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**THE ROLE OF TRANSFORMATIONAL LEADERSHIP,
ORGANIZATION STRUCTURE, JOB CHARACTERISTICS,
TRUST, AND JOB INVOLVEMENT TOWARDS
PSYCHOLOGICAL EMPOWERMENT
AMONG BANK MANAGERS**

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Othman Yeop Abdullah Graduate School of Business

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in Fulfillment of the Requirement for the degree of Doctor of Philosophy

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ABSTRACT

The main purpose of this study is to investigate the antecedents and outcome of psychological empowerment among bank managers in Peninsular Malaysia. Specifically, it aimed at investigating the effect of transformational leadership, organization structure, and job characteristics on psychological empowerment; the effect of psychological empowerment on job involvement; and the moderating effect of trust on the relationships between transformational leadership, organization structure, and job characteristics on psychological empowerment. The attitudes and behaviours of employees in organizations that had undergone restructuring program such as mergers or downsizing, are found to be negatively affected. During economic downturn, intrinsic motivation is considered to be an alternative to extrinsic motivation. Acknowledging the importance of psychological empowerment as an intrinsic motivation, this study was carried out to investigate its antecedents and its outcome; and to include trust as a moderating variable. Accordingly, this study was based on social exchange theory to map and position the possible relationships between the variables in the research framework. A total of 164 bank managers, representing a response rate of 41% participated in this study. Data were collected via questionnaires. PLS-SEM was used to analyse the data and test the hypotheses. Statistical results showed that transformational leadership, organization structure, and job characteristics were directly and positively related to psychological empowerment. Psychological empowerment was also found to be positively related to job involvement. However, no empirical support was found for the moderating effect of trust on the relationship between transformational leadership, organization structure, and job characteristics on psychological empowerment. This study offers theoretical and practical contributions, implications, limitations of the study and suggestions for future research.

Keywords: transformational leadership, job characteristics, psychological empowerment, job involvement, trust

ABSTRAK

Tujuan utama kajian ini adalah untuk menyiasat faktor penyumbang dan kesan pemeraksanaan psikologi di kalangan pengurus bank di Semenanjung Malaysia. Secara khusus, ia bertujuan untuk menyiasat kesan kepimpinan transformasi, struktur organisasi, dan ciri-ciri kerja ke atas pemeraksanaan psikologi; kesan pemeraksanaan psikologi ke atas penglibatan kerja; dan kesan kepercayaan dalam meyelerhanakan hubungan antara kepimpinan transformasi, struktur organisasi, dan ciri-ciri kerja ke atas pemeraksanaan psikologi. Sikap dan tingkah laku pekerja dalam organisasi yang telah menjalani program penyusunan semula seperti penggabungan atau pengecilan saiz, telah terjejas secara negatif. Semasa kegawatan ekonomi, motivasi intrinsik adalah dianggap sebagai alternatif kepada motivasi ekstrinsik. Menyedari kepentingan pemeraksanaan psikologi sebagai motivasi intrinsik, maka kajian ini dijalankan untuk menyiasat faktor-faktor yang penyumbang kepada pemeraksanaan psikologi dan kesannya; serta memasukkan kepercayaan sebagai pembolehubah sederhana. Seterusnya, kajian ini menggunakan teori pertukaran sosial dalam memeta dan meletakkan hubungan antara pembolehubah-pembolehubah yang terdapat dalam rangka kerja penyelidikan. Seramai 164 pengurus bank, yang mewakili kadar respons sebanyak 41% terlibat dalam kajian ini. Data telah dikumpul melalui soal selidik. PLS-SEM telah digunakan untuk menganalisis data dan menguji hipotesis. Keputusan statistik menunjukkan bahawa kepimpinan transformasi, struktur organisasi, dan ciri-ciri kerja telah berkait secara langsung dan positif dengan pemeraksanaan psikologi. Pemeraksanaan psikologi juga didapati positif dan berkaitan dengan penglibatan kerja. Walau bagaimanapun, tiada sokongan empirikal ditemui untuk kesan penyederhanaan kepercayaan kepada hubungan antara kepimpinan transformasi, struktur organisasi, dan ciri-ciri kerja ke atas pemeraksanaan psikologi. Kajian ini menawarkan cadangan teoritikal dan praktikal, implikasi, limitasi kajian dan cadangan untuk kajian akan datang.

