evaluate the effect of stress on job satisfaction in the BPO sector. The study indicated that lack of job satisfaction is the reason to raise the stress among the employees. The result also revealed that other factors like salary, job task, colleagues, sense of purpose, career path opportunity, work environment, autonomy and workload brings in stress to the employees.

In the study by Heslop, Smith, Metcalfe, Macleod and Hart (2002) they revisited the associations between job satisfaction, self-reported stress, from

a cohort of working Scottish men and women recruited between 1970 and 1973. Approximately half of the cohort was screened for a second time, four to seven year after the baseline examination. Job satisfaction at baseline was strongly associated with low or moderate perceived stress at second screening. Men and women reporting decreased satisfaction in their jobs between baseline and second screening tended to report moderate or high perceived stress at 2nd screening. Job satisfaction was associated with own occupational class in different directions for men and women. The results of the analyses suggested that there was an association between job satisfaction and perceived stress.

Rahman and Sen (1987) investigated the effect of job satisfaction on stress, performance and health in self-paced repetitive work. There were two groups of subjects. One group consisted of 41 subjects with a high score on job satisfaction and the second group consisted of an equal number of subjects with a low score on job satisfaction. The results of the study indicated that the low satisfied workers experience more stress and describe their job more unfavourably than the highly satisfied workers.

Majority of the studies indicated that Job stress and Job satisfaction are inversely related to each other that is when job related stress reduces job satisfaction increases. Other studies have recognised only a partial association (Kauppinen- Toropainen, Kandolin, and Mutanen, 1983), or no significant association (Hurrell and McLaney, 1989). Some studies have shown a reverse relationship with job satisfaction and stress i.e. when satisfaction decreases job related stress increases.

### **3.4 Empowerment Research in Banking Sector**

As already mentioned, empowerment related research are less in service sector. There are very few studies of empowerment as well as psychological

empowerment in banking sector. The studies include comparative studies of various banks with regard to empowerment, relation between empowerment and role efficacy, motivation, customer satisfaction etc., relation between psychological empowerment and trust, organizational commitment, organizational effectiveness etc. in banking sector.

Holden (1999) in her research examined communicational forms of empowerment in a British and Swedish bank. The research confirmed the previous assumptions that Swedish workers have greater participation than the British in the workplace, but the strength of participation is mediated by external factors such as labour law, social values, technological change and economic conditions. Such factors can negatively impact on alternative forms of communication via trade unions. This study revealed that while there is a desire by senior management to restrict forms of empowerment to workplace levels, employees and managers at lower levels, continued to perceive Empowerment initiative measures as much more power enhancing, both at micro and macro levels in the organization. Thus unless messages of the restrictive nature of empowerment, as conceived by Wilkinson (1998), are conveyed to the workforce there will be misconceptions as to the aims and intentions of such mechanisms.

Muhammad Azeem (2000) compared the employee empowerment between public sector and private sector banks operating in Pakistan. The study attempted to address the degree of employee empowerment in the private and public sector banks and whether employees in the private sector banks have more empowerment in terms of power, knowledge, information and rewards compared with the empowerment of employees in the public sector banks. The results showed that private sector bank employees are given significantly more power in making decision, more opportunities for acquiring and utilizing knowledge to understand and contribute to organization performance; more information regarding to organization performance and activities; and more

rewards based on the organizational performance than the public sector banks thus resulting in higher empowerment.

Mohr and Puck (2007) studied the effects of inter-sender role conflicts experienced by general managers of International Joint Ventures (IJVs) on their individual job satisfaction and job stress. The level of IJV managers' job satisfaction and job stress to the performance of the IJV was also studied. Data collected through a questionnaire survey carried out among 41 general managers of German-Indian joint ventures revealed that role conflicts were negatively associated with the level of International Joint Ventures-General Manager (IJVGM)s' job satisfaction and were positively related to the job stress perceived by an IJVGM. This meant that managers experiencing a high level of role conflict also reported lower job satisfaction and higher job stress. High job stress of IJV managers is related low performance of IJVs. Thus, IJV managers' job stress mediates the relation between inter-sender role conflict and IJV performance. There was no statistically significant relationship between IJV managers' job satisfaction and IJV performance.

An attempt had been made by Sarkar (2009) to identify the various tools of empowerment used and to check the effect of empowerment on the role efficacy of the employees. It was understood that there exists a positive relationship between empowerment tools and the role-efficacy parameters. It was also found that some empowerment tools like proper training, career planning, role analysis, autonomy and Human Resource Information (HRI), needed immediate attention of the employer for its review and re-engineering for betterment of employees, and to create empowered environment in organization.

A comparative study was conducted by Naeem and Saif (2010) to examine the impact of employee empowerment on customer satisfaction among 644 bank officers from two banks operating in Pakistan. The two banks

included a foreign bank (Standard Chartered Ltd.), where employees were empowered, BWEE (Bank with Empowered Employees) and a local public sector bank (The Bank of Punjab) with a traditional management style, where employees were not empowered, BWNEE (Bank with no Empowered Employees). Empirical analysis indicated that employee empowerment level was at higher side in foreign banking setup, customers of BWEE were highly satisfied as compared to the local bank. There was no relationship between employee empowerment and customer satisfaction in the Pakistani commercial (in both foreign and local banks) banking sector.

Zakaria (2011) investigated the relationship between empowerment and employee motivation within the context of banking as empowerment has an important role in a service type of organization. For purpose of comparison, questionnaires were administered to a private bank and a government owned bank in Malaysia. The study showed that there is no much difference between the level of empowerment perceived by employees at the private bank and by those at the government-owned bank, despite the different organizational structures in the two banks. The study further explicated the link between empowerment and intrinsic motivation. Higher level of empowerment induced a higher level of intrinsic motivation in the employees. The study also provided evidence that there is a stronger positive link between empowerment and intrinsic motivation in the government-owned bank than in the private bank.

### **3.5 Psychological Empowerment in Banking Sector**

Ergeneli, Arı and Metin (2007) examined the relationships between overall psychological empowerment, and its four dimensions of Psychological empowerment developed by Spreitzer (meaning, impact, self-determination, and competence) with cognition and affect-based trust of bank managers in their immediate managers. A total of 220 bank managers of Turkey participated

in the survey. Demographic factors like education, tenure with current manager, gender, position, age and years of work experience were considered as control variables to determine their effect on the relationship between psychological empowerment and trust. The result of the study revealed a significant relationship between cognition-based trust in immediate managers and overall psychological empowerment. This means that when belief in the immediate manager's reliability, dependability and competence increases, overall psychological empowerment also increases. With regard to the relationship of four dimensions of psychological empowerment and cognition and affect-based trust, cognition-based trust was related to meaning and competence dimensions were as, affect-based trust was related to impact dimension only. In this study self-determination dimension did not have any relationship with both types of trust in immediate manager. Among all the demographic variables, position was the only control variable which had a significant effect on overall psychological empowerment.

Barrutia , Charterina and Gilsanz (2009) conducted a research on sales person of Swedish bank, for understanding the dimension of power transference within the concept of empowerment. For this they considered power transference to be a driver of the individual feeling of empowerment, and identified two kinds of power of empowerment: process-driven empowerment (PDE) and decision-making-driven empowerment (DDE). They also studied the relationship between both of them in relation to performance. The result revealed that salespeople's feeling of empowerment depended on both drivers. Top management decisions regarding the transference of power to salespeople are performance-driven. There is a positive relationship between PDE and performance but they questioned the existence of a positive relationship between DDE and performance in previous literature.

Sharma and Kaur (2011) analyzed the relationship between the perceived levels of psychological empowerment and the organizational effectiveness using the Spreitzer measure of Psychological Empowerment Questionnaire (PEQ). They also assessed the effectiveness of the organization as perceived by the employees of the private and public sector banks. The results indicated that there is a high correlation between the perceived levels of psychological empowerment and organizational effectiveness. Among the individual components the highest correlation is observed between self-determination and organizational effectiveness. The structural empowerment has a positive impact on the levels of psychological empowerment and the employees of the public sector banks perceive themselves to be more empowered than the private sector employees. The study also revealed that self-determination is the strongest predictor of psychological empowerment both in public as well as private sector banks. Skills and Knowledge significantly predicted organizational effectiveness scores for the public sector banks whereas for the private sector banks it was the reward system.

Hashmi and Naqvi (2012) conducted a study to elaborate the role of psychological empowerment in committing employees with organization. This study tested the effect of dimensions of psychological empowerment on organizational commitment in banking sector of Pakistan. Data was gathered from employees working in banks of Pakistan and the results showed that there is a significant effect of all dimensions of psychological empowerment (meaning, competence, self-determination and impact) on organizational commitment among the bank employees. Thus they concluded that employees having high level of all four dimensions of psychological empowerment are emotionally attached with organization and feel obligation to remain with organization.

A literature review of empowerment, psychological empowerment, job satisfaction and job related stress and psychological empowerment in service



sector especially banking sector is presented in this chapter. The literature review detailed herein provided sufficient theoretical background and empirical evidence to support this research's intent and purpose.

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**METHODOLOGY OF THE STUDY**

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The present study aims at understanding the feeling of empowerment on employees working in service sector, specifically in banks. This study examines the relationship between psychological empowerment and job satisfaction, psychological empowerment and job related stress; and job satisfaction and job related stress. Specifically the relationship between all the dimensions of psychological empowerment and job satisfaction were also investigated in the study. Present research is exploratory in nature. The relationships between the aforementioned variables were presumed and appropriate hypotheses were formulated for testing. The hypotheses formulated, definitions of variables, population of the study, tools for data collection, method of data collection, tools used for data analysis etc. are detailed in this chapter.

**4.1 Research Hypotheses**

Based on the information gathered during review of literature various hypotheses were formulated presuming different relationship among the different variables of the study such as psychological empowerment, job

satisfaction and job related stress. Some hypotheses were formulated for assessing the overall relationship between psychological empowerment and other two variables whereas other hypotheses were stated to assess the relationships between various dimensions of psychological empowerment and job satisfaction. The relationship between the demographic variables and psychological empowerment were also looked into with the help of some hypotheses.

The various hypotheses formulated are as follows:

- H1 : Higher the level of Psychological Empowerment higher will be the level of Job Satisfaction
- H2 : Higher the level of Psychological Empowerment lower will be the level of Job Related Stress
- H3 : Higher the level of Job Satisfaction lower will be the level of Job Related Stress
- H4 : The four dimensions of Psychological Empowerment are positively related to Job Satisfaction.
- H4a : Meaning dimension of Psychological Empowerment is positively related to Job Satisfaction
- H4b : Competence dimension of Psychological Empowerment is positively related to Job Satisfaction
- H4c : Self-determination dimension of Psychological Empowerment is positively related to Job Satisfaction
- H4d : Impact dimension of Psychological Empowerment is positively related to Job Satisfaction.

- H5 : Job Satisfaction mediates the relation between Psychological Empowerment and Job Related Stress.
- H6 : Psychological Empowerment differs among employees of different sectors of banks.
- H7 : Dimensions of Psychological Empowerment (Meaning, Competence, Self-determination and Impact) differs among employees of different sectors of banks
- H8 : Psychological Empowerment differs among employees of different banks.
- H9 : There exists a relationship between age and Psychological Empowerment.
- H10: There exists a relationship between education and Psychological Empowerment.
- H11: There exists a relationship between level of employees and Psychological Empowerment.
- H12 : There exists a relationship between gender and Psychological Empowerment.

## **4.2 Variables of the study and Operational Definitions**

Three variables, Psychological empowerment, Job satisfaction and Job related stress were determined after a thorough review of literature. There are several definitions for the terms but the following definitions will be considered for the purpose of this study.

### **Psychological Empowerment:**

Psychological empowerment is a psychological mindset that includes the fit between one's job and personal values. It is the belief that one has necessary knowledge and skills to perform the job well that can make a difference in the organization (Sprietzer, 1995a).

Thus for the purpose of this study psychological empowerment is defined as an individual's experience of intrinsic motivation that is based on four cognitions (meaning, competence, impact and self-determination) about an employee in relation to his or her work role (Spreitzer, 1995a) and psychological empowerment is operationally taken in the study as the scores obtained by the respondent on Spreitzer's Psychological Empowerment Scale.

**Job Satisfaction:**

An affective or emotional reaction to a job that results from the incumbent's comparison of actual outcomes with those that are desired (Cranny, Smith and Stone, 1992). For the purpose of this study, job satisfaction is operationally defined as a subjective quality that is measured in the form of an overall job satisfaction score on the Minnesota Satisfaction Questionnaire (MSQ) short form.

**Job Related Stress:**

Stress refers to the resultant behavioural, physical or psychological changes that occur when there is a mismatch between the person and his environment. Job Related Stress is the harmful physical and emotional responses that occur when the requirements of the job do not match the capabilities, resources, or needs of the worker (Sauter *et al.*, 1999). Job Related Stress is operationally taken in the study as the scores obtained by the respondents on the Job Related Tension Index (JRTI).

**Banking Sector:**

Banking Sector refers to the banking industry which comprises of various types of banks belonging to different sectors such as private sector, public sector etc. For the purpose of the study banks were chosen from three different sectors and they are private sector banks, public sector banks and new generation banks.

### **4.3 Population of the study**

The present study is carried out with an intention to understand the nature of relationship that exist between the variables, psychological empowerment, job satisfaction and job related stress among the employees belonging to clerical and managerial cadre in various banks. Hence the population of the study includes all branch level employees working in clerical and managerial cadre of various banks in Kerala.

### **4.4 Sample Design and Sample Selection**

Choosing banks for data collection was a complex task. Considering various aspects the researcher decided to employ the concept of multi stage sampling for the present study. At the first stage the researcher decided to choose three groups of banks from the whole banks for the study, considering the different features of the three groups of banks. They were private sector banks, public sector banks and new generation banks.

At the second stage two banks each from each group of the above banks were chosen considering the chances to access data from the banks. The banks were Federal bank and south Indian bank from private sector banks, State bank of India and state bank of Travancore from public sector banks and HDFC and IDBI from new generation banks. At the third level ten branches from each banks (60 branches) were chosen through lottery method for data collection. Researcher finally collected 337 sample from the employees of the afore mentioned branches. Since the banks have their own restrictions and rules which prevent the researcher to collect information from all the employees of the branch, the sample was restricted to available and permitted employees. Table 4.1 shows the composition of each bank.

**Table 4.1 Showing the classification of sample**

Sector	Banks	Frequency	Percent
Private Sector	South Indian Bank	32	9.5
	Federal Bank	73	21.7
Public Sector	State Bank of India	42	12.5
	State Bank of Travancore	71	21.1
New generation	IDBI	52	15.4
	HDFC	67	19.9
	Total	337	100.0

#### 4.5 Instruments used for Data Collection

There were three important variables namely psychological empowerment, job satisfaction and job related stress in the study. Standardised tests with proven validity and reliability were administered among the respondents for assessing the above mentioned variables. The tests used are given below.

- Psychological empowerment is measured using a 12-item scale developed by Spreitzer (1995a).
- Job Satisfaction is measured using the Minnesota Satisfaction Questionnaire short-form (Weiss, Cavis, England and Lofquist, 1967).
- Job Related Stress is measured by Job Related Tension Index (JRTI) developed by Kahn et al. (1964).

In addition to the above, a small schedule was used to collect the demographic details of the respondents. A pilot study was conducted to check the reliability of the tests, to assess the adequacy of the instructions and to measure the time needed to complete the survey. Cronbach's alpha was used to assess the reliability of all the three tests used for the pilot study and the same



was found to be very high for all the three tests. The Cronbach's alpha for the tests used for Psychological empowerment, Job satisfaction and Job related stress were 0.78, 0.91 and 0.86 respectively. The details are demonstrated in Table 4.2. Each instrument and their explanation are as follows:

#### **4.5.1 Spreitzer's Psychological Empowerment Instrument**

Psychological empowerment was measured using a 12-item scale developed by Spreitzer (1995a). The scale is composed of four subscales: meaning, competence, self determination, and impact. Each of the sub scales has three items each. Sample items were 'The work I do is very important to me' (Meaning), 'I am confident about my ability to do my job' (Competence), 'I have significant autonomy in determining how I do my job' (Self-determination), and 'My impact on what happens in my department is large' (Impact). Respondents were asked to indicate their level of agreement or disagreement on each item on a five-point scale ranging from 1 (strongly disagree) to 5 (strongly agree). This is a popular test and it is widely used in Indian studies. Cronbach's alpha of the entire scale was 0.78. Cronbach's alpha for the subscales were 0.72 for meaning, 0.75 for competence, 0.75 for self-determination, and 0.85 for impact. Based on Spreitzer's (1995a) explanation that these four sub facets additively create the psychological empowerment, the subscale scores were averaged to obtain a total score for psychological empowerment. A higher score indicated greater perceived empowerment.

