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
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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
The review of literature has revealed significant relationships 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 were 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, Haghighi, 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
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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.

Indra Devi (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.

Hendtix, 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.

Richardsen 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 whereas 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 years 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.