Kata kunci: kepemimpinan transformasi, ciri-ciri pekerjaan, pemeraksanaan psikologi, penglibatan kerja, kepercayaan

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LIST OF ABBREVIATIONS

| | |
|---------|--|
| AVE | Average Variance Extract |
| BAFIA | Banking and Financial Institutions Act |
| BNM | Bank Negara Malaysia |
| CFA | Confirmatory Factor Analysis |
| CR | Composite Reliability |
| EFA | Exploratory Factor Analysis |
| FSA | Financial Services Act |
| PLS | Partial Least Square |
| PLS-SEM | Partial Least Square Structural Equation Modelling |
| SD | Standard Deviation |
| SE | Standard Error |
| SEM | Structural Equation Modelling |
| SET | Social Exchange Theory |
| SDT | Self-Determination Theory |
| SPSS | Statistical Package for Social Science |
| VIF | Variance Inflation Factor |

CHAPTER ONE

INTRODUCTION

1.1 Introduction

Traditionally, organizations have operated under Taylor's and Weber's way where orders and commands; rules and procedures are the main themes. Today, similar themes are almost absent with most organizations are grappling with discouraging and volatile environments. Rapid changes in technology have led to the production of several products with shorter product life cycle and have given rise to customers' different values and norms with different expectations in product demand. In addition to this, profound changes and the decline in global economy have affected businesses around the world greatly. Many businesses have ceased their operations. Those that survive have to reduce their productions. Terms such as downsizing, merger and acquisition are becoming a norm which cause uncertainties among most employees in this era.

Today's organizations are becoming flatter, decentralized and boundaryless. Business environments, both national and international crises, have encouraged organizations to look for more flexible, simpler, and more dynamic organization structures (Akdogan & Cingoz, 2009). To the employees, these business strategies with more flexible, simpler, and more dynamic organization structures, are synonymous with retrenchment, less career opportunities, or fewer job promotions, and more pressures.

Employees who have to face with this kind of structure are subjected to stressful life-event (Cartwright & Cooper, 1993) or low commitment (Armenakis & Bedeian, 1999). Irrespective of the changes and uncertainties faced by the employees, organizations still need to compete in order to survive. According to Harari (1999), people's brains and talents are the most important assets for sustained competitive advantage. The question now is how should organizations address the issue of low morale employees who are experiencing low job commitment and satisfaction? These employees need high motivation in order to work in the unstable environment with drastic changes in customer demand, plus other things such as increased and stiff competition to remain competitive in the market place. Therefore, it is crucial for Human Resource department or management of the organization to work on the issues on how to boost its employees' motivation. Motivating employees is daunting and very challenging. Employees are motivated in several ways, either by the scientific management approach, the human relation approach, or the human resource approach (Griffith & Moorhead, 2014). They are motivated either by money, by fulfilling social needs, or by being able to contribute and participate.

Porter and Lawler (1968) suggested that management should provide work environment that motivate effective job performance through intrinsic and extrinsic rewards. However, it requires great effort from the management to come up with ways or strategies to fully utilize their employees. Workplace environment such as organizational policies and procedures, relationships with peers, and fringe benefits are positively related to job performance. However, extrinsic rewards may not be the most sought after choice at the moment due to the economic slowdown, drastic changes in customer demand, as well as other things including fierce competition to

remain competitive in the market place. Thus, intrinsic motivation may be the right alternative to extrinsic motivation. This proposition is in line with the statement made by Spreitzer (1995). Spreitzer (1995) stressed that intrinsic rewards could possibly produce employees who are open to initiatives, ready to embrace risk, willing to be stimulated with innovation and can cope with high uncertainties. She further added that these characteristics of employees could be achieved through psychological empowerment.

Several scholars had also suggested ways on how to improve employees' morale and capabilities. Tarboda (2000), for instance, observed that in order for the management to compete better and to have employees with high morale, the management needs to have not only capable employees, it also has to practice different management styles. Moreover, new skills have to be unearthed to ensure that the management is better equipped in facing unforeseen challenges and uncertainties in the new environment (Bhatnagar, 2005). Accordingly, managers or leaders in most organizations must try their best to have highly skilled employees both on technical and personal skills. However, skills are not the only factors that can guarantee employees performance in the organization. These skilled employees should also have the right attitude about their work and their workplace to be considered as assets and only then their existence is critical to the organizational success (Tarboda, 2000). The right attitude mentioned above refers to job satisfaction, organizational commitment, and job involvement since these are the common work attitudes that are related to organizational performance (Robbins, 2005). In this respect, scholars have again concurred that psychological empowerment is one of the motivational factors that influence the attitude and performance of any organizations (Harari, 1999; Meyerson & Kline,

2008; Spreitzer & Nason,1997). Hence, employees in any organizations should feel psychologically empowered.

The workplace empowerment has then been promoted as a general practice for enhancing work performance (Wall, Cordery, & Clegg, 2002). Empowerment programs have been introduced as an organizational variable to improve productivity, increase customer satisfaction and enhance competitive advantage. Keller and Dansereau (1995) in their study of leadership and management suggested that empowering subordinates is a major component of organizational effectiveness. In addition, studies found that empowered employees are related to productivity (Ashness & Lashley, 1995; Liden, Wayne, & Sparrowe, 2000), significantly related to job satisfaction and work stress (Holdsworth & Cartwright, 2003; Spreitzer, Kizilos, &Nason, 1997) and can also influence organizational commitment (Jha, 2010; Bhatnagar, 2005; Liden et al., 2000; Menon, 2001). Thus, empowerment do play vital role in influencing employees' attitudes and performance in the organization.