#### **4.5.2 Minnesota Satisfaction Questionnaire (MSQ) Short Form**

Job satisfaction was measured using the short form of the Minnesota Satisfaction Questionnaire (MSQ) which was designed by Weiss, Dawis, England, and Lofquist (1967) to investigate employees' satisfaction with their jobs. There were three kinds of forms about the MSQ, including two long forms (1967 and 1977 version) and a short form (1967). MSQ short form by the

Vocational Psychology Research in the University of Minnesota, 1967 was a 20- item scale. Lo (2003) pointed out that the short-form MSQ consists of three scales: general satisfaction, intrinsic satisfaction, and extrinsic satisfaction. Houser and Chace (1993) explained that out of 20 items in MSQ, 12 items were the intrinsic scale which measured the job achievement opportunities and opportunities to do things for others, 6 items were the extrinsic scale which measured company policies and the quality of working conditions. The other two items were included in the general satisfaction scale, but not related to either the intrinsic scale or the extrinsic scale.

The intrinsic satisfaction scale measures an individual's satisfaction with internal factors on the job. The extrinsic satisfaction scale measures satisfaction with an individual's external job factors of the job. MSQ short form asked respondents to indicate how they felt about different aspects of their job like 'being able to keep busy all the time', 'the chance to do things for other people' etc. Respondents were asked to rate each item on a five-point scale ranging from 1 (very dissatisfied), 2 (dissatisfied), 3 (neither satisfied nor dissatisfied), 4 (satisfied), and 5 (very satisfied). Cronbach's alpha for the scale is tested and found to be 0.91. This scale has extensively been used for measuring job satisfaction in Indian context.

#### **4.5.3 Job Related Tension Index (JRTI)**

Job related tension index (JRTI) developed by Kahn, Wolfe, Quinn and Snoek (1964) was used to measure the job related stress. The JRTI was developed and used in a national survey that examined stress in 53 different jobs (Kahn et al., 1964). This tool provides a general measure of job tension that arises from the social environment of the work place.

This scale evaluate psychological indications of stress, such as feeling of over burdened with work, not having the adequate resources and tools to

complete given tasks or projects, and usually being incapable to handle all of the work. The theoretical framework that forms the basis for this measure proposes that role conflict and role ambiguity result in job stress and tension (Kahn et al., 1964). JRTI has also been used in studies with male, upper-middle managers (Roger, 1977) and also various nursing department studies (Bateman et al., 1983). Roger (1977) identified that JRTI contains four factors that accounted for 10% of the variance in stress. The four factors are management responsibilities work load, organizational structure and design and communication ad interpersonal interactions.

The job related tension index is a 17 item scale. It measures the stress on a five point Likert scale from 1=strongly disagree to 5= strongly agree. The index score is determined by adding the responses. Higher scores indicated higher perceived occupational stress. This test has been used in many Indian studies to measure the job stress. Cronbach's alpha of JRTI has been tested and found to be 0.86.

**Table 4.2 Cronbach's alpha for Different variables**

No of Variables	Type of Scale	Cronbach's alpha
3	Likert-5	0.715
3	Likert -5	0.745
3	Likert -5	0.746
3	Likert -5	0.852
12	Likert -5	0.783
17	Likert -5	0.856
20	Likert -5	0.908

#### **4.6 Demographic Characteristics**

Demographic data were requested from each respondent in order to analyse their relationship with major variable. Respondents were asked questions relating to their age, gender, educational level and designation. Questions were also asked

to indicate how long they have been in the concerned banks. A couple of hypotheses were also formulated to test the relationship between some of the demographic variables and psychological empowerment.

#### **4.7 Method of Data Collection**

The data were collected using hand delivery method. The investigator visited all the 60 randomly selected bank branches and administered the survey instruments to the employees. Respondents were given appropriate instructions regarding how to go about with the tests and method of marking their responses without any error.

#### **4.8 Techniques of Data Analysis**

The data analysis was based on the research objectives formulated for the study. The Statistical Package for Social Science (SPSS) was used for most of the statistical analysis. Descriptive statistics were calculated for the overall population for each of the variables. Mean and Standard deviations were determined for each variable in the study. Cronbach's alpha was used to measure the internal consistency and reliability of the instrument.

To explore the relationship between independent and dependent variables, various statistical methods like Percentage analysis, Cross tabulation, Pearson Correlation, Chi square- test of Independence, Z test, One way ANOVA and Post-Hoc test were used. The box plot has also been used to depict the distribution of responses. The researcher mainly focused on the substantiation of the hypothetical model of relationship among the employees' psychological empowerment, job satisfaction and job related stress. Structural Equation Modeling (SEM) has been used for testing the proposed research model that explains the relationship between the Psychological Empowerment, Job Satisfaction and Job Related Stress among bank employees. The statistical methods used are elaborated here.

**a) Pearson Correlation**

Pearson correlation is a calculation that examines the relationship between two variables. Pearson's correlation coefficient is the average product of the deviation scores for two variables, divided by the product of their standard deviation (Freed, Ryan and Hess (1991). The correlation coefficient was found between psychological empowerment and job satisfaction, psychological empowerment and job related stress and also job satisfaction and job related stress. Pearson's correlation was also computed between psychological empowerment, job satisfaction, psychological empowerment and job related stress in three different sectors of banks. The relation between job satisfaction and the cognitions of psychological empowerment, meaning competence, self-determination and impact was also examined using Pearson's correlation coefficient.

**b) Mean percentage Score**

Mean percentage score was calculated to identify the level of psychological empowerment of different sectors of banks. The formula for calculating the mean percentage score is

$$MPS = \frac{\text{Mean score of the variable} \times 100}{\text{Maximum possible score}}$$

**c) Chi- square test of Independence**

To test the hypothesis that two attributes are associated or not the Chi-

square test is used for independence.  $\chi^2$  is defined as  $\chi^2 = \sum \frac{(O - E)^2}{E}$

where  $O$  refers to the observed frequencies and  $E$  for the expected frequencies (the ratio of the product of the row total and column total to the grand total). Chi-square analysis were performed to determine

whether there is any relation between psychological empowerment and job satisfaction; psychological empowerment and job related stress; and also job satisfaction and job related stress.

**d) Z test**

Z Test procedure compares means for two groups. Ideally, for this test, the subjects should be randomly assigned to two groups, so that any difference in response is due to the treatment (or lack of treatment) and not due to other factors. Z test is conducted to find out whether gender (male or female) has any relationship with the level of psychological

empowerment. The formula for conducting Z test is 
$$Z = \frac{(\bar{x}_1 - \bar{x}_2)}{\sqrt{\frac{s_1^2}{n_1} + \frac{s_2^2}{n_2}}}$$
.

**e) One-Way ANOVA**

The One-Way ANOVA procedure produces a one-way analysis of variance for a quantitative dependent variable by a single factor (independent) variable. Here analysis of variance is conducted to examine the effects of demographic variables like age, educational level and level of employees and on the dependent variable psychological empowerment. One way ANOVA was also conducted to find out which dimensions of empowerment differed among the banking sector.

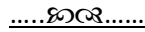
**f) Post Hoc Test**

In addition to determining that differences exist among the means, to know which means differs, Post hoc test was conducted. Post hoc test was conducted to identify whether there is significant difference in the psychological empowerment sector wise as well as bank-wise. Post Hoc test was also conducted to find out which age-group had significant difference in the empowerment.

**g) Structural Equation Modeling**

Structural Equation Modeling (SEM) is a multivariate statistical procedure that is used to test how well the measured variables represent the number of constructs. Here CFA is conducted to test the fit between the research model (given in Chapter 1) and the obtained data. SEM is used in this study to test the proposed research model showing the relationship between psychological empowerment, job satisfaction and job related stress. Further Sobel test was also conducted.

This chapter discussed the procedure of the survey and the outline of statistical analysis. This included research design, hypothesis, population, sample design and sample, instrumentation, procedure for data collection and tools used for data analysis.







## DATA ANALYSIS AND INTERPRETATION

<i>Contents</i>	5.1	<i>Profile of the Respondents</i>
	5.2	<i>Responses of employees on different variables in the study</i>
	5.3	<i>Psychological Empowerment and Job Satisfaction</i>
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	5.7	<i>Dimensions of Psychological Empowerment and Job Satisfaction</i>
	5.8	<i>Employees of Different Banking Sectors and Psychological Empowerment</i>
	5.9	<i>Age and Psychological Empowerment</i>
	5.10	<i>Educational level and Psychological Empowerment</i>
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	5.12	<i>Gender and Psychological Empowerment</i>
	5.13	<i>Modelling using SEM</i>

As mentioned in the previous chapter data has been collected from 337 respondents and they were systematically recorded and analysed. The initial phase of the data analysis is focused on the profile of the respondents. This chapter also includes the descriptive statistics of all key variables.

The second phase consists of the analysis of responses of employees on different variables in the study such as psychological empowerment, job satisfaction and job related stress. In the third phase all the hypotheses formulated are tested. The Statistical Package for Social Science (SPSS) was used to explore the data using various statistical tools such as internal consistency reliability, Pearson correlations, Chi square- test of Independence,

Z test and Analysis of Variance (One way ANOVA) with post-hoc comparisons wherever necessary.

The substantiation of the hypothetical model of relationship among the employees' psychological empowerment, job related stress and job satisfaction were made during the fourth stage of the analysis. The modelling is done by Structural Equation Modelling. Confirmatory factor analysis (CFA) is a multivariate statistical procedure that is used to test how well the measured variables represent the number of constructs. Sobel test is also conducted to confirm the mediation.

In brief the analysis of data has been carried out in four phases as shown below:

**Phase I – Profile of the Respondents**

**Phase II – Responses of employees on different variables in the study**

**Phase III – Testing the Hypotheses**

**Phase IV – Modelling using SEM**

**Phase I****5.1 Profile of the Respondents**

The identification of the demographic profile of the sample was necessary in order to study the relationship between various demographic variables and psychological empowerment. The demographic questions enabled to assess the personal characteristics of individuals in the sample with respect to gender, age, education level and designation. These demographic items are designed vis-à-vis the purpose of the research, which was to investigate the employee's basic and specific individual situations in the selected banks in Kerala.

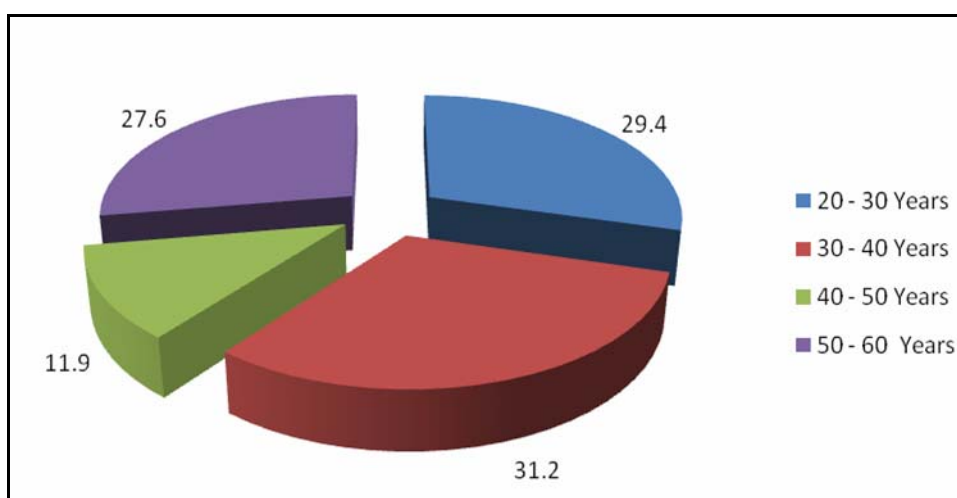
**5.1.1 Age Profile**

As the employees grow older their needs and preferences may change and people may be bored with their present jobs and they require challenges. (Mondy, Noe and Premeaux, 2002). So aging may influence perceived empowerment and hence age of the respondents was collected to see whether there is any link between the age of the employee and psychological empowerment. The entire sample is categorized into four age groups.

**Table 5.1 Age Profile of the Sample**

<b>Age Group</b>	<b>Frequency</b>	<b>Percent</b>
20-30	99	29.4
30-40	105	31.2
40-50	40	11.9
50-60	93	27.6
Total	337	100.0

The number of respondents in each age category is presented in Table 5.1. The largest percentage of respondents in the present sample is in the age group of 30-40 (31.2%, n =105). 29.4% of the respondents are in the age group 20-30, 27.6% in the age group of 50-60 and 11.9% in the age group of 40-50. Thus majority of the sample (60.6%) belongs to the age group of below 40 years (Figure 5.1).



**Figure 5.1 Age Profile of the Sample**

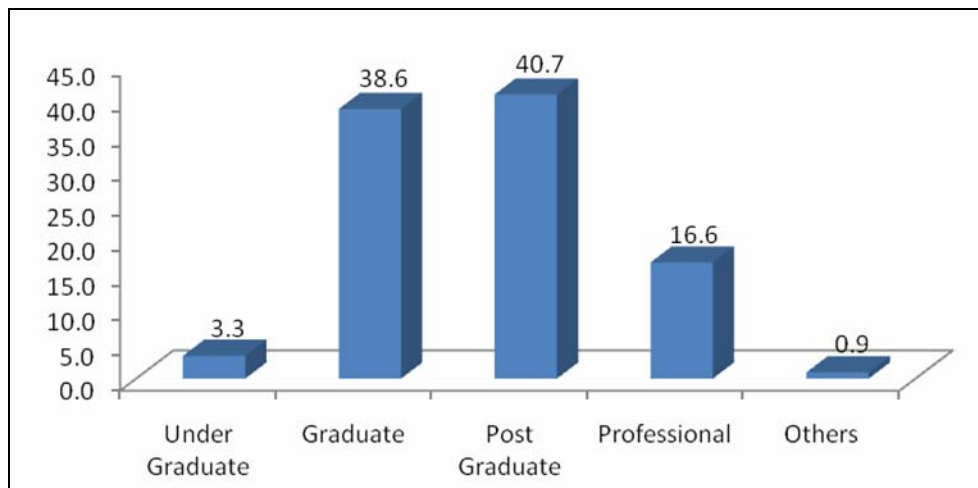
### 5.1.2 Educational Profile

It has been argued that people who have high level of education are more career driven (Kram, 1983). They would be more likely to perceive that they are empowered. Thus, educational profile of the respondents is surveyed on the assumption that the level of education would affect the psychological empowerment of the respondents. Educational level is categorized under five heads as shown in Table 5.2.

**Table 5.2 Educational level of the Sample**

Educational Level	Frequency	Percent
Under Graduate	11	3.3
Graduate	130	38.6
Post Graduate	137	40.7
Professional Graduate	56	16.6
Others	3	0.9
Total	337	100.0

Majority of the respondents among the sample were post graduates (40.7%) and almost 39% were just graduates. Nearly 17% of the respondents were professional graduates, 3.3% were under graduates and only 0.9% belonged to the others category (Figure 5.2).



**Figure 5.2 Educational level of the Sample**

### 5.1.3 Level of Employees

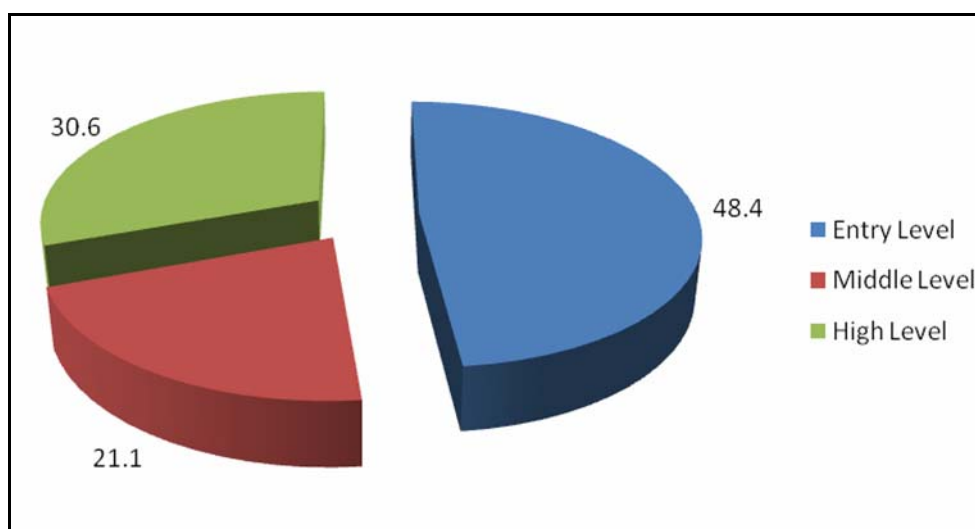
As there is no homogeneity in the designations in different banks, the employees are categorized on the basis of their designation into three levels -

Entry level, middle level and higher level. Entry level employees are those coming under the clerical staff and assistant managers, middle level includes those employees in the managerial level above assistant managers and higher level, employees in the senior manager, chief manager and branch manager category. Break up of employees with respect to their employment level are given in Table 5.3.

**Table 5.3 Level of Employees of the Sample**

Designation	Frequency	Percent
Entry level	163	48.4
Middle level	71	21.1
Higher level	103	30.6
Total	337	100.0

Table 5.3 further shows that majority of the sample were in the entry level category (48.4%). Nearly 31% were in the higher level and 21.1%, in the middle level. This also depicted in the Figure 5.3



**Figure 5.3 Level of Employees of the Sample**

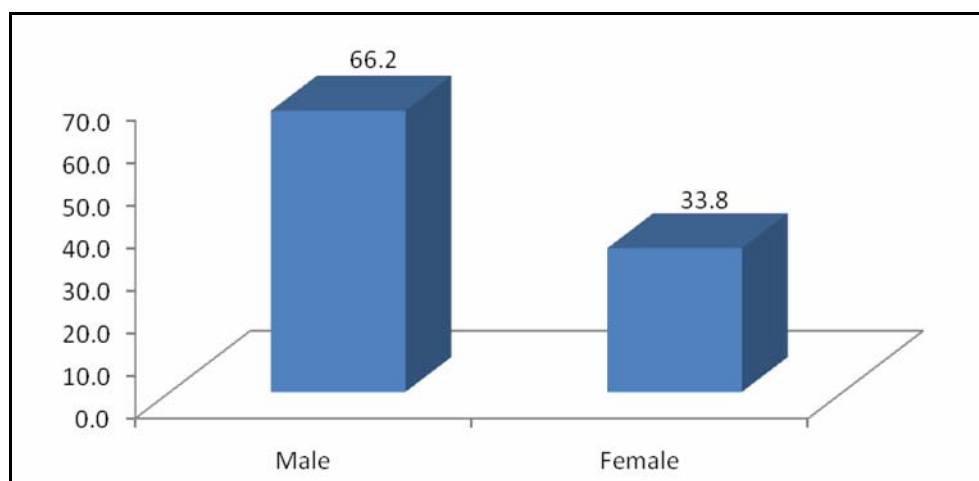
### 5.1.4 Gender Profile

House (1988) suggested that gender issues in empowerment are relevant. So the gender of respondents' were examined. The gender profile is presented in Table 5.4

**Table 5.4 Gender Composition of the Sample**

Gender	Frequency	Percent
Male	223	66.2
Female	114	33.8
Total	337	100.0

Despite the progress made by women in the workplace during the last three decades, International Labour Organization (ILO) reports that women represent only over 40% of the global workforce [as cited by Hechanova et al. (2006)]. Among the 337 employees covered in the survey, 66% of the sample (n=223) belonged to male category and only 33.8 % (n =114) were females as shown in the Table 5.4. Thus the male-female ratio in the sample is almost 2:1.



**Figure 5.4 Gender Composition of the Sample**

### 5.1.5 Descriptive Statistics

Table 5.5 shows the descriptive statistics for the variables. Several statistical tools such as means, standard deviations, coefficient of variances and mean scores were calculated vis-a-vis objectives. For overall psychological empowerment, the mean is 46.91, while for individual dimension; competence scores the highest with a mean of 13.05 followed by meaning (12.87), self-determination (10.87) and impact (10.12). The level of job satisfaction is high with a mean of 74.58 and job related stress with a mean of 35.77.

**Table 5.5 Descriptive statistics of variables**

	<b>Mean</b>	<b>Std. Deviation</b>	<b>Maximum possible score</b>	<b>CV</b>	<b>Mean % Score</b>
Meaning	12.87	1.86	15.00	14.48	85.78
Competence	13.05	1.58	15.00	12.10	87.00
Self Determination	10.87	2.37	15.00	21.78	72.48
Impact	10.12	2.79	15.00	27.57	67.48
Psychological Empowerment	46.91	5.70	60.00	12.14	78.19
Job Satisfaction	74.58	11.41	100.00	15.30	74.58
Job Related Stress	35.77	10.30	85.00	28.79	42.08

Based on the mean percentage score one can observe that the employees have high psychological empowerment and job satisfaction and low Job related stress.



**Phase II**

**5.2 Responses of employees on different variables in the study**

There are three major variables in the study. Psychological Empowerment is the independent variable and Job Related Stress and Job Satisfaction, the dependent variables. The three variables are classified into three groups namely low, medium and higher based on one sigma limit. Low means the score less than LCL ( $< LCL$ ), medium means between LCL and UCL and higher means score greater than UCL ( $> UCL$ ). The Lower limit (LCL) is the difference between mean and standard deviation and Upper limit (UCL) is the total of mean and standard deviation. The lower limit and upper limit for the three variables are given in the Table 5.6

**Table 5.6 Lower limit and upper limit of each variable**

	Mean	Std. Deviation	LCL	UCL
Psychological Empowerment	46.91	5.7	41.21	52.61
Job Related Stress	35.77	10.3	25.47	46.07
Job Satisfaction	74.58	11.41	63.17	85.99

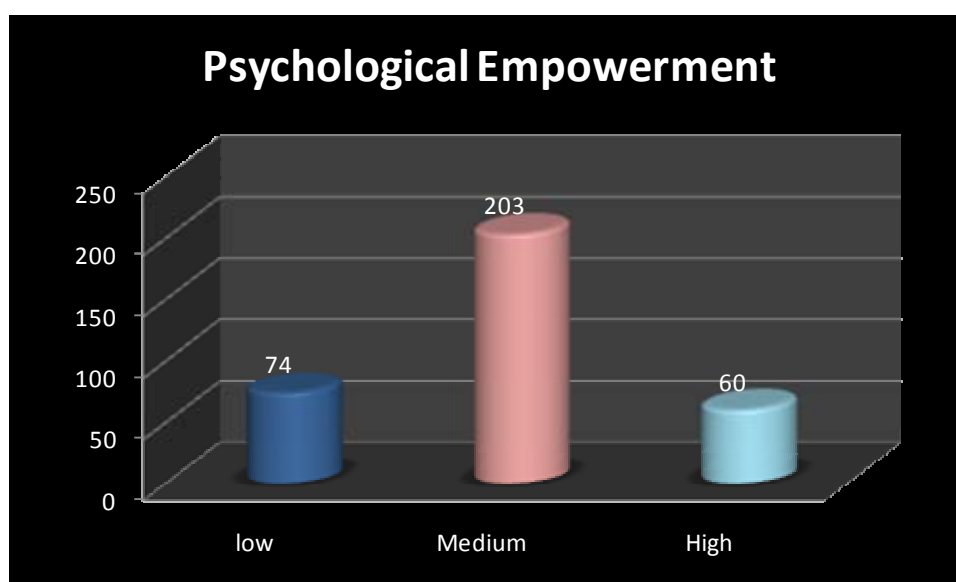
The details of analysis with respect to each variable under the three groups are given below under separate headings.

**5.2.1 Psychological Empowerment**

Table 5.7 clearly shows that with regard to the psychological empowerment, out of the 337 respondents, 22% fall in the low category; nearly 60% fall in the medium category about 18% fall in the high category. This means that majority of the respondents belonged to the medium category as far as their psychological empowerment is concerned

**Table 5.7 Split up of people belonging to the three different category of Psychological Empowerment**

	Frequency	Percent
Low	74	22.0
Medium	203	60.2
High	60	17.8
Total	337	100.0

**Figure 5.5 Split up of people belonging to the three different category of Psychological Empowerment**

### 5.2.2 Job Satisfaction

As far as Job Satisfaction is concerned, 18.7% of the respondents fall in the low category, more than 65.6% fall in the medium category and about 15.7% fall in the high category. This is shown in the Table 5.8

**Table 5.8 Split up of people belonging to the three different category of Job satisfaction level**

	<b>Frequency</b>	<b>Percent</b>
Low	63	18.7
Medium	221	65.6
High	53	15.7
Total	337	100.0



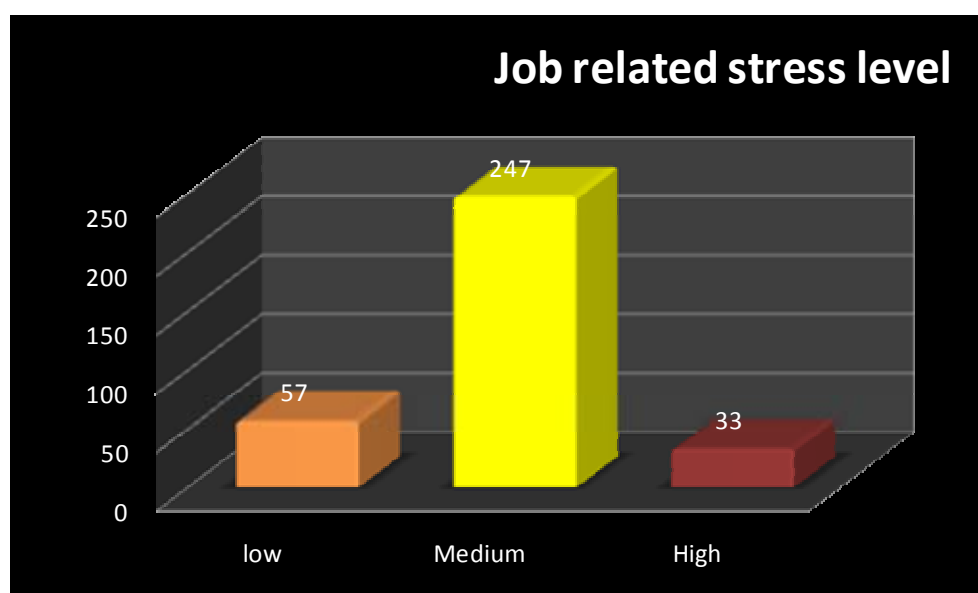
**Figure 5.6 Split up of people belonging to the three different category of Job Satisfaction**

### **5.2.3 Job Related Stress**

With regard to the Job Related Stress, out of the 337 respondents, about 17% fall in the low category, more than 73%, medium category and about 10%, in the high category. Table 5.9 gives the details of the break-up.

**Table 5.9** Split up of people belonging to the three different category of Job related stress level

	Frequency	Percent
Low	57	16.9
Medium	247	73.3
High	33	9.8
Total	337	100.0



**Figure 5.7** Split up of people belonging to the three different category of Job Related Stress

## Phase III

### 5.3 Psychological Empowerment and Job Satisfaction

Review of literature revealed that psychological empowerment is strongly related to job satisfaction. The employees who perceive their jobs to be significant feel higher levels of work satisfaction than employees who see their jobs as having little value. The present research is aimed at examining whether such relationship exist between psychological empowerment and job satisfaction among employees in the banking sector. Hence the following hypothesis was formulated

**H1: Higher the level of Psychological Empowerment higher will be the level of Job Satisfaction**

**Table 5.10 Correlation between Psychological Empowerment and Job Satisfaction**

		Job satisfaction
Psychological Empowerment	Pearson Correlation	0.572**
	Sig. (2-tailed)	<.001
	N	337

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

Pearson correlation is worked out to see whether there is any relation between psychological empowerment and job satisfaction among the bank employees. The table shows that the co-relation between Psychological Empowerment and Job Satisfaction is 0.572 which indicates that there exists a positive relationship between Psychological Empowerment and Job Satisfaction at 1% level of significance. Cross tabulation and chi-square was conducted to find out the relationship between different levels of each of the variables.

**Table 5.11 Cross tabulation of Psychological Empowerment level and Job Satisfaction level**

			Job satisfaction level			Total
			Low	Medium	High	
Psychological Empowerment level	Low	Count	44	28	2	74
		% within Psychological Empowerment level	59.5%	37.8%	2.7%	100.0%
	Medium	Count	17	161	25	203
		% within Psychological Empowerment level	8.4%	79.3%	12.3%	100.0%
	High	Count	2	32	26	60
		% within Psychological Empowerment level	3.3%	53.3%	43.3%	100.0%
Total		Count	63	221	53	337
		% within Psychological Empowerment level	18.7%	65.6%	15.7%	100.0%

**Table 5.12 Chi-Square Tests: Psychological Empowerment and Job Satisfaction**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	59.316	4	<.001
Significant			

Table 5.11 shows that among the respondents who have high Psychological empowerment only 3.3% have low job satisfaction, 53.3%, medium and 43.3%, high job satisfaction. For those respondents who have medium psychological empowerment 8.4% have low satisfaction, 79.3% have

medium and 12.3% have high satisfaction. Among the respondents who have low psychological empowerment 59.5% had low satisfaction, 37.8% had medium satisfaction, and only 2.7% had high satisfaction. From the above it can be concluded that there exist an association between psychological empowerment and job satisfaction. Chi square test was conducted to verify the significance and it proved to be significant at 1% level of significance.

#### **5.4 Psychological Empowerment and Job Related Stress**

A hypothesis was formulated in the present study for examining the relationship existing between psychological empowerment and job related stress among the employees in the banking sector and the same has been tested with the help of correlation analysis.

**H2: Higher the level of Psychological Empowerment lower will be the level of Job Related Stress**

**Table 5.13 Correlation between Psychological Empowerment and Job Related Stress**

		<b>Job Related Stress</b>
Psychological Empowerment	Pearson Correlation	-0.520**
	Sig. (2-tailed)	<.001
	N	337

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

The Correlation between Psychological Empowerment and Job Related Stress is -0.520. It means that Psychological Empowerment is negatively correlated to job related stress at 1% level of significance. Further to understand more about how much Psychological Empowerment is affecting Job related stress, cross tabulation and chi-square test was conducted.

**Table 5.14 Cross tabulation between Psychological Empowerment and Job Related Stress**

			Job related stress level			Total
			Low	Medium	High	
Psychological Empowerment level	Low	Count	5	59	10	74
		% within Psychological Empowerment level	6.8%	79.7%	13.5%	100.0%
	Medium	Count	22	159	22	203
		% within Psychological Empowerment level	10.8%	78.3%	10.8%	100.0%
	High	Count	30	29	1	60
		% within Psychological Empowerment level	50.0%	48.3%	1.7%	100.0%
Total		Count	57	247	33	337
		% within Psychological Empowerment level	16.9%	73.3%	9.8%	100.0%

**Table 5.15 Chi-Square Tests: Psychological Empowerment and Job Related Stress**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	139.371	4	<.001
Significant			



Among the respondents who have high Psychological empowerment about 50% have low job related stress, 48.3%, medium and only 1.7% has high job related stress. Similarly those who have medium psychological empowerment 10.8% have low stress, 78.3% have medium and 10.8% have high stress. Among the respondents who have low Psychological empowerment only 6.8% had high stress, 79.7%, medium stress and 13.5% high stress. To verify whether the difference visible in cross tabulation is significant or not, chi square test was conducted. The result had confirmed a significant negative relationship (Chi-square=139.371) between psychological empowerment and job related stress at 1% level.