Conger and Kanungo (1988) assert that employees who are psychologically empowered are intrinsically motivated. This is because empowered workers have more power and these workers are happier with their work because they have more freedom in carrying out their task.

The discussion above clearly illustrates that psychological empowerment can intrinsically motivate employees and this shows that management has to look further into the concept in order to make the employees perform at their very best. In Malaysian quite a number of research in this area had been explored (Abdullah,

Almadhoun, & Ling, 2015; Wan Nawawi et al., 2015; Abd. Ghani, Raja Hussin, & Jusoff 2009; Fook, et al., 2011; Samad, 2007). However, research in the context of banking industry during economic crisis is still limited. Hence, one of the purposes of this study is to examine the influence of psychological empowerment as a motivational approach on employees' attitudes within the banking sector in Malaysia, specifically in Peninsular Malaysia.

In Malaysia, the banking industry has now turned to a new scenario. On July 1999, the central bank of Malaysia (Bank Negara Malaysia, BNM) proposed a major restructuring plan for its 54 domestic deposit-taking financial institutions. These institutions are to be consolidated into six institutions (BNM, 1999). This move towards consolidation is in line with the government's policy not to bail out weak companies but to rationalize businesses towards generating higher productivity. Bank Negara Malaysia (BNM) later rationalized that the bank mergers were made to ensure that the domestic banking institutions will be able to withstand pressures and challenges arising from globalization and from an increasing competitive global environment. As in 14 February 2000, 10 core anchor banks had been confirmed (BNM, 2001). In 2007, the number of domestic bank is left to nine anchor banks after Bumiputra-Commerce Bhd merged with Southern Bank Berhad. Finally, in 2012, there are only eight banks left when Eon Bank Berhad and Hong Leong Bank Berhad merged. To date the eight banks are Affin Bank Berhad, Allianz Bank Berhad, AmBank, CIMB, Malayan Banking (May Bank Berhad), Public Bank Berhad, Hong Leong Bank Berhad and RHB Bank Berhad. This move nonetheless involved major changes in the industry. Presently, there are fewer banks. However, these banks are

relatively bigger and stronger. Each of the anchor banks now has at least one commercial bank, a finance company and a merchant bank in its group.

In ushering the changes, be it a merger or acquisition or restructuring of any kind, regardless of the industries they are in, the human asset will be most affected. The process of integration among the banks during the merger and acquisition will definitely pose significant challenges for the banks not only in term of the organizational issues but also on employee issues, such as their attitudes and behaviors. This is because the employees' perception, on whether they like or extremely dislike their job or they find their job as threatening, interesting, challenging or boring, rests mostly on the employees' attitudes (Robbins, 2005).

The attitudes and behaviors of employees, especially those in organizations that had undergone restructuring program either in mergers or downsizing during economic downturn, are found to be positively affected (DeWitt, 1993) and also negatively affected (Brockner, Grover, Reed, DeWitt, & O'Malley, 1987; Brockner, Wiesenfeld, Reed, Grover, & Martin, 1993). In addition, Feldman (1998) found that employees who work in companies that had undergone significant downsizing, reorganization or had merged with another organization were significantly more likely to report psychological contract breaches. Psychological contract as defined by Rousseau (1995) is the employee's belief and expectation about the obligations that exist between an employee and an employer, which include reciprocal exchange relationship. Thus, psychological contract breach is a condition where the employee perceives that the employer has not fulfilled certain expected obligations.

Psychological contract breaches are regarded to have been resulted in negative effects (Morrison & Robinson, 1997), cognitive appraisal of the terms of the contract (Coyle-Shapiro & Kessler, 2000; Robinson, Kraatz, & Rousseau, 1994), reduced trust in the generosity of the organization (Robinson, 1996) and decreases in performance (Robinson & Morrison, 1995). Some of the employees would experience high level of stress or low job satisfaction, and low commitment due to the disruption of the organizations (Akdogan & Cingoz, 2009).

A similar situation could be encountered by the Malaysian banking industry workers. The positive effect is that the merger process leads to productivity improvements, that is, in terms of efficiency (Radam, Baharom, Dayang-Afizzah, & Ismail, 2008). However, almost all banks that answered the merger call have taken the step to close duplicated branches, which resulted in employees being laid off (Sufian, 2004). Those remaining employees will experienced psychological contract breach which will lead to reduction in the commitment towards the organization, organizational citizenship behavior, job performance, job satisfaction (Conway and Briner, 2002; Coyle-Shapiro, 2002; Kickul, Lester and Belgio, 2004). This matter is further supported from the interview carried out by researcher with a few local bank managers in 2010. Even though certain banks promise that no workers would be terminated, those who do not perform are advised to leave their jobs voluntarily. Several schemes had been introduced by some banks to be offered to certain employees such as Voluntary Separation Scheme (VSS) and Mutual Separation Scheme (MSS). This situation leaves a number of workers to feel insecure regarding their future with the banks. They strive to perform and at the same time attempt to secure their position with the organization, which lead them to more stressful event.