### 5.5 Job Satisfaction and Job Related Stress

Studies reveal that there is a close relationship between Job Related Stress and Job Satisfaction in various sectors. When the stress levels of employees are reduced job satisfaction increases. Similarly studies have shown that when Job satisfaction increases job stress reduces. To see whether this relationship is similar in the case of bank employees the third hypothesis was formulated.

**H3 : Higher the level of Job Satisfaction lower will be the level of Job Related Stress**

**Table 5.16 Correlation between Job Satisfaction and Job Related Stress among bank employees**

		<b>Job Related Stress</b>
Job Satisfaction	Pearson Correlation	-.514**
	Sig. (2-tailed)	<.001
	N	337

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

Table 5.16 shows that the co-relation between JRS and JS is 0 -.514 which indicates that job satisfaction is negatively related to job related stress at 1% level of significance.

**Table 5.17 Cross tabulation between Job Satisfaction level and Job Related Stress level**

			Job related stress level			Total
			low	Medium	High	
Job satisfaction level	low	Count	3	46	14	63
		% within Job satisfaction level	4.76%	73.02%	22.22%	100.00%
	Medium	Count	28	174	19	221
		% within Job satisfaction level	12.67%	78.73%	8.60%	100.00%
	High	Count	26	27	0	53
		% within Job satisfaction level	49.06%	50.94%	0.00%	100.00%
Total		Count	57	247	33	337
		% within Job satisfaction level	16.91%	73.29%	9.79%	100.00%

**Table 5.18 Chi-Square Tests: Job Satisfaction level and Job Related Stress**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	60.185	4	<.001
Significant			

Table 5.17 shows that among the respondents who have low job satisfaction only 4.76% have low job related stress, 73.02% have medium job related stress and 22.22% have high job related stress. For the respondents who have medium job satisfaction 12.67% have low job related stress, 78.73% have medium job related stress and 8.6% have high job related stress. Among the

respondents who have high job satisfaction 49.06% had low job related stress, 50.94% had medium job related stress and no respondents had high job related stress. From the above it is concluded that there exist an association between job-related stress and job satisfaction which is inverse in nature. Chi square test was used to verify the significance of this relationship and found to be significant at (Chi-square = 60.185) 1% level.

### 5.6 Comparison of Psychological Empowerment, Job Satisfaction and Job Related Stress among employees of various types of banks

**Table 5.19 Correlation of Psychological Empowerment, Job Satisfaction and Job Related Stress in Private Sector banks**

		Psychological Empowerment	Job Related Stress	Job Satisfaction
Psychological Empowerment	Pearson Correlation	1	-.502**	.613**
	Sig. (2-tailed)		<.001	<.001
	N	105	105	105
Job Related Stress	Pearson Correlation	-.502**	1	-.514**
	Sig. (2-tailed)	<.001		<.001
	N	105	105	105
Job Satisfaction	Pearson Correlation	.613**	-.514**	1
	Sig. (2-tailed)	<.001	<.001	
	N	105	105	105

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

In private sector banks there is positive correlation between psychological empowerment and job satisfaction whereas there is negative correlation between psychological empowerment and job-related stress; and job satisfaction and job-related stress as shown in Table .5.19

**Table 5.20 Correlation of Psychological Empowerment, Job Satisfaction and Job Related Stress in Public Sector banks**

		Psychological Empowerment	Job Related Stress	Job Satisfaction
Psychological Empowerment	Pearson Correlation	1	-.601**	.669**
	Sig. (2-tailed)		<.001	<.001
	N	113	113	113
Job Related Stress	Pearson Correlation	-.601**	1	-.551**
	Sig. (2-tailed)	<.001		<.001
	N	113	113	113
Job Satisfaction	Pearson Correlation	.669**	-.551**	1
	Sig. (2-tailed)	<.001	<.001	
	N	113	113	113

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

In public sector bank employees also there is positive correlation between psychological empowerment and job satisfaction where as there is negative correlation between psychological empowerment and job related stress. As in case of private sector banks, here also the relationship between job satisfaction and job related stress is negative. This is shown in the Table 5.20

**Table 5.21 Correlation of Psychological Empowerment, Job Satisfaction and Job Related Stress in New Generation banks**

		Psychological Empowerment	Job Related Stress	Job Satisfaction
Psychological Empowerment	Pearson Correlation	1	-.412**	.341**
	Sig. (2-tailed)		<.001	<.001
	N	119	119	119
Job Related Stress	Pearson Correlation	-.412**	1	-.407**
	Sig. (2-tailed)	<.001		<.001
	N	119	119	119
Job Satisfaction	Pearson Correlation	.341**	-.407**	1
	Sig. (2-tailed)	<.001	<.001	
	N	119	119	119

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

The Table 5.21 shows that the psychological empowerment have a moderate positive relation with job satisfaction and moderate negative relation with job related stress in new generation banks. Job related stress also have a moderate negative relation with job satisfaction in new generation banks.

Thus the above tables show that when there is a positive correlation between psychological empowerment and job satisfaction in private as well as public sector banks, there is only a moderate positive correlation between psychological empowerment and job satisfaction in new generation banks. Also public sector banks and private sector banks show a negative relation between psychological empowerment and job related stress; and job related stress and job satisfaction whereas there is only a moderate negative relation between psychological empowerment and job related stress; and job satisfaction and job related stress in new generation banks.

### **5.7 Dimensions of Psychological Empowerment and Job Satisfaction**

There is variation in the relationship between the dimensions of psychological empowerment and job satisfaction. Different studies show different relationship between each of the dimensions-meaning, competence, self-determination and impact. Some studies state that meaning and impact is positively related to job satisfaction were as some other studies states that only self-determination is related to job satisfaction. So there is no doubt that job satisfaction is related to the dimensions of psychological empowerment. Hence this hypothesis was formulated to find out the relationship of four cognitions and job satisfaction among bank employees

**H4 : The four dimensions of Psychological Empowerment are positively related to Job Satisfaction.**

**H4a : Meaning dimension of Psychological Empowerment is positively related to Job Satisfaction.**

**H4b : Competence dimension of Psychological Empowerment is positively related to Job Satisfaction.**

**H4c : Self-determination dimension of Psychological Empowerment is positively related to Job Satisfaction.**

**H4d : Impact Meaning dimension of Psychological Empowerment is positively related to Job Satisfaction.**

**Table 5.22 Correlations between dimensions of Psychological Empowerment and Job Satisfaction**

		<b>Job Satisfaction</b>	<b>Meaning</b>	<b>Competence</b>	<b>Self Determination</b>	<b>Impact</b>
Job Satisfaction	Pearson Correlation	1	.378**	.355**	.332**	.432**
	Sig. (2-tailed)		<.001	<.001	<.001	<.001
	N	337	337	337	337	337

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

The Table 5.22 shows that correlation between meaning dimension and job satisfaction is .378, correlation between competence dimension and job satisfaction is .355. The correlation between self-determination dimension and job satisfaction is .332 and between Impact dimension and job satisfaction is .432. This reveals that all the dimensions of psychological empowerment - meaning, competence, impact and self determination have a significant positive correlation with job satisfaction.

## **5.8 Employees of Different Banking Sectors and Psychological Empowerment**

The organizational culture and atmosphere of different banks are different. Studies have shown that psychological empowerment is different in service sector and manufacturing organizations. Among service sector itself it differs in hospitals, hotels, tourism industry and other service sector organizations. The work culture of public, private and new generation banks

would be different because these banks have different cultural roots. Public sector banks are based on social economic concept where profitability comes only secondary. Private sector banks give more emphasis on profitability. Being an important aspect of work culture, psychological empowerment of these banks is expected to be different. Hence the following hypotheses were formulated.

**H6 : Psychological Empowerment differs among employees of different sectors of banks.**

**H7 : Dimensions of Psychological Empowerment (Meaning, Competence, Self- determination and Impact) differs among employees of different sectors of banks.**

**Table 5.23 Mean, Mean Score and Standard Deviation of Psychological Empowerment and dimensions of Psychological Empowerment in different sectors of banks**

Sector		Meaning	Competence	Self Determination	Impact	Psychological Empowerment
Private	Mean	13.35	12.88	10.59	9.54	46.36
	Mean % Score	89.02	85.84	70.60	63.62	77.27
	Std. Deviation	1.77	1.44	2.42	2.85	5.58
Public	Mean	13.12	13.12	11.13	10.52	47.89
	Mean % Score	87.49	87.43	74.22	70.15	79.82
	Std. Deviation	1.96	1.72	2.40	2.89	6.33
New Generation	Mean	12.19	13.14	10.87	10.25	46.46
	Mean % Score	81.29	87.62	72.49	68.35	77.44
	Std. Deviation	1.65	1.56	2.28	2.57	5.06
Total	Mean	12.87	13.05	10.87	10.12	46.91
	Mean % Score	85.78	87.00	72.48	67.48	78.19
	Std. Deviation	1.86	1.58	2.37	2.79	5.70

When the mean percentage score was calculated it was understood that the mean percentage score of the meaning dimension for the private sector bank is the maximum, with 89.02% followed by the public sector bank with 87.49% and the new generation bank with least score of 81.29% which shows a large difference among the three sectors of banks. A similar difference is observed in the case of Impact dimension also. But the mean percentage score of the remaining two variables namely Competence, Self Determination do not have much difference. The mean percentage score of Psychological empowerment also did not have much difference.

To test the hypothesis (H6) One way ANOVA test is conducted. The result of the ANOVA is shown in Table 5.24. The F value is 2.563. Since the p value is 0.079 the hypothesis is rejected which means that Psychological Empowerment do not differ on the basis of different sectors of banks viz. Public Sector banks, Private Sector banks and New Generation banks.

**Table 5.24 One way ANOVA showing the relationship between Employees in Different Sectors of Banks and Psychological Empowerment**

		Sum of Squares	df	Mean Square	F	Sig.
Psychological Empowerment	Between Groups	164.776	2	82.388	2.563	.079
	Within Groups	10738.553	334	32.151		
	Total	10903.329	336			

To test the hypothesis (H7) i.e. whether dimensions of Psychological Empowerment varies on the basis of different sectors of bank, one way ANOVA was conducted.



**Table 5.25 One way ANOVA showing the relationship between Employees in Different Sectors of Banks and Dimensions of Psychological Empowerment**

		Sum of Squares	df	Mean Square	F	Sig.
Meaning	Between Groups	86.209	2	43.105	13.321	<.001
	Within Groups	1080.782	334	3.236		
	Total	1166.991	336			
Competence	Between Groups	4.676	2	2.338	.937	.393
	Within Groups	833.466	334	2.495		
	Total	838.142	336			
Self Determination	Between Groups	16.005	2	8.002	1.431	.240
	Within Groups	1867.509	334	5.591		
	Total	1883.513	336			
Impact	Between Groups	55.323	2	27.662	3.608	.028
	Within Groups	2560.689	334	7.667		
	Total	2616.012	336			

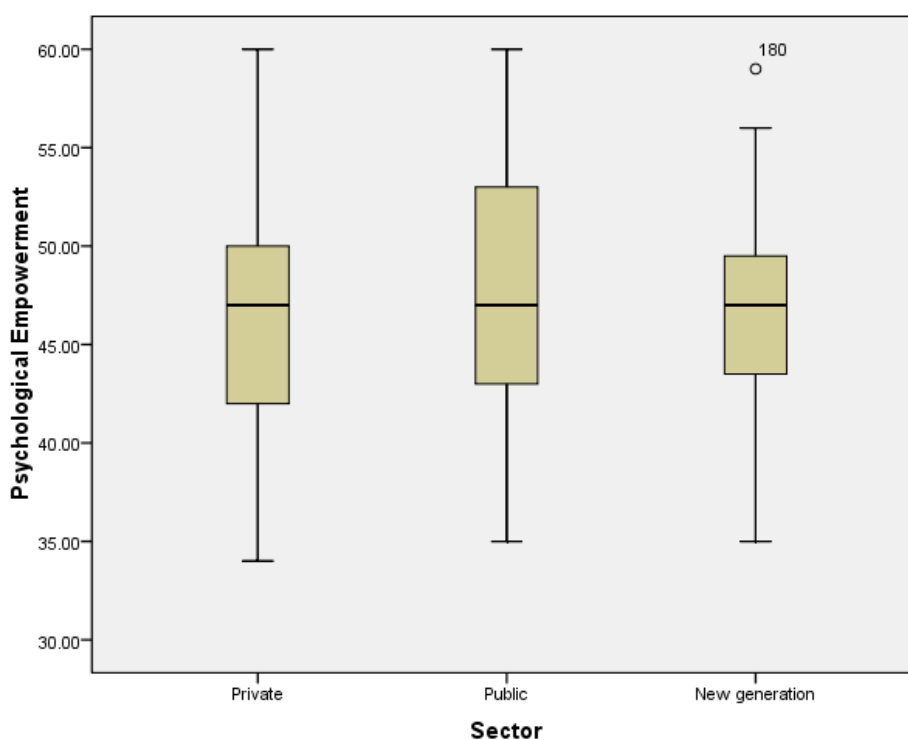
**Table 5.26 Post Hoc analysis of Employees in Different Sectors of Banks and Dimensions of Psychological Empowerment**

Dependent Variable	(I) Sector	(J) Sector	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Meaning	Private	Public	.22849	.24383	.617	-.3455	.8025
		New Generation	1.15910*	.24085	<.001	.5921	1.7261
	Public	Private	-.22849	.24383	.617	-.8025	.3455
		New Generation	.93062*	.23628	<.001	.3744	1.4869
	New Generation	Private	-1.15910*	.24085	<.001	-1.7261	-.5921
		Public	-.93062*	.23628	<.001	-1.4869	-.3744
Impact	Private	Public	-.97927*	.37532	.026	-1.8628	-.0957
		New Generation	-.70924	.37073	.137	-1.5820	.1635
	Public	Private	.97927*	.37532	.026	.0957	1.8628
		New generation	.27002	.36369	.738	-.5862	1.1262
	New Generation	Private	.70924	.37073	.137	-.1635	1.5820
		Public	-.27002	.36369	.738	-1.1262	.5862

\* The mean difference is significant at the 0.05 level.

Table 5.25 shows that the p value of Meaning, Competence, Self determination and Impact are  $<.001$ ,  $0.393$ ,  $0.240$ ,  $0.028$  respectively. Hence it can be concluded that there exist significant differences among the three sectors of the bank as far as Meaning and Impact dimensions are concerned.

The significance of ANOVA does not indicate that all the three sectors have significant difference. So to identify which ever sectors have significant difference, Post Hoc multiple comparison test was conducted and the result shows that only the employees of new generation bank has significant difference with private and public sector bank as far as meaning is considered. For the Impact dimension, the difference is only among the employees of private and public sector banks.



**Figure 5.8** Box Plot showing Psychological Empowerment among employees in different sectors of banks

### 5.8.1 Bank wise Psychological Empowerment

As there is a difference in dimensions of psychological empowerment as far as employees of different banking sectors are concerned, it is presumed that there will be a difference in the level of psychological empowerment bank wise. Hence the following hypothesis was formulated.

**H8 : Psychological Empowerment differs among employees of different banks.**

**Table 5.27 One Way ANOVA showing the relationship between Employees of different Banks and Psychological Empowerment**

		Sum of Squares	df	Mean Square	F	Sig.
Psychological Empowerment	Between Groups	407.758	5	81.552	2.572	.027
	Within Groups	10495.571	331	31.709		
	Total	10903.329	336			

Table 5.27 shows the summary of one-way ANOVA of the employees in different banks and Psychological Empowerment. The calculated F-value is 2.572 and the p value is 0.027 which implies that the alternative hypothesis (H8) is accepted and there is significant difference in employees of different banks and the level of psychological empowerment.

**Table 5.28 Post-Hoc analysis of Employees of Different Banks and Psychological Empowerment****Dependent Variable: Psychological Empowerment**

(I) Bank	(J) Bank	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
South Indian Bank	Federal Bank	1.77183	1.19384	.675	-1.6503	5.1940
	State Bank of India	-1.26339	1.32131	.931	-5.0509	2.5241
	State Bank of Travancore	.26981	1.19896	1.000	-3.1670	3.7066
	IDBI	2.22837	1.26518	.492	-1.3983	5.8550
	HDFC	.28032	1.21002	1.000	-3.1882	3.7488
Federal Bank	South Indian Bank	-1.77183	1.19384	.675	-5.1940	1.6503
	State Bank of India	-3.03523	1.09057	.063	-6.1613	.0909
	State Bank of Travancore	-1.50203	.93860	.599	-4.1925	1.1885
	IDBI	.45653	1.02184	.998	-2.4726	3.3856
	HDFC	-1.49152	.95270	.622	-4.2224	1.2394
State Bank of India	South Indian Bank	1.26339	1.32131	.931	-2.5241	5.0509
	Federal Bank	3.03523	1.09057	.063	-.0909	6.1613
	State Bank of Travancore	1.53320	1.09616	.728	-1.6089	4.6753
	IDBI	3.49176*	1.16823	.035	.1430	6.8405
	HDFC	1.54371	1.10826	.731	-1.6331	4.7205
State Bank of Travancore	South Indian Bank	-.26981	1.19896	1.000	-3.7066	3.1670
	Federal Bank	1.50203	.93860	.599	-1.1885	4.1925
	State Bank of India	-1.53320	1.09616	.728	-4.6753	1.6089
	IDBI	1.95856	1.02781	.401	-.9876	4.9048
	HDFC	.01051	.95910	1.000	-2.7387	2.7598
IDBI	South Indian Bank	-2.22837	1.26518	.492	-5.8550	1.3983
	Federal Bank	-.45653	1.02184	.998	-3.3856	2.4726
	State Bank of India	-3.49176*	1.16823	.035	-6.8405	-.1430
	State Bank of Travancore	-1.95856	1.02781	.401	-4.9048	.9876
	HDFC	-1.94805	1.04069	.421	-4.9312	1.0351
HDFC	South Indian Bank	-.28032	1.21002	1.000	-3.7488	3.1882
	Federal Bank	1.49152	.95270	.622	-1.2394	4.2224
	State Bank of India	-1.54371	1.10826	.731	-4.7205	1.6331
	State Bank of Travancore	-.01051	.95910	1.000	-2.7598	2.7387
	IDBI	1.94805	1.04069	.421	-1.0351	4.9312

\*The mean difference is significant at the 0.05 level.

Post-Hoc analysis was conducted to know the level of significance of the mean difference with respect to employees of different bank and psychological empowerment. It is clear from the Table 5.28 that mean difference between the employees of State Bank of India and IDBI Bank are statistically significant as the P-value is 0.035 and psychological empowerment of employees in all the other banks do not have any significant difference.

### 5.9 Age and Psychological Empowerment

The entire sample is categorized into four age groups for the purpose of analysis. The majority of the respondents were in the 30-40 age group and very few employees were in the age-group of 40-50. One way ANOVA was computed to explore the impact of age on psychological empowerment.

#### **H9: There exists a relationship between Age and Psychological Empowerment**

**Table 5.29 Mean, Mean % Score and Standard Deviation of Psychological Empowerment of employees of different age group**

Age group		Psychological Empowerment
20-30	Mean	46.58
	Mean % Score	77.63
	Std. Deviation	5.58
30-40	Mean	46.07
	Mean % Score	76.78
	Std. Deviation	5.34
40-50	Mean	45.50
	Mean % Score	75.83
	Std. Deviation	4.18
50-60	Mean	48.83
	Mean % Score	81.38
	Std. Deviation	6.34
Total	Mean	46.91
	Mean % Score	78.19
	Std. Deviation	5.70

Table 5.29 shows that the mean percentage score of the psychological empowerment is seemed to be highest for the age group 50-60 and it is 81.38% followed by 20-30 age group with 77.63. 30-40 age groups showed a mean score of 76.78% and 75.83% for 40-50 age group. From this it can be concluded that there is variation in mean score of psychological empowerment between different age groups. To verify the difference that has been observed in mean percentage score is significant or not one way ANOVA (F-test) was conducted.

**Table 5.30 One Way ANOVA showing the relationship between Age and Psychological Empowerment**

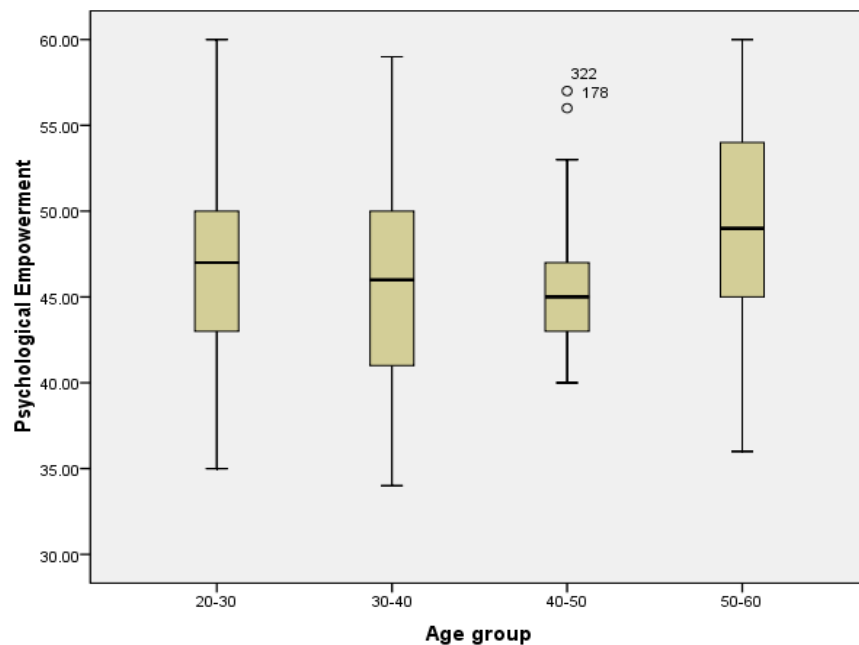
		Sum of Squares	df	Mean Square	F	Sig.
Psychological Empowerment	Between Groups	507.367	3	169.122	5.417	.001
	Within Groups	10395.962	333	31.219		
	Total	10903.329	336			

**Table 5.31 Post-Hoc analysis of Age and Psychological empowerment of bank employees**

Dependent Variable	(I) Age group	(J) Age group	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Psychological Empowerment	20-30	30-40	.50909	.78273	.915	-1.5120	2.5301
		40-50	1.07576	1.04682	.733	-1.6272	3.7787
		50-60	-2.25220*	.80687	.028	-4.3356	-.1688
	30-40	20-30	-.50909	.78273	.915	-2.5301	1.5120
		40-50	.56667	1.03817	.948	-2.1139	3.2473
		50-60	-2.76129*	.79562	.003	-4.8156	-.7070
	40-50	20-30	-1.07576	1.04682	.733	-3.7787	1.6272
		30-40	-.56667	1.03817	.948	-3.2473	2.1139
		50-60	-3.32796*	1.05649	.010	-6.0559	-.6001
	50-60	20-30	2.25220*	.80687	.028	.1688	4.3356
		30-40	2.76129*	.79562	.003	.7070	4.8156
		40-50	3.32796*	1.05649	.010	.6001	6.0559

The result of one way ANOVA is shown in Table 5.30. It clearly indicates that there exist significant differences among different age group as far as psychological empowerment is concerned ( $F=5.417$ ,  $p$  value = 0.001) implying that the psychological empowerment is dependent on age group of employees.

Now to verify which ever groups have significant difference, Post Hoc multiple comparison tests were conducted. The result of the test shows that only 50-60 age groups have significant difference among all other age groups. All the other age groups do not have any significant difference.



**Figure 5.9** Box Plot showing the relationship between Age and Psychological Empowerment

### 5.10 Educational level and Psychological Empowerment

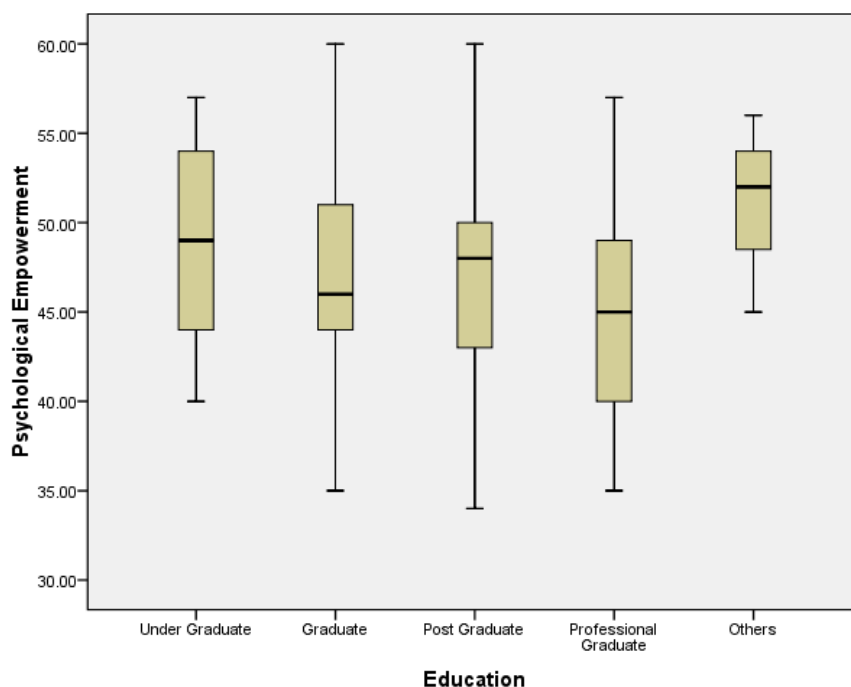
Educational level is categorized under five heads namely Under Graduate, Graduate, Post- Graduate, Professional Graduate and Others. The relationship between education and psychological empowerment was examined by applying one-way ANOVA test. The result is shown in the Table 5.32

**H10: There exists a relationship between Education and Psychological Empowerment**

**Table 5.32 One Way ANOVA showing the Educational Level and Psychological Empowerment**

		Sum of Squares	df	Mean Square	F	Sig.
Psychological Empowerment	Between Groups	217.530	4	54.382	1.690	0.152
	Within Groups	10685.800	332	32.186		
	Total	10903.329	336			

It is found that there is no significant difference between education and psychological empowerment as the p value is 0.152 ( $F= 1.690$ ). This means that educational level of employees in banks have no influence on their psychological empowerment.



**Figure 5.10 Box Plot showing the relationship between Educational Level and Psychological Empowerment**



### 5.11 Level of Employees and Psychological Empowerment

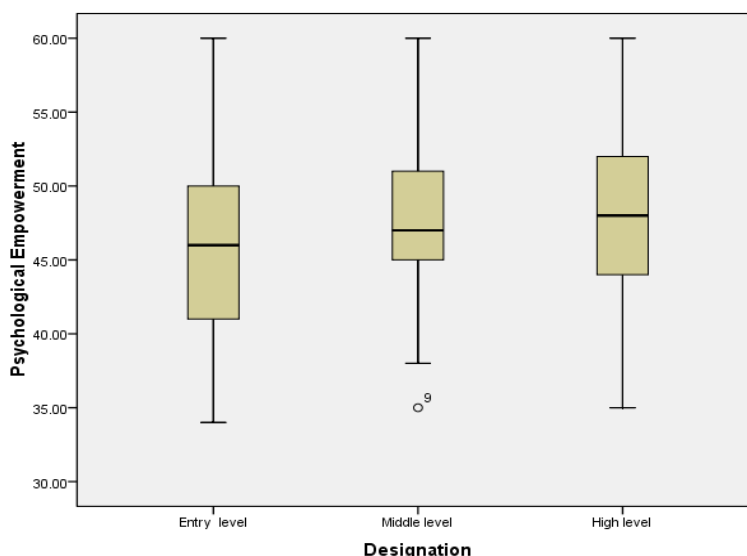
Hayes (1994) studied 647 workers at a federal agency and found that employees with supervisory status felt more empowered. This shows that there is a relationship between level of employees and psychological empowerment. Hence this hypothesis was formulated to determine the relationship between level of job and psychological empowerment among bank employees. The employees are categorized on the basis of their designation into three levels - Entry level, middle level and higher level for the purpose of analysis.

**H11: There exists a relationship between Level of Employees and Psychological Empowerment**

**Table 5.33 One Way ANOVA showing the Level of Employees and Psychological Empowerment**

		Sum of Squares	df	Mean Square	F	Sig.
Psychological Empowerment	Between Groups	194.928	2	97.464	3.040	0.049
	Within Groups	10708.401	334	32.061		
	Total	10903.329	336			

From the Table 5.33 it can be understood that there exist significant differences between level of employees and psychological empowerment as the p value is 0.049 (F= 3.040). This means that level of employees in banks have an influence on their psychological empowerment.



**Figure 5.11** Box Plot showing the relationship between Level of Employees and Psychological Empowerment

### 5.12 Gender and Psychological Empowerment

Johnson (1994) suggested that men and women may conceptualize empowerment in different ways. Men and women may be differently affected by empowerment that is even though men and women will be affected positively by empowerment and negatively affected by lack of empowerment the magnitude of these affects will be different in different gender. Spreitzer (1995a) also offered some insight into the potential significance of gender with regard to empowerment where conceptualization of empowerment was strongly supported by male sample and was only modest in case of female sample. Thus to see whether gender affects psychological empowerment of bank employees the following hypothesis was formulated.

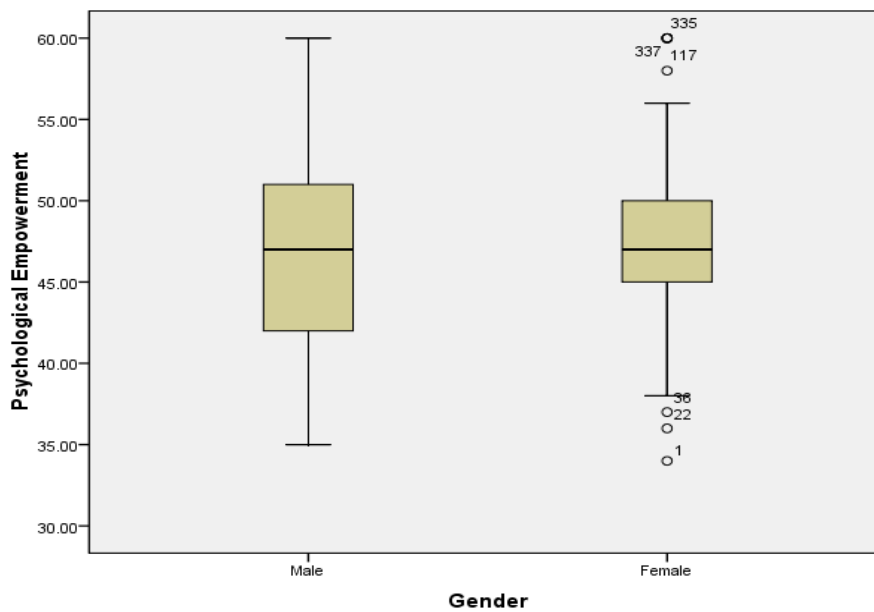
**H 12: There exists a relationship between Gender and Psychological Empowerment.**

Out of the total respondents only 114 respondents were female where as 223 of them were male respondents. The relationship between psychological empowerment and gender was determined by Z-test.

**Table 5.34 Z-Test showing the relationship between Gender and Psychological Empowerment**

	Gender	Mean	Std. Deviation	Mean % Score	Z	Sig. (2-tailed)
Psychological Empowerment	Male	46.61	5.76	77.68	-1.359	0.175
	Female	47.50	5.55	79.17		

Table 5.34 summarizes the value of mean and standard deviation and mean percentage score. The mean value experienced by male and female are 46.61 and 47.50 respectively. The mean score is more or less identical which is further established by the Z test. The Z value obtained is -1.359. This shows that there is no gender difference as far as psychological empowerment is concerned among the bank employees.