The process of merger has left the workers to confront new challenges brought by the new structure and pressure to perform. The challenges and the pressure have created a certain level of stress among some of the employees. The implementation of such separation program or scheme together with the new structure has affected their attitudes toward works and organizations. In addition, the current state of intense competition due to globalization, change in consumer behavior and technology also make it stressful to the workers. Regardless of the situation, the report in Malaysia's Bank Negara Malaysia (BNM) in their Financial Sector Blueprint (2012) stated that the expectation of an increase in the industry's workforce from 144,000 in 2010 to 200,000 by 2020 seems modest. Banking sectors in Malaysia as part of Malaysian Financial Institution players now need to rethink and revise their strategies, strengths and market plans in view of the underlying trends that reshape current market. BNM has produced master plan and blueprints to help mobilize the industry forward. Among the five areas that were identified for Financial Institution players to enhance their performance was through talent development. To enable the existing workforce to perform in a more competitive and globalised environment, it is recommended that the workforce upgrade their skills and competencies. Kartina Abdul Latif of PWC in BNM (2012) observes that organizations cannot realize their growth without people.

In line with the phenomena, the study on psychological empowerment of banking managers was sensible because it can reflect the attitude and performance of the employees. Since work attitudes comprise of feelings, beliefs and thoughts that people hold about their jobs and organizations, it is essential that management are made aware of these attitudes. The issues on job satisfaction, organizational commitment and job involvement of employees will always be a major concern for managers of

any organizations. These attitudes are key determinants of work experience and are central to understanding and managing organizational behavior. Harrison, Newman and Roth (2006) in their meta-analytic study found that both job satisfaction and organizational commitment term as overall job attitude have considerable importance for understanding behavioral outcomes such as performance, lateness, absenteeism, and turnover. Price and Mueller (1981) also found that job satisfaction influence employees' intention to stay, which, in turn, affects turnover. Meanwhile, Keller (1997) and Diefendorff, Brown, Kamin, and Lord (2002) found job involvement as a predictor of job performance. Therefore, in organization, attitude is regarded as important because it affects job behavior. This conclusion is consistent with the attitude theory produced by Gross and Niman (1975). According to them, when someone says that he or she feels a particular way about something, he or she will behave in a manner that is consistent with what has been said.

Employees' overall work attitude is fundamentally important in understanding work behavior. A general, positive job attitude leads individuals to contribute rather than withhold desirable inputs from their work roles (Harrison et al., 2006). Since work attitudes play major roles in predicting the outcomes or behavior of the organization (Jha & Nair, 2008), studies on variables that determine the workers' attitude will always be relevant and warrant continuous investigation. Furthermore, in the face of downsizing, merger, and turbulent change, maintaining employee commitment and involvement is a challenge to managers. Since studies on psychological empowerment relates it with attitudes and behavior, therefore, the purposes of this study are: to identify what are the factors that contribute to psychological empowerment and whether trust plays a moderating role in the relationship between the variables; and

how far psychological empowerment can determine positive work attitudes such as job involvement in the banking sector in Peninsular Malaysia. In short, the focus of this research is to study on psychological empowerment as a means of facilitating productive and motivated behavior in organizations.

1.2 Problem Statement

Empowered employees seem to be one of the keys to an organization's success (Tarboda, 2001). Psychological empowerment is empowerment from psychological perspective. It can be viewed as the perception of individuals towards their work and their role in the organization (Conger & Kanungo, 1988). The term empowerment in this case is motivational in nature. The motivational construct of empowerment is about discretion, autonomy, power, and control. It is also defined as a motivational construct as it increases intrinsic task motivation manifested in a set of four cognitions that reflect an individual's orientation to his or her work role, notably meaning, competence, self-determination, and impact (Thomas & Velthouse, 1990). Thus, it is believed that employees who experience psychological empowerment are more motivated and will be more beneficial to organizations.

Postulating that psychological empowerment can enhance organizational performance and improve organizational effectiveness, many empirical studies have been conducted to explore and examine its presumed antecedents (for example B. J. Avolio, Zhu, Koh, & Bhatia, 2004; Chiang & Jang, 2008; Conger & Kanungo, 1988; Keller & Dansereau, 1995; Koberg, Boss, Senjem, & Goodman, 1999; Liden et al., 2000; Sparrowe, 1994; Spreitzer, 1995; Thomas & Velthouse, 1990). Prior empirical

research (e.g. Karia and Asaari, 2006; Ooi et al., 2007; Singh and Sarkar, 2012) found significant effect of psychological empowerment on job attitudes and these job attitudes contribute to behaviors that are beneficial to the organization (Singh and Sarkar, 2012; Ouyang, 2009; Diefendorff et al., 2002). Yet there are still gaps that have not been addressed by past researchers and this warrant the researcher to examine psychological empowerment within the local context. This is probably so in the situation where management has some limitation in offering extrinsic motivation to the employees.