**Figure 5.12 Box Plot showing the relationship between Gender and Psychological Empowerment**

**Phase IV**

### **5.13 Modelling using SEM**

This phase involves testing the proposed research models. The relationship between the Psychological empowerment and its components (Model 1); and the mediating role of Job Satisfaction in the relationship between Psychological Empowerment and Job Related Stress (Model 2) are explored and the result of the hypothesis (H5) testing is addressed in this phase.

#### **5.13.1 Confirmatory Factor Analysis**

Confirmatory factor analysis (CFA) is a type of structural equation modeling (SEM), which deals specifically with measurement models, that is relationship between observed measures or indicators (e.g. Test items, test scores etc ) and latent variables or factors. A fundamental feature of CFA is its hypothesis - driven nature. In CFA, the researcher specifies the number of factors and the pattern of indicator factor loading in advance, thus the researcher must have a firm a prior sense, based on past evidence and theory of the factors that exist in the data. CFA is used for four major purposes 1) psychometric evaluation of measures (questionnaires) 2) construct validation 3) testing method effects and 4) testing measurement invariance (across groups or population).

In social research works, researchers need to have measures with good reliability and validity that are appropriate for use across diverse populations. Development of psychometrically sound measures is an expensive and time consuming process, and CFA be one step in the development of process, because researchers often do not have the time or resources to develop a new measure, they may need to use existing measures. In addition to savings in time and costs, using existing measures also helps to make research findings

comparable across studies when the same measure is used in more than one study. However, when using existing measure, it is important to examine whether the measure is appropriate for the population included in the current study. In these circumstances, CFA can be used to examine whether the original structure of the measure works well in the new population.

**Table 5.35 Recommended Level of Fit**

	<b>Recommended Level of Fit</b>
$\chi^2$	
<b>DF</b>	
<b>P</b>	>0.05
Normed $\chi^2$	<3
GFI	>0.90
AGFI	>0.91
NFI	>0.92
TLI	>0.93
CFI	>0.94
RMR	<1
RMSEA	<0.05

Structural equation modeling (SEM) was performed to test the fit between the research model (Figure 1.1 in Chapter 1) and the obtained data. This technique is chosen for its ability to examine a series of dependence relationships simultaneously, especially where there are direct and indirect effects among the constructs within the model. In this study, AMOS 7.0 was used and the SEM estimation procedure is maximum likelihood estimation.

In using SEM, it is a common practice to use a variety of indices to measure model fit. In addition to the ratio of the  $\chi^2$  statistic to its degree of freedom, with a value less than 5 indicating acceptable fit, researchers recommended a handful of fit indices to assess model fit. These are the Goodness of Fit (GFI), Normed Fit Index (NFI), Standardized Root Mean Residual (SRMR) and the Comparative Fit Index (CFI).

### 5.13.2 The relationship between psychological empowerment and its dimensions (Model I)

The model shows the relationship between psychological empowerment and its various dimensions-Meaning, Competence, Self-determination and Impact.

**Table 5.36 Model fit Indices for CFA (Model I)**

$\chi^2$	DF	P	Normed $\chi^2$	GFI	AGFI	NFI	TLI	CFI	RMR	RMSEA
1.114	1	0.291	1.114	0.998	0.983	0.992	0.995	0.999	0.058	0.018

Table 5.36 shows the fit indices for the proposed research model in this study. All values satisfied the recommended level of acceptable fit. The results of the normed  $\chi^2$  ( $\chi^2 / df$ ) value in the present study is well within the recommended  $\chi^2 / df < 3$  (Normed  $\chi^2=1.114$ ). The following table gives the model fit for each of the variables. The fit indexes of the model P=0.291, GFI=. 0.998, AGFI=0.983, NFI=0.992, TLI=0.995, CFI=0.999, RMR=0.058, RMSEA=0.018.

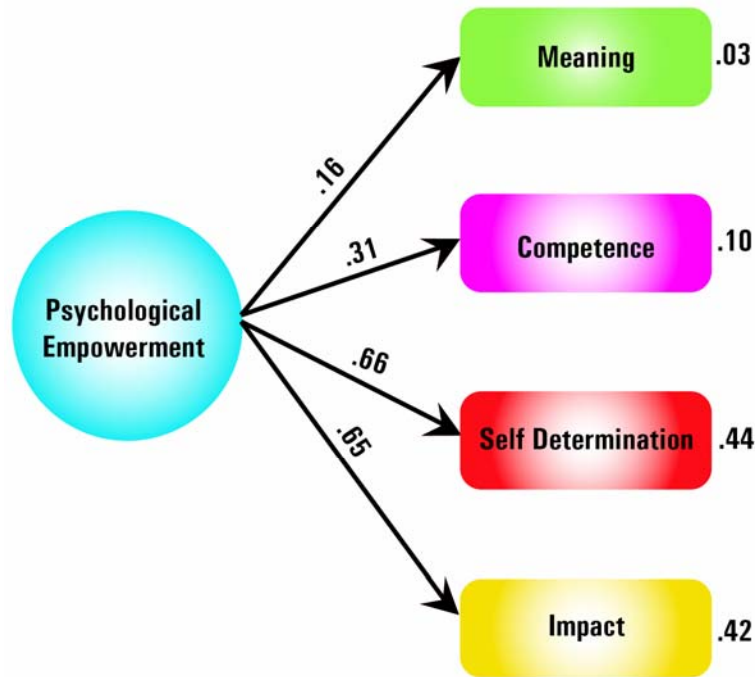


Figure 5.13 The relationship between psychological empowerment and its dimensions

Table 5.37 Standardized Regression Weights (Model I)

	Estimate	R <sup>2</sup>
Meaning	.163	0.03
Competence	.310	0.10
Self Determination	.662	0.44
Impact	.645	0.42

From the Table 5.37 it is clear that the most contributing factor for the Psychological empowerment is Self Determination with a regression weight of 0.662, followed by Impact (0.645), the competence came in the third position (0.310) and Meaning in the last position (0.163). The R<sup>2</sup> indicate that only Self Determination and Impact are the major contributors in Psychological empowerment. The regression model for prediction of Psychological empowerment is

$$\text{Psychological empowerment} = 0.662 \text{ Self Determination} + 0.645 \text{ Impact} + 0.310 \text{ Competence} + 0.163 \text{ Meaning}$$

### 5.13.3 The Mediating effect of Job Satisfaction on the relationship between Psychological Empowerment and Job Related Stress (Model-II)

A model was proposed to test the mediating effect of job satisfaction in the relationship between psychological empowerment and job related stress. That is, it is assumed that when individuals are high in the psychological empowerment, and when they perceive a higher level of job satisfaction, they will have a lower level of job related stress. On the basis of the model the following hypothesis was formulated:

**H5: Job Satisfaction mediates the relation between Psychological Empowerment and Job Related Stress**

To test the model, Structural Equation Modelling (SEM) with AMOS was used. Table 5.38 shows the fit indices for the proposed research model in this study.

**Table 5.38 Model fit Indices for CFA (Model II)**

$\chi^2$	DF	P	Normed $\chi^2$	GFI	AGFI	NFI	TLI	CFI	RMR	RMSEA
2.624	1	0.105	2.624	0.995	0.969	0.99	0.994	0.994	<0.001	0.07

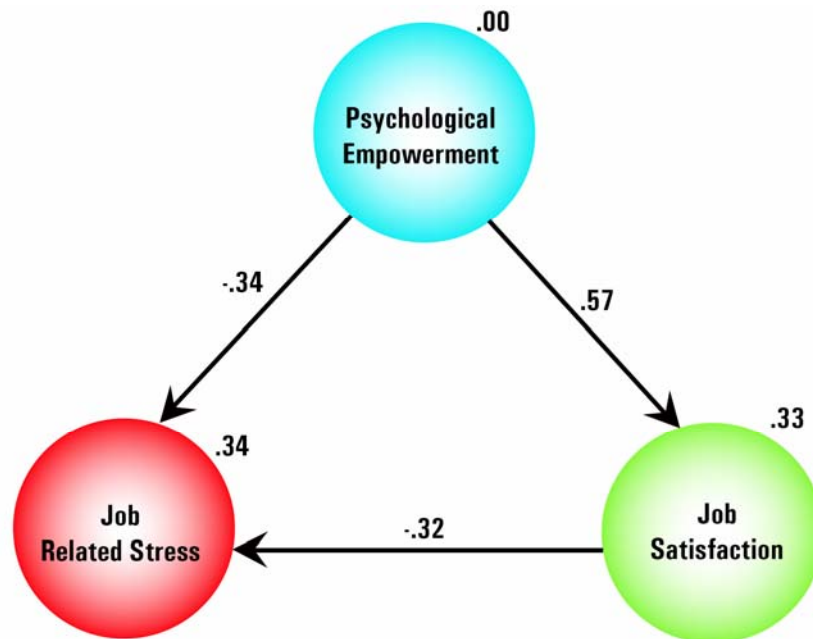
The fit of the model was assessed by considering the model's chi square  $\chi^2$ , RMSEA (Root Mean Square of Error Approximations), and fit indices, i.e., CFI (comparative fit index), GFI (goodness of fit index), AGFI, TLI (Tucker-Lewis index), RMR and NFI (normed fit index). The fit of the model to the data was excellent. The results of the normed  $\chi^2$  ( $\chi^2 / df$ ) value in the present study is well within the recommended  $\chi^2 / df < 3$  (Normed  $\chi^2=2.624$ ),  $P=0.105$ ,  $GFI=. 0.995$ ,  $AGFI=0.969$ ,  $NFI=0.990$ ,  $TLI=0.994$ ,  $CFI=0.994$ ,  $RMR<0.001$ ,  $RMSEA=0.07$ .



The Standard regression weight corresponding to each path is given in the Table5.39. Psychological Empowerment and Job Satisfaction have a positive relationship with a regression weight of 0.572. Psychological Empowerment and Job Related stress have a negative relationship with a regression weight of -0.336. Job Satisfaction and Job Related stress also have a negative relationship with a regression weight of -0.322.

**Table 5.39 Standardized Regression Weights (Model II)**

			Estimate
JS	<---	PE	.572
JRS	<---	PE	-.336
JRS	<---	JS	-.322



**Figure 5.14 The Mediating effect of Job Satisfaction on the relationship between Psychological Empowerment and Job Related Stress**

The relationship between Psychological Empowerment and Job Related Stress has two dimensions, one is direct relationship and the other is indirect

relationship. The relationship is composed of two aspects. There is a direct effect and an indirect effect in the relationship. SEM partitions these two effects. This is shown in the Table 5.40

**Table 5.40 Standardized Total Effects, Standardized Direct Effects and Standardized Indirect Effects**

	Direct Effect	Indirect Effect	Total Effect
PE-JS	.572	.000	.572
PE-JRS	-.336	-.184	-.520
JS-JRS	-.322	.000	-.322

The direct effect of Psychological Empowerment on Job Satisfaction is 0.572 and the total effect is 0.572. The direct effect of Psychological Empowerment on Job Related Stress is -0.336. The indirect relationship is -0.184 and the total effect of Psychological Empowerment on Job Related Stress is -0.52. Job Satisfaction has a direct relationship with Job Related Stress (-0.322). The total effect of Job Satisfaction on Job related Stress is -0.322. The indirect effect of Psychological Empowerment and Job Related Stress shows that Job Satisfaction mediates the relationship between Psychological Empowerment and Job Related Stress. Hence the results are clearly indicating a direct influence of psychological empowerment on Job Related stress and also an indirect relationship through Job Satisfaction; we can clearly infer a partial mediating role of the Job Satisfaction in this indirect relationship.

**Table 5.41 Sobel Test showing Mediation effect Job Satisfaction**

	<b>Estimate</b>
Regression coefficient of the variable (a)	-.940
Regression coefficient of the mediator (c)	-.291
SE of a	.084
SE of b	.049
<b>Sobel test statistic:</b>	<b>5.248</b>
<b>One-tailed probability:</b>	<b>&lt;0.001</b>
<b>Two-tailed probability:</b>	<b>&lt;0.001</b>

Further Sobel test was applied to measure the significance of indirect effect of psychological empowerment on job related stress through job satisfaction. The result (shown in Table 5.41) support the significance of the indirect effect ( $z = 5.248, p < 0.001$ ). Hence it can be concluded that job satisfaction partially mediates the relationship between psychological empowerment and the job related stress.

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## FINDINGS AND DISCUSSION

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This study examined the empowerment of employees in the banking sector. It also analysed the relationship between psychological empowerment, job satisfaction and job related stress among employees working in banks. The relationship between all the dimensions of psychological empowerment and job satisfaction were also investigated in the study. The findings of the study are reported below.

- 1) There exists a positive relationship between Psychological Empowerment and Job Satisfaction among bank employees and hence Job Satisfaction increases with increase in psychological empowerment. (Hypothesis: 1 accepted).
- 2) There exists a negative relationship between Psychological Empowerment and Job Related Stress among bank employees and hence when Psychological Empowerment increases, Job Related Stress decreases (Hypothesis: 2 accepted).
- 3) There exists a negative relationship between Job Satisfaction and Job Related Stress among bank employees and hence Job Related Stress decreases with increase in Job Satisfaction (Hypothesis: 3 accepted).
- 4) All the dimensions of Psychological Empowerment, Meaning, Competence, Impact and Self determination have a significant and positive correlation with Job Satisfaction (Hypothesis: 4 accepted).
- 5) Job Satisfaction partially mediates the relation between Psychological Empowerment and Job Related Stress (Hypothesis: 5 accepted).

- 6) Psychological Empowerment does not differ among employees belonging to different sectors of bank (Hypothesis: 6 rejected).
- 7) There exist significant differences in Meaning and Impact dimension of Psychological Empowerment as far as employees in different groups of the bank are concerned. (Hypothesis: 7 partially accepted). Further the result shows that there is significant difference in meaning dimension in employees of new generation bank with private and public sector bank. For the Impact dimension the difference is only among the employees of private and public sector banks.
- 8) Psychological Empowerment differs among employees belonging to different banks. Further the result shows that the difference is among State Bank of India and IDBI Bank (Hypothesis: 8 accepted).
- 9) The age of bank employees has a significant relationship with psychological empowerment (Hypothesis: 9 accepted).
- 10) There is no significant relationship between education and Psychological Empowerment (Hypothesis: 10 rejected).
- 11) The level of employees has a significant relationship with psychological empowerment (Hypothesis: 11 accepted).
- 12) There is no gender difference as far as Psychological Empowerment is concerned among the bank employees (Hypothesis: 12 rejected).
- 13) Self Determination dimension and Impact dimension are the major contributors in Psychological empowerment followed by Competence dimension and Meaning dimension.
- 14) There is a positive correlation between Psychological Empowerment and Job Satisfaction in private as well as public sector banks, there is only a moderate correlation between Psychological Empowerment and Job Satisfaction in new generation banks.

- 15) Public sector banks and private sector banks show a negative relation between Psychological Empowerment and Job Related Stress; and Job Related Stress and Job Satisfaction and there is a moderate negative relation between Psychological Empowerment and Job Related Stress; and Job Satisfaction and Job Related Stress in new generation banks.

## **6.1 Discussion of the Findings**

### **6.1.1 Psychological Empowerment and Job Satisfaction**

The present study shows that there exist a relation between psychological empowerment and job satisfaction. This means that higher the level of Psychological Empowerment higher will be the level of Job satisfaction. These results are in consensus with the findings of previous research relating to psychological empowerment and job satisfaction with different groups of employees (Spreitzer, 1995a; Spreitzer, Kizilos and Nason, 1997).

The impact of privatization has affected the work culture of public sector and private sector banks in India. There has been a fundamental shift in the working attitude and work style due to open economy and increased competition. High involvement work practices are the source of competitive advantage for business organizations (Dessler, 2007). Therefore, business organizations have taken up the challenge of providing better-quality services to their employees by promoting different practices including employee empowerment. Empowerment perceptions can augment the value of work for individuals, increase job satisfaction and contribute to work productivity and effectiveness (Spreitzer, 1995a). Conger and Kanungo (1988) defined psychological empowerment as a process of increasing employee feelings of self-efficacy among employees whereas Thomas and Velthouse (1990) explained psychological empowerment as an increased intrinsic motivation.