Most of the past studies on psychological empowerment had included individual factors such as self-esteem and locus of control (Koberg et al., 1999; Samad, 2007; Spreitzer, 1995) and situational factors such as job characteristic, organization structure, access to information and resources, political support and leadership style (Avolio et al., 2004; Chan, 2003; Koberg et al., 1999; Liden et al., 2000; Menon, 2001; Spreitzer, 1995; Sparrowe, 1994) as antecedents of psychological empowerment. Previous studies had shown a positive relationship between transformational leadership and psychological empowerment (Avolio et al., 2004; Ozaralli, 2003; Samad, 2007). However, relatively little is known about the effects of transformational leadership on psychological empowerment especially when organizations are facing with changes such as mergers or restructuring of any kind. The influence of transformational leadership in the context where organizations have to confront changes and uncertainties has yet and still needs to be explored. Previous studies were conducted using respondents from different types of organization, such as hospital (Koberg et al., 1999) and hotel (Laschinger et al., 2004). Thus, research should be carried out in different settings to further strengthen the relationships of

transformational leadership and psychological empowerment (Spreitzer, 1995; Samad, 2007, Yulk & Becker, 2006). Taking this into account, transformational leadership is included in this study as one of the antecedent factors.

Furthermore, the review of literature has also indicated that certain variables had conflicting findings. For example, Chan (2003) in his study, included organization structure as one of the antecedents to psychological empowerment. Nevertheless, the findings showed that there was no relationship between organization structure and psychological empowerment and thus, Chan's study did not support the hypothesized direct and positive relationship between the organically structured organizations and psychological empowerment. Meanwhile, Spreitzer (1996) found that there was a negative relationship between the two variables. Therefore, this study proposed to include organization structure as one of the antecedents of psychological empowerment to examine the relationship between the two variables.

As for job characteristics, several studies had acknowledged the importance of job design approaches to empowering employees (for instance, Chen & Chen, 2008; Dewettinck & Buyen, 2006; Jha & Nair, 2008; Liden et al., 2000). Nonetheless, more research need to be carried out to clarify different factors of job characteristics such as the feedback dimension since not all studies had included this factor of job characteristics (for examples, Jha & Nair, 2008). Most of the studies treated job characteristics as a reflective mode, while this study would assess job characteristics as a formative mode. Furthermore, those studies focus on influence of job characteristics on frontline workers or workers from lower level of hierarchy. As stated by Cavana, Delahaye, and Sekaran (2001) every situation is unique, therefore

using the same variables in this study is still relevant. Hence, this study would contribute to the body of knowledge by examining the relationship of job characteristics and feelings of empowerment of bank managers from banking sector. In addition to the above reasons, this study would also want to include the selected variables (such as transformational leadership, organization structure, and job characteristics) in one study to see the joint-effect of the variables.

This study would also consider whether trust towards the management acts as a moderator between the relationships of transformational leadership, organization structure, and job characteristics and psychological empowerment of the employees. This study assumed that when the employees feel that those at the top management can be trusted, individuals can shape better feelings of empowerment. Following downsizing and involuntary restructuring due to economic crises, it is likely that the level of employees trust toward management is low (Ergeneli, Ari, & Metin, 2007). This fact drives the researcher's interest to examine whether the perception of trust towards the top management can act as a moderator between the relationships of transformational leadership, organization structure, and job characteristics and psychological empowerment.

Earlier studies on empowerment did include trust (Chan, Taylor, & Markham, 2008; Harari, 1999; Laschinger et al., 2004; Mayer, Davis, & Schoorman, 1995a; Mishra & Spreitzer, 1998; Spreitzer, De Janasz, & Quinn, 1999) but the number of studies is still limited and most studies examined trust as a predicting or mediating variable. Besides, trust is also an important element in social exchange theory (P. M. Blau, 1964). Trust elements strengthen activities in an organization and also in influencing

psychological empowerment (Ergeneli et al, 2007). The study conducted by Chan, however, (2003) failed to support the hypotheses that specify trust towards the management or supervisor as a moderator. Hence, based on the different background of the study, the present research would attempt to examine trust towards the top management as a possible moderating variable. It is also to get some idea on the level of trust among the respondents after the possibility of psychological contract breach.

Previous studies on the consequences of psychological empowerment stressed on specific attitudinal outcomes such as job satisfaction and organizational commitment (Jha, 2011; Bhatnagar, 2005; Bordin & Bartram, 2007; Carles, 2004; Yuen Hung Chan, 2003; Laschinger et al., 2004; Liden et al., 2000; Menon, 2001) and on more general outcomes such as managerial and organizational effectiveness (Koberg et al., 1999; Spreitzer et al., 1997). However, for this study, the researcher would only include the examination of job involvement as the outcome of psychological empowerment. Menon (2001) found that job involvement is also a consequence of psychological empowerment. Evidence from the literature review indicates that a study on job involvement among employees in banking sector of the local context still needs to be carried out (Boon, Arumugam, Safa & Bakar; 2007). Since job attitudes have been the major theme in the organizational literature, especially with regards to the prediction of organizational outcomes, such as turnover, absenteeism or performance (Robbins, 2005), the study on the consequences of psychological empowerment on job involvement would contribute significantly to the body of knowledge.

Reviews from the literature also shows that most of the studies in the area of psychological empowerment were conducted in United States and other western countries (Schermuly, Schermuly, & Meyer, 2010; Baird & Wang, 2009; Spreitzer, 1995) and mostly focused on psychological empowerment of customer related employees or front line workers. There were studies conducted in Asian, namely, in China (Huang, Shi, Zhang, & Cheung, 2006), Hong Kong (Mok & Au-Yeung, 2002), Korea (Yoon, 2001), Taiwan (Ouyang, 2009; Chen & Chen, 2008) and India (Jha, 2010; Bhatnagar, 2005). But as mentioned by Bordin & Bartram (2007), research that investigates the use of psychological empowerment in a South East Asian context is still lacking. Samad (2007), and Abd. Ghani et al. (2009) conducted a research to identify potential antecedent variables that could influence local employees' psychological empowerment in Malaysia. However, their studies examined different antecedent variables and did not take into account the consequences. The study by Samad (2007) also employed front line workers as a research sample, while Abd. Ghani et al. (2009) examined on lecturers in private institutions. Samad (2007) in her study of Customer Marketing Executives of a telecommunication company in Malaysia, found that the social structure characteristics such as self-esteem, power distribution, information sharing, knowledge, rewards, transformational leadership, and organizational culture affect employees' psychological empowerment. Furthermore, openness personality variable was found to be a moderator to the relationship between social structure and psychological empowerment.

According to Thomas and Tymon (1994), psychological empowerment is likely to have its most profound influence in contexts that are less structured and more ambiguous, as faced by most bank manager. Besides, bank managers' work also

varies from relatively structured to unstructured in a variety of contexts (Johnson & Frohman, 1989). Additionally, they also have additional access to more resources and information than lower level managers. Therefore, this study attempts to prove that the level of psychological empowerment among the bank managers is high. Furthermore, managers need to build capabilities, resources, competencies, and strategies to respond proactively to the environment pressures caused by economic liberalization and advanced technology (Bhatnagar, 2005, p. 420). These are possible only when the managers of the organization feel psychologically empowered and are more involved with their organization (Diefendorff et al., 2002).

From the theoretical point of view, this study will explore Social Exchange Theory in order to explain the relationship between the antecedents and the outcome of psychological empowerment. Attitude Theory will further explain the importance of job involvement to the organization as a whole.

Finally, as suggested by Chan (2003) and Chen and Chen (2008), it is vital to conduct research to further develop the theory of empowerment by extending the concept of psychological empowerment into different organizational settings, across different cultures, and within different categories of professions to further increase its generalizability and external validity. Therefore, the importance of studying the relationship between psychological empowerment and transformational leadership, organization structure, job characteristic, trust and job involvement stems from significance and alluring reasons. Hence, the purpose of this study is to identify the level and the antecedents of psychological empowerment of the bank managers. Specifically, this study sets out to focus on psychological empowerment of bank

managers as predictor to job involvement and whether trust is a moderator in influencing the level of psychological empowerment.

1.3 Research Questions

Based on the research gaps discussed above, the following are the questions that this research seeks to answer. The research questions can be divided into two phases; firstly, the antecedents phase and secondly, the outcome phase. The research questions for phase 1 include:

- i) How well do the managers' perceptions towards transformational leadership style predict their level of psychological empowerment?
- ii) How well do the managers' perceptions towards organization structure predict their level of psychological empowerment?
- iii) How well do the managers' perceptions of job characteristics predict their level of psychological empowerment?
- iv) Does trust moderate the relationship between transformational leadership style and psychological empowerment?
- v) Does trust moderate the relationship between organic structure and psychological empowerment?
- vi) Does trust moderate the relationship between job characteristics and psychological empowerment?

In addition, the research question for the second phase is as follows:

- vii) Does psychological empowerment act as a predictor to job involvement?

1.4 Research Objectives

Based on the research questions, the main objective of this researcher is to examine factors that could influence the employees' psychological empowerment and its relationships with the managers' work attitude in Malaysia. In other words, the aim of this research is to examine the empowerment construct and relate it to work attitudes construct. In particular, the objectives of the study are:

- i) to examine whether manager's perception of transformational leadership style contributes to psychological empowerment
- ii) to examine whether manager's perception of organic structure contributes to psychological empowerment
- iii) to examine whether manager's perception of job characteristics contributes to psychological empowerment
- iv) to examine whether trust would moderate the relationship between transformational leadership style and psychological empowerment of the managers.
- v) to examine whether trust would moderate the relationship between manager's perception of organic structure and psychological empowerment of the managers.
- vi) to examine whether trust would moderate the relationship between job characteristics and psychological empowerment of the managers.
- vii) to identify the effect of psychological empowerment on job involvement.