There are many researchers who linked job satisfaction with psychological empowerment (Fuller et al., 1999; Carless, 2004; Dehkordi et al. 2011; Seibert et al. 2004). The job characteristic model of Hackman and Oldham, 1980 had proposed that psychological states like meaningfulness, feelings of responsibility, knowledge of results etc. influence job satisfaction. Fulford and Enz (1995) stated that perceiving oneself as empowered is positively linked to the emotional states of workers and their overall attachment to the work environment and thus according to their findings perceived empowerment did have an influence on the level of job satisfaction of employees in the hospitality industry.

Spreitzer et al. (1997) also pointed out that one of the earliest anticipated outcomes of psychological empowerment was job satisfaction. In another study on the nurses, Laschinger, Finegan and Shamian (2001) agreed that the feelings of psychological empowerment strongly influenced nurses work satisfaction. The results of these studies were congruent with the result of the present study. Hechanova et al. (2006) studied five different service sectors to determine the relationship of empowerment with job satisfaction and found that psychological empowerment positively correlated with job satisfaction. Their study to understand the relationships between organizational empowerment and job satisfaction among nursing assistants in Taiwan indicated that, where there was a moderate level of organizational empowerment, a higher level of job satisfaction was found. Organizational empowerment was significantly associated with total job satisfaction (Kuo, Yin and Li (2007).

The relationship between Leader-Member Exchange (LMX), psychological empowerment, job satisfaction and turnover intention was studied within the context of a service restaurant environment and the findings revealed that the quality of the LMX relationship and the level of psychological empowerment have direct linear relationships with job satisfaction (Collins, 2007).



Bordin, Bartram and Casimir G. (2007) conducted a study to examine some of the antecedents and consequences of psychological empowerment among Singaporean IT employees and found out that along with other antecedents like access to information, employee participation, supervisory social support, job security, organizational commitment, job satisfaction also correlated positively to psychological empowerment.

Thus from the above discussion it can be summarized that there is a positive relationship between psychological empowerment and job satisfaction.

### **6.1.2 Four dimensions of Psychological Empowerment and Job Satisfaction**

The results revealed that there were positive and significant influences between the four dimensions of employee psychological empowerment and overall job satisfaction. This means that the employees of commercial banks whose job has a high level of meaningfulness, who have enough skills to perform the job ,who have confidence and those who were influential in the workplace would be most likely to experience a higher level of job satisfaction. The results are in consonance with earlier research studies. Spreitzer et al. (1997) found that one dimension of empowerment alone was not associated with organizational outcome such as effectiveness, satisfaction, and low job-related strain. They concluded that if an organization has to achieve its outcome such as effectiveness, satisfaction, and low job-related strain the employee must experience all four of the empowerment dimensions. The present study also agrees to the above result.

Other empirical research also shows that though the dimensions of psychological empowerment significantly affect job satisfaction, the result of the relationship between the four individual dimensions of psychological empowerment and job satisfaction varies (Dickson and Lorenz, 2009; Carless,

2004; Thomas and Tymon, 1994; Liden, Wayne and Sparrowe, 2000; Spreitzer, Kizilos and Nason, 1997).

Many of the studies revealed that meaning is the strongest predictor of psychological empowerment. Spreitzer (1996) found that the dimension of meaning was the strongest contributor to overall job satisfaction. Spreitzer, et al. (1997) examined the relationship between empowerment and job satisfaction in two different samples: One consisted of middle-level managers and the other consisted of lower-level employees. In both samples, Spreitzer and her colleagues found that meaning was the strongest predictor of general job satisfaction, while impact was unrelated to job satisfaction. There was ambiguity in the results of self-determination and competence.

Carless (2004) also examined the facets of empowerment and indicated that meaning and competence were the significant predictors of job satisfaction where as the findings on impact were ambiguous, it was found to be a significant predictor of present job satisfaction, but not general job satisfaction. She opined that if the employees' found that the works they perform were consistent with their beliefs, attitudes and behaviours, this would result in higher job satisfaction and they would be happy to perform their work (Carless, 2004). In another study by Liden, Wayne and Sparrowe (2000) meaning is an important predictor of job satisfaction. This means that when employees' who perceive that their job assigned by their superior to be significant, they will feel a higher level of job satisfaction as compared to those who perceive their jobs as having little value. But they indicated that competence cognition has a significant negative relationship with job satisfaction.

Dickson and Lorenz (2009) also agreed to the relationship between meaning and job satisfaction. They agreed that both meaning and impact cognition had a positive relation with job satisfaction. In the present study also

meaning and impact dimensions were the strongest contributors to job satisfaction. But according to Dickson and Lorenz (2009) competence cognition did not have any relation and self determination cognition had a negative relation with job satisfaction, which is in contradiction with the present study.

Several studies show that self determination also has a great effect on job satisfaction. Thomas and Tymon (1994) with a sample of employees from a hospital, electronics firm and computer services reported that meaning, self-determination and impact were the three factors which forecast the job satisfaction of an employee. Competence was unrelated to general job satisfaction. Fock et al. (2011) in their study in two countries indicated that influences of psychological empowerment dimensions on job satisfaction were not uniform. Self-determination had the strongest effect on job satisfaction but no significant results were found with respect to meaning and competence. Dehkordi et al. (2011) also in their study found psychological empowerment in general and its dimensions- meaning, impact and self-determination seem to have a positive and significant relation to job satisfaction. But dimension of competence was not positively linked to job satisfaction and organizational commitment.

According to Fulford and Enz (1995) the dimensions of meaningful and influence had strongest influences on job satisfaction. Holdsworth and Cartwright (2003) through their research found that three elements of psychological empowerment, i.e. meaningfulness, self-determination, and impact are in positive and meaningful relation to the work satisfaction of the personnel among employees of call centre. Patah et al. (2009)'s study on receptionists in five-star hotels and found that psychological empowerment (meaningfulness, competence and influence) have significant influences over overall job satisfaction of the receptionists.

Thus from the above discussion it is clear that various dimensions of empowerment is related to job satisfaction. The finding of this study that the dimensions psychological empowerment of the employees of banks (meaning, competence, self-determination and impact) and their job satisfaction are related is in lieu with previous studies. Thus the bank employees like their jobs more when they find their work meaningful, when they feel capable of performing their work well, when they have freedom to make decisions about their work, and when they feel that they can have an impact on organizational outcomes.

### **6.1.3 Psychological Empowerment and Job Related Stress**

Spreitzer (1996) stated that role ambiguity had a strong negative relationship with empowerment. She explained that employees who perceive lack of clarity in their job as disempowering. The research has shown that role ambiguity creates stress (Sutton and Kahn, 1987). This study also supports the above finding and reveals that there exist a significant negative relationship between psychological empowerment and job related stress. Previous researchers have also highlighted the significant relationship between psychological empowerment and job related stress (e.g. Fulford and Enz, 1995). The study of Laschinger, Finegan and Shamian (2001) also showed similar result. They reported that feelings of psychological empowerment strongly influenced nurses' job strain. Effort to empower nurses with a sense of control over decision making significantly reduces their level of job strain.

Li, Chen and Kuo (2008) stated that both psychological empowerment and structural empowerment were found to be significantly associated with total work stress. They suggested that the managers should provide available resources for nurses to accomplish work and to involve nurses in the development goals to increase their influence in making important changes in the organisation so that their work stress can be reduced.

Job stress has very negative physical and behavioural effects on the employees like increase in blood pressure, burnout etc. (Karasek and Theorell, 1990). So it is essential that some effort should be taken to reduce the stress among employee of banking sector so that they can perform their job in a better way. It is clear from the study that there exist a negative relation between psychological empowerment and job related stress. When the employees feel that they are empowered their job related stress will be reduced.

Martin (2007) highlighted that studies have found that workplace stressors that result in psychological strain in critical care nursing environments are significant and associated with a negative impact on performance. The result revealed a significant difference between nurses that had high levels of empowerment and those with low levels empowerment with regard to strain. Hence from the above discussion it can be concluded that there exist a significant negative relationship between psychological empowerment and job related stress

#### **6.1.4 Job Satisfaction and Job Related Stress**

Majority of studies showed that there is a relationship between stress and satisfaction. Several studies indicated that job stress was found to have negative influence on job satisfaction and job stress was a significant predictor of job satisfaction (Fairbrother et. al., 2003; Flanagan, 2003; Anton, 2009; Aghdasi et al., 2011) Job stress, especially role conflict and ambiguity, put forth a direct influence on job satisfaction (Kemery et al., 1987; Calisir et al., 2011).

But in this study a reverse relationship between job related stress and job satisfaction has been presumed. This study shows that job satisfaction is the reason to reduce the stress among the employees. When the job satisfaction increases the job related stress is reduced. In a research by Heslop et al. (2002) that studied the association between job satisfaction and self-reported stress, job

satisfaction at baseline was strongly associated with low or moderate perceived stress at second screening. The results of the analyses suggested that there was an association between job satisfaction and perceived stress. In another study Rahman and Sen (1987) investigated the effect of job satisfaction on stress, performance and health in self-paced repetitive work and found that low satisfaction leads to high stress. There were two groups of subjects. One group consisted of 41 subjects with a high score on job satisfaction and the second group consisted of an equal number of subjects with a low score on job satisfaction. The results of the study indicated that the low satisfied workers experience more stress and describe their job more unfavourably than the highly satisfied workers. Richardsen and Burke (1991) found that high job satisfaction was related to fewer specific work stressors and more positive attitudes about health care among physicians in Canada.

Hardiness also could be a reason for such a relationship. Rasouli et al. (2012) found that there is a meaningful relation between hardiness, job satisfaction and stress among faculty members. Those who have high degrees of hardiness, have high degrees of job satisfaction and lower levels of stress. There are other studies also which reported this relationship (Judkins et al., 2005). Thus from the above discussion it can be concluded that when the job satisfaction increases the job related stress is reduced.

### **6.1.5 Mediating Effect of Job Satisfaction in the relationship between Psychological Empowerment and Job Related Stress**

One of the main objectives of the study was to find out how job satisfaction affected the relationship between psychological empowerment and job related stress i.e. whether there is a mediating effect of job satisfaction between psychological empowerment and job related stress. The result of the study revealed that job satisfaction partially mediated the relation between psychological empowerment and job related stress. This means that when the

employees of the banking sector are psychologically empowered they feel that their work contributions are meaningful and feel powerful in their abilities to shape the organization, thus leading to more job satisfaction and resulting in reduced stress of the employees.

There are several studies which show the mediating role of job satisfaction. Aghdasi et al. (2011) in their study claimed that job satisfaction has a mediatory role in the effect of occupational stress on organizational commitment. In another study Chan (2003) also found that job satisfaction partially mediated the relationship between psychological empowerment and organizational citizenship behaviour.

Even though there are studies linking each of the variables separately, there are no studies which show such a relationship where the job satisfaction mediates the relation between psychological empowerment and job related stress.

#### **6.1.6 Employees of Different Sectors of Banks and Psychological Empowerment**

Empirical research found that there is difference in psychological empowerment with regard to different industries and sectors. Even though empowerment is practiced in different organizations, Bowen and Lawler (1992, 1995) suggested that the nature of operations would determine the degree to which service organizations empower their employees. Hechanova et al. (2006), in a cross-industry analyses indicated differences in empowerment across different types of service sectors with employees in call centers reporting less empowerment compared to employees in hotel, airlines, food establishments, and banks.

The result of this study was also consistent with the above studies. Though overall psychological empowerment do not differ among various sectors of banks, there exist significant differences among the three sectors of

the bank as far as dimensions of psychological empowerment--meaning, and impact is considered. So to identify which sectors have significant difference further analysis was conducted and the result showed that only the new generation bank has significant difference with private and public sector bank as far as meaning dimension is considered where as there is significant difference both in the private and public sector banks with regard to the impact dimension.

Further the findings of some other studies also showed different levels of psychological empowerment in managers of different industry sectors (Morrell and Wilkinson, 2002). Bhatnagar (2005) in her study on Indian managers in different sectors like power sector, banking sector, IT sector, pharmacy sector, telecom sector etc. also concurs that the level of psychological empowerment of power-sector managers was the highest than other sectors. Banking sector also had high level of psychological empowerment whereas IT sector had the lowest level of psychological empowerment. Though there are studies revealing the differences in the level of psychological empowerment among different industries, no studies were found in the literature explaining differences in psychological empowerment among various sectors of same industry. The findings of the present study explains the possibilities for having differences in levels of psychological empowerment among different sectors of same industry as it was found that there is differences between psychological empowerment of employees of different sectors of the banking industry.

### **6.1.7 Age and Psychological Empowerment**

The result revealed that there exist significant differences in psychological empowerment among different age group. Thus the age of bank employees have a significant relationship with psychological empowerment. The result further revealed that only 50-60 age groups have significant difference among all other age



groups. All the other age groups do not have significant difference. Current findings support the results reported by Dimitriades and Kufidu (2004); Hartmann (2004); and Wang and Zhang (2012) who found a correlation between age and psychological empowerment. Spreitzer (1996) also identified a positive relationship between age and perceived competence.

Findings of the study are in contradiction to the findings of Lockwood et al. (2012). Their study showed that there is no relationship between age and psychological empowerment. Koberg et al. (1999) also stated that age has no significant influence on psychological empowerment. One possible explanation for this discrepancy may lie in the nature of the samples studied.

A study on the differences in nurses' generational psychological empowerment and job satisfaction with the assumption that generations differ in work styles, leadership views, innovation, quality of performance and service, it was revealed that the Baby Boomer nurses reported higher mean total psychological empowerment scores than Generation X nurses which means that there were significant differences among the generations' psychological empowerment scores (Sparks, 2012)

Taking into consideration the above finding it can be concluded that the age of the employees are related to psychological empowerment which means that employees of different age have difference in the level of psychological empowerment.

### **6.1.8 Educational level and Psychological Empowerment**

The result of this study showed that there is no significant relationship between education and psychological empowerment. But it is in contrast with the work of Lockwood et al. (2012) who revealed that employees' job mode and educational level significantly influenced employees' perceptions of the psychological empowerment overall and on the three extracted dimensions.

The result of this study is similar to the work of Ergeneli et.al. (2007) which states that educational level do not have any influence on psychological empowerment.

Thus it can be concluded that when the educational level increases the overall psychological empowerment need not necessarily be increased.

### **6.1.9 Level of Employees and Psychological Empowerment**

The result of this study shows that there is a significant relationship between level of employees and psychological empowerment. The study of Joo and Shim (2010) contradicts this study. According to them hierarchical level did not have any effect on psychological empowerment. Honneger and Appelbaum (1998) also did not find any relationship between empowerment and position level.

The result of this study is in congruent with the study of Ergeneli et.al. (2007) in whose study, position was the only variable to yield a significant effect on overall psychological empowerment. But higher position does not necessarily provide more power or create an awareness of power, for bank managers, in particular, this is position-strengthening.

Thus from the above empirical research and the result of this study it is clear that level of employees are related to psychological empowerment which means that employees in different level have significant difference in the level of psychological empowerment.

### **6.1.10 Gender and Psychological Empowerment**

The findings of Koberg et al. (1999) on technically skilled, professional and managerial hospital employees revealed that men and women reported no significant differences in the feeling of empowerment. This study also, indicated that there is no gender difference as far as psychological empowerment is

concerned among the bank employees. Lockwood et al. (2012) also indicated that gender do not have any relationship with psychological empowerment.

Conversly, some studies showed that women tend to feel less empowered than men. Wang and Zhang (2012) in their study among teachers found a statistically significant difference in the level of psychological empowerment based on gender. In Lim and Hechanova's study (2005), they found that women managers report that they are being excluded from informal networks. Male managers also reported that they were given more responsibilities than women in the same position.

Spreitzer (1996) in their study could not find any relationship between gender and psychological empowerment. The studies of Patah et al. (2009) and Joo and Shim (2010) also found out that there were no significant differences in the scores of both genders-males and females when compared, with the employee psychological empowerment. In a study on 191 male and 200 female nurses to verify if the factor structure of Spreitzer's psychological empowerment questionnaire was invariant between groups of 191 male and 200 female nurses, the results indicated that the structure of the psychological empowerment questionnaire could be assumed invariant across genders (Boudrias, Gaudreau and Laschinger, 2004).

From these above discussions it may be concluded that if we compare men and women working at different level or if they are discriminated on job responsibilities on the same job their perception about empowerment may not vary.





## SUMMARY, IMPLICATION AND CONCLUSION

- 7.1 *Overview of the Study*
- 7.2 *Implication of the Study*
- 7.3 *Conclusion of the Study*
- 7.4 *Scope for future Research*
- 7.5 *Limitations*

The purpose of this chapter is to present an overview of the study, a summary of the findings, the implications for practice and theory, and the scope for future research.

### 7.1 Overview of the Study

According to Spreitzer (1995a) psychological empowerment is defined as a motivational construct manifested in four cognitions: meaning, competence, self-determination and impact which reflect an active orientation to a work role where the individual wishes and feels that he or she is able to shape his or her work role or context.

The present study is an attempt to explain the relationship between psychological empowerment, job related stress and job satisfaction with an aim to bring support for the role of psychological empowerment in the field of employee working in different banking sectors. The objective of the study include :

- 1) To assess the dimensions of psychological empowerment among the bank employees.
- 2) To determine the relationship of overall psychological empowerment and its dimensions with job satisfaction.

- 3) To study the relationship between job satisfaction and job related stress.
- 4) To determine the mediating role of job satisfaction while considering the relationship between psychological empowerment and job related stress.
- 5) To find out whether existence of psychological empowerment have any association with the demographic background of employees such as age, gender and education and level of employees.

A sample of 337 employees from different branches of different sectors of banks was taken from Kerala. From among the three sectors-private sector banks, public sector banks and new generation banks two banks were chosen from each sector. The data was collected with the help of tests such as Psychological empowerment by Spreitzer (1995), Job satisfaction using the Minnesota Satisfaction Questionnaire short-form by Weiss, Cavis, England and Lofquist, 1967, Job - Related Stress s by Kahn *et al.* (1964) and employee profile prepared by the researcher. Twelve hypotheses were formulated with regard to the objectives and all the hypotheses were tested using appropriate statistical techniques.

This study found that psychological empowerment and Job satisfaction negatively and significantly affected the Job related stress of employees. The important research findings can be summarized as following:

- 1) Self Determination dimension and Impact dimension are the major contributors in Psychological Empowerment followed by Competence dimension and Meaning dimension among the bank employees.
- 2) When the Psychological Empowerment of employees in banking sector increases their job satisfaction also increases. Similarly all the dimensions of Psychological Empowerment -Meaning, Competence, Impact and Self Determination have a significant and positive correlation with Job Satisfaction.

- 3) Job Related Stress of the employees are negatively related with their Psychological Empowerment which means higher the Psychological Empowerment lower the Job Related Stress.
- 4) Job Satisfaction and Job Related Stress of the employees are also negatively related.
- 5) With regard to mediating effect, the existence of Job Satisfaction partially mediated the relationship between Psychological Empowerment and Job Related Stress.
- 6) Among the demographic variables age of bank employees and level of employees have a significant relationship with Psychological Empowerment.

## **7.2 Implication of the Study**

This study contributes to theory and managerial practice with an increased understanding on importance of psychological empowerment in reducing the job related stress level of employees in banking sector. The findings of the study will be beneficial for the banks in different ways. Previous studies have shown the importance of psychological empowerment in other service sectors like hotel industry, hospitals and schools [Koberg, Boss, Senjem and Goodman (1999); Avolio, Zhu, Koh and Bhatia (2004); Knol and Linge (2009); Fook et al. (2011); Kim, Losekoot and Milne (2011) etc.]. This research throws light on the relevance of psychological empowerment among clerical and managerial level employees in banking sector. HRD professionals can increase employees' psychological empowerment (McLean 2006) by providing training and development to the employees. Employees can be psychological empowered by involving them in decision making process and creating an empowered feeling in the minds of employees by granting power to make recommendations.

It also clearly depicts that, by increasing psychological empowerment of employees, job satisfaction can be increased and job related stress can be reduced. Literature in banking sector reveals that the bank employees are facing problems like lack of job satisfaction and increased job related stress (Chen &Lien, 2008; Kelley, 1990; and Bajpai, Naval and Deepak, 2004 etc.). High level of stress and lack of job satisfaction leads to turnover, absenteeism, low productivity, voluntary retirement of employees and employee burnout in banking sector. During the study it was found that enhancing the psychological empowerment of bank employees can reduce job related stress and increase job satisfaction. Further the banks can increase the meaning, self determination, competence and impact dimensions of psychological empowerment if they want their employees to attain more satisfaction in their jobs. Thus the banks can take measures to augment the psychological empowerment of employees by creating a feeling among the employees that the job they do is meaningful, they are capable of doing things, they have the freedom to do and that they do contribute to the overall result of the organization, for their employees to be more satisfied in their jobs. Increase in job satisfaction can also reduce the stress among bank employees.

One of the major implications of the study is its finding about the high psychological empowerment among the 50-60 age groups of employees. It is quite evident that the banks can enhance the psychological empowerment of their employees by designing training programmes for the bank employees who are in the lower age group and have less experience. It is also important that the study has proved high level of psychological empowerment among higher level employees than entry level and middle level employees of banks. This also highlights the training requirement for improving psychological empowerment among lower level and middle level bank employees.



The present study shows that the dimensions of psychological empowerment differ among different groups of banks in the banking sector itself. This is one of the major implications of this study as it highlights the significance of certain dimensions of psychological empowerment in different sectors of banks. Further when the concept of empowerment is implemented in banking sector more importance can be given for meaning dimension in new generation banks which means that there should be a personal connection with the employees' values and the requirement of the job when they are being empowered. Their values and beliefs should not be contradictory to the goals they have to achieve. Similarly more importance is to be given to impact dimension in public and private sector banks which implies that the management has to create self-assurance in the employees that they can influence the strategic, administrative or operating outcomes at work and thus can make an overall difference in the organisation. And this may result in retaining the employees and increased quality of services in banks. If we consider banking sector as a true representative of the service sector, the results of the study has wider implications in the service industry.

The study is important from theoretical perspective also. Majority of the studies on empowerment are on the structural perspective of empowerment. Even though there are studies on psychological empowerment, the studies in service sector are limited to hospital and hotel industry. This study links the three variables psychological empowerment, job satisfaction and job related stress. Previously little research has been conducted integrating these three aspects. Moreover no research has explored the relationship among these construct for employees of banking sector. This study found that meaning, self-determination, competence and impact were significantly associated with job satisfaction. Additionally this study also shows the mediating role of job satisfaction in the relation between psychological empowerment and job related

stress. Thus the results of current study shows the importance of increasing employees' psychological empowerment and job satisfaction for reducing the job related stress.

### **7.3 Conclusion of the Study**

The present study was carried out with an objective of explaining the relationship between the psychological empowerment, job satisfaction and job related stress. The researcher has examined relevant models with respect to psychological empowerment and then formulated the problem. The researcher also scrutinized the available literature with respect to psychological empowerment and its impact on job satisfaction and job related stress to conceptualize the frame work of the study. The findings of the study confirmed the role of psychological empowerment in reducing the job related stress of employees and the mediating role of job satisfaction in the relation between psychological empowerment and job related stress.

Banking Sector in India is facing so many problems. The problem of stress is inevitable and unavoidable in the banking sector. A majority of the workforce face severe job related stress and a lot of psychological problems. The productivity of the work force is the most crucial factor as far as the success of an organization is concerned. The productivity in turn is dependent on the psychological well being of the employees. The innovative behavior of employees is also important especially in service organizations. Psychological empowerment is a predictor of innovative behavior of employees (Knol and Linge, 2009; Ghani, Hussin and Jusoff, 2009).

On the basis of results, it is concluded that psychological empowerment has positive and significant impact on employee job satisfaction resulting in reduced job related stress. There is also a significant difference among age wise psychological empowerment level. This study confirms that psychological

empowerment leads towards higher level of employee job satisfaction and lower level of job related stress.

#### **7.4 Scope for future Research**

Since this research found employee empowerment as an important factor that enhances employee job satisfaction and reduces the job related stress among bank employees, it is recommended that further studies are to be conducted at all levels of employees with larger sample size than this study. More demographic factors can also be included in the study. Further research on bank employees could use varied sample to determine whether result varies according to sample demographics. Additional information from the third party such as peers, or superiors may provide information regarding the behavior of the employees. This study is based on banking sector only. The study can be extended to all service industries throughout the country.

In the discussion it was mentioned that hardiness can be a reason for increase in job satisfaction and decrease in job related stress. The hardiness has not been taken as a variable in this study. So this can be taken as a research topic to find the relation between job satisfaction and stress.

#### **7.5 Limitations**

Though the banking sector belongs to the service sector, findings generated from the bank employees may not be strictly applicable with employees of all groups of service sector such as hospitals, hotels, tourism etc. From each group only two banks were taken for the study. Other banks may have different culture and so the psychological empowerment and its effect on employees of other banks may be different.

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# Appendices

## Appendix -1

### SECTION 1 (Psychological Empowerment Scale)

**Directions: The following statements deal with your feelings with respect to your work roles. Please read each statement carefully and circle one response that best represents your opinion with respect to your work role.**

**Strongly Disagree - 1**

**Disagree - 2**

**Neither - 3**

**Agree - 4**

**Strongly Agree - 5**

1. The work I do is meaningful. 1 2 3 4 5
2. The work I do is very important to me. 1 2 3 4 5
3. My job activities are personally meaningful to me. 1 2 3 4 5
4. I am confident about my ability to do my job. 1 2 3 4 5
5. I am self- assured about my capability to perform my work. 1 2 3 4 5
6. I have mastered the skills necessary for my job. 1 2 3 4 5
7. I have significant autonomy in determining how I do my job. 1 2 3 4 5
8. I can decide on my own how to go about doing my work. 1 2 3 4 5
9. I have considerable opportunity for independence and freedom in how I do my job. 1 2 3 4 5
10. My impact on what happens in my department is large. 1 2 3 4 5
11. I have a great deal of control over what happens in my department. 1 2 3 4 5
12. I have significant influence over what happens in my department. 1 2 3 4 5

**SECTION II (Job related Stress Scale)**

**The following are several job-related statements. Please read each statement carefully and circle the number that best represents your opinion**

**Nearly all the time - 5                      Rather often - 4**  
**Sometimes -3                                      Rarely - 2                                      Never-1**

Please indicate how frequently you feel bothered by :

- |                                                                                                      |   |   |   |   |   |
|------------------------------------------------------------------------------------------------------|---|---|---|---|---|
| 1. Feeling that you have too little authority to carry out the responsibility assigned to you.       | 5 | 4 | 3 | 2 | 1 |
| 2. Being unclear on just what the scope and responsibilities of your job are.                        | 5 | 4 | 3 | 2 | 1 |
| 3. Not knowing what opportunities for advancement and promotion exist for you.                       | 5 | 4 | 3 | 2 | 1 |
| 4. Feeling that you have too heavy a workload, one that you can't finish during an ordinary workday. | 5 | 4 | 3 | 2 | 1 |
| 5. Thinking that you'll not be able to satisfy the conflicting demands of various people over you.   | 5 | 4 | 3 | 2 | 1 |
| 6. Feeling that you are not fully qualified to handle your job.                                      | 5 | 4 | 3 | 2 | 1 |
| 7. Not knowing what your supervisor thinks of you, how she/he evaluates your performance.            | 5 | 4 | 3 | 2 | 1 |
| 8. The fact that you can't get information needed to carry out your job.                             | 5 | 4 | 3 | 2 | 1 |
| 9. Having to decide things that affect the lives of individual people that you know.                 | 5 | 4 | 3 | 2 | 1 |
| 10. Feeling that you may not be liked and accepted by the people you work with.                      | 5 | 4 | 3 | 2 | 1 |
| 11. Feeling unable to influence your immediate supervisor's decisions and actions that affect you.   | 5 | 4 | 3 | 2 | 1 |
| 12. Not knowing just what the people you work with expect of you.                                    | 5 | 4 | 3 | 2 | 1 |
| 13. Thinking that the amount of work you have to do may interfere with how well it gets done.        | 5 | 4 | 3 | 2 | 1 |
| 14. Feeling that you have to do things on the job that are against your better judgment.             | 5 | 4 | 3 | 2 | 1 |

- |                                                                                                     |   |   |   |   |   |
|-----------------------------------------------------------------------------------------------------|---|---|---|---|---|
| 15. Feeling that your progress on the job is not what it should be or could be.                     | 5 | 4 | 3 | 2 | 1 |
| 16. Thinking that someone else may get the job above you, the one you are directly in line for.     | 5 | 4 | 3 | 2 | 1 |
| 17. Feeling that you have too much responsibility and authority delegated to you by your superiors. | 5 | 4 | 3 | 2 | 1 |



**Appendix -3**

**SECTION III (Job Satisfaction Scale)**

The statements listed below deals with your feeling about your job. Using the following scale, please indicate the extent to which you believe each item is true with respect to your job.

**Very Dissatisfied - 1**  
**Satisfied -4**

**Dissatisfied - 2**  
**Very Satisfied -5**

**Neutral - 3**

- |     |                                                              |   |   |   |   |   |
|-----|--------------------------------------------------------------|---|---|---|---|---|
| 1.  | Being able to keep busy all the time                         | 1 | 2 | 3 | 4 | 5 |
| 2.  | The chance to work alone on the job                          | 1 | 2 | 3 | 4 | 5 |
| 3.  | The chance to do different things from time to time          | 1 | 2 | 3 | 4 | 5 |
| 4.  | The chance to be “some body” in the community.               | 1 | 2 | 3 | 4 | 5 |
| 5.  | The way my boss handles his/her workers.                     | 1 | 2 | 3 | 4 | 5 |
| 6.  | The competence of my supervisor in making decisions.         | 1 | 2 | 3 | 4 | 5 |
| 7.  | Being able to do things that don’t go against my conscience. | 1 | 2 | 3 | 4 | 5 |
| 8.  | The way my job provides for steady employment.               | 1 | 2 | 3 | 4 | 5 |
| 9.  | The chance to do things for other people.                    | 1 | 2 | 3 | 4 | 5 |
| 10. | The chance to tell people what to do.                        | 1 | 2 | 3 | 4 | 5 |
| 11. | The chance to do something that makes use of my abilities.   | 1 | 2 | 3 | 4 | 5 |
| 12. | The way company policies are put into practice.              | 1 | 2 | 3 | 4 | 5 |
| 13. | My pay and the amount of work I do.                          | 1 | 2 | 3 | 4 | 5 |
| 14. | The chance for advancement on this job.                      | 1 | 2 | 3 | 4 | 5 |
| 15. | The freedom to use my own judgment.                          | 1 | 2 | 3 | 4 | 5 |
| 16. | The chance to try my own methods of doing the job.           | 1 | 2 | 3 | 4 | 5 |
| 17. | The working conditions.                                      | 1 | 2 | 3 | 4 | 5 |
| 18. | The way my co-workers get along with each other.             | 1 | 2 | 3 | 4 | 5 |
| 19. | The praise I get for doing a good job.                       | 1 | 2 | 3 | 4 | 5 |
| 20. | The feeling of accomplishment I get from the job.            | 1 | 2 | 3 | 4 | 5 |



 **Appendix -4**

**SECTION IV (General Information)**

Kindly respond to the following items in order to provide the background information for the research.

1. Age :
2. Gender :
  1. Male \_\_\_\_\_
  2. Female \_\_\_\_\_
3. Education :
  1. Under graduate \_\_\_\_\_
  2. Graduate \_\_\_\_\_
  3. Post Graduate \_\_\_\_\_
  4. Professional Graduate \_\_\_\_\_ Specify -
  5. Others \_\_\_\_\_
5. Name of the Bank:
6. Designation :
7. Tenure :

*Thank you very much for your co-operation*

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