1.5 Significance of the Study

Through systematic research methodology, this study is expected to contribute specifically to the theory of empowerment in private setting, and to the professionals at the organization level. The significance of study could be linked both to theoretical and practical levels. There was scarcity of empirical studies on organizational behavior on the issue of psychological empowerment in local setting.

Perhaps this study is a pioneering empirical research that investigates the relationships between psychological empowerment, transformational leadership, organization structure, job characteristics, trust, and job involvement in banking industries. Thus, this study attempts to provide empirical evidence to bridge the gap in theoretical knowledge with regards to antecedents and outcome of psychological empowerment as well as to demonstrate the role of trust and to further confirm the Social Exchange Theory specifically among bank manager.

1.5.1 Theoretical Contribution

From the theoretical point of view, this study hopes to contribute to an understanding of how factors such as leadership style, structure of the management and job characteristics influence psychological empowerment of the managers, within the local context. Additional knowledge into the existing body of knowledge on the role of psychological empowerment in determining work attitudes is also provided by this research.

An exploration of the relationships of the individual components of empowerment to organizational outcomes, such as job involvement is still relevant from the empowerment research. Besides job satisfaction and organizational commitment, job involvement is also generally important in predicting performance, notably in the new global economy. Similar to satisfaction and commitment, job involvement also has important effects on intention to stay in a job (Huselid & Day, 1991), attending job regularly (Blau, 1986), job performance and citizenship behavior (Diefendorff et al., 2002; Keller, 1997), motivation and goal-directed behavior in general (Hackman & Lawler 1971; Lawler & Hall, 1970). The significance of studying the attitudinal aspect of employees is further emphasized by the Theory of Attitude which stresses that attitude will influence behavior.



1.5.2 Practical Contribution

In general, the findings of the relationships between transformational leadership, organization structure, job characteristics, and psychological empowerment and job involvement would be able to assist the top management or Human Resource leaders in deciding whether to continue implementing empowerment strategies such as delegation of authority, accountability, self-directed decision making, and information sharing in order to enhance their feelings of psychological empowerment. Moreover, organizational contextual variables adopted in this study such as transformational leadership, organization structure, and job characteristics are factors that can be controlled by the management. If the present research can provide evidence that these

factors could contribute to experiencing higher level of psychological empowerment, the management might consider using them, particularly for the benefits of the employees and of the organization as a whole. In other words, this study would contribute to the field of organizational behavior and management, by suggesting ways to increase employees' feeling of empowerment and to further improve their job involvement in the organizations. In addition to that, the current business and technological environment make the concept of ambiguity extremely critical. Therefore, those with high psychological empowerment would be able to handle ambiguity and uncertainty positively.

Working together often involves interdependence. People in any organization must depend on each in order for them to achieve their own goals or organizational goals (Mayer et al., 1995a). In this interdependent relationship, trust is crucial (McAllister, 1995). The literature review suggests that trust can increase interest and positive emotional ties between employees and their managers (Ergeneli et al., 2007). When interest and positive emotional ties between employees and their manager increase, the employees are more confident with their capability and believe they can have some influence on certain outcomes in their work unit. With regards to this research, this simply means that when the employees feel that the management can be trusted, they are confident that whatever strategies implemented by the management are for the interest of the employees and the organization. This is further supported by Rotter (1980) who defined trust as an expectancy held by an individual or group that the word or promise of another individual or group can be relied on. Therefore, the importance of the concept of trust is significance for both the theorist and the practitioner.

1.6 Scope of the Study

This study was conducted among managers of the banking sector in Peninsular Malaysia. The bank managers in this study refer to all branch managers and the head departments of all the nine banks. These groups of managers were included in the study as they act as a linkage between the top management and the lower level employees. In other words, this group of managers are involved directly with the top managers and the lower managers. Both their work attitudes and work behavior are therefore important not only for their own work performance but also for the attitudes and behavior of other workers in the organization. Furthermore, this study was a cross-sectional in nature, and data were collected using quantitative research design where questionnaires were used as the main tool for data collection.

Generally, this study focused on examining the antecedents and outcome of psychological empowerment. More specifically it only highlighted on the relationship of three antecedent variables, which are transformational leadership, organization structure, and job characteristics with psychological empowerment; and job involvement as its outcome. In addition, trust is proposed as a moderator that could strengthen the relationships between all the three variables and psychological empowerment. Job involvement is recommended as an attitudinal outcome of psychological empowerment. Lastly, the results of the study could be compared to other industries for researchers doing the similar topic.

1.7 Definitions of Key Terms

1. **Job involvement** is the extent to which the individuals identify psychologically with his or her job (Kanungo, 1982a). It is also defined as a cognitive belief state that reflects the degree of psychological identification with one's job.
2. **Psychological empowerment** is defined as an intrinsic motivation that is manifested in four cognitions that signal an individual's orientation to his or her work role. The four cognitions are meaning, competence, self-determination and impact. Meaning is a fit between requirement of work role in a person's belief, values and behavior. Competence is self-efficacy that is specific to work. Self-determination is a sense of choice, which reflects autonomy. Meanwhile, impact is considered as the degree to which a person can influence strategic, administrative, or operating outcomes at work (Spreitzer, 1996).
3. **Transformational leadership** comprises of four dimensions, in particular, intellectual stimulation, individualized consideration, idealized influence and inspirational motivation (B. M. Bass & Avolio, 1995).
4. **Organization structure** employed in this study refers to organization structure with the two structural extremes introduced by Burn and Stalker (1961) as cited in Zanzi (1987). The two structural extremes are mechanistic or organic structure. The mechanistic and organic structures are opposite ends of a continuum of organizational design possibilities. Management with mechanistic structure emphasizes structured activities, specialized tasks, and centralized decision making. While those with organic structure emphasizes teamwork, open communication, and decentralized decision making (Nelson & Quick,

2006). As for this study finding shows that the respondents perceived their organizations as being an organic structure.

5. **Job characteristics** refers to Hackman's and Oldham's (1976) job characteristic model. Job characteristics are defined as skill variety, task identity, task significance, autonomy, and feedback. Hackman and Oldham posited that these five characteristics affect individuals' experienced meaningfulness of the work, experienced responsibility of work outcomes, and knowledge about the results of their work activities.
6. **Trust** refers to the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party (Mayer et al., 1995). The three underlying determinants of trust are ability, benevolence and integrity.

1.8 Organization of the Thesis

This thesis is divided into five chapters. The first chapter, Chapter One introduces the background of the research, problem statement, research questions, research objectives, significance of the study to theories and practices, scope of the study, definitions of key terms, and organization of the thesis. The literature review related to psychological empowerment is elaborated in Chapter Two. This chapter specifically explains the definition and concept of psychological empowerment and other variables involved in the study such as transformational leadership, organization

structure, job characteristics, trust, and job involvement. The theories that support the development of the proposed framework is also dealt with in this chapter. Chapter Three presents and explain in the detail the research methodology employed in this study. Chapter Four discusses the preliminary analysis, including the normality, reliability and validity of the study, as well as confirmatory factor analysis of measurement model. In addition, the research findings were explicated to answer research questions. Finally, in Chapter Five, thorough discussions of the findings and recommendation for future research were presented.



CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Research topic on empowerment started gradually (Perkins & Zimmerman, 1995). Their search on the literature from 1974 to 1986 identified 96 articles that also include the root word “empower”. The number increased to 686 from 1987 through 1993. This increased shows the importance of exploring and understanding the term. As stated by Zimmerman (2000) the interest on empowerment has become a vital construct for understanding the development of individuals, organizations, and communities. Many organizations applied empowerment in their management, and thus the 1990s have been hailed as the “empowerment era” by Hardy and O’Sullivan (1998). Acknowledging the importance of empowerment in understanding organizational behavior, this section will generally discuss about empowerment and the concept of psychological empowerment, factors contribute to psychological empowerment and its outcomes. Theories relating to the research framework will also be discussed.

2.2 Empowerment

Initially, empirical research on empowerment as mentioned above is based upon the relational conceptualization of empowerment or the organizational level of empowerment. This approach to empowerment seeks at reducing the dependencies in carrying out the job by delegating power and authority (Conger & Kanungo, 1988).

As a relational concept, empowerment is concerned with issues to do with the management style and employee participation. Meanwhile, the motivational concept of empowerment is defined as psychological enabling or more specific as:

....a process of enhancing feelings of self-efficacy among organizational members through the identification of conditions that foster powerlessness...(Conger & Kanungo, 1988, p.474).

To date, there are many studies that have focused on identifying the antecedents and outcomes of work attitudes. Among these researches, quite a few have concentrated on identifying empowerment strategies as predictor to work attitudes or work outcomes (Ashness & Lashley, 1995; Bordin & Bartram, 2007; Laschinger, Finegan, Shamian, & Wilk, 2004; Lawson & Luks, 2001; Yoon, 2001; Jha, 2010; Schermuly, Schermuly, & Meyer, 2011; Jose & Mampilly, 2014).

Nowadays, the term empowerment has become a widely used word. However, different people may use the term empowerment differently. Even scholars' definition of the term varies. To some people empowerment is understood as part of managerial initiatives in managing human resource (Ashness & Lashley, 1995). While many others had relate empowerment with power and authority given to the employees (Bowen & Lawler, 1992; Conger & Kanungo, 1988) . For instance, managers may look at empowerment as a process of giving power to their subordinates or to enable the subordinates to make decision, while employees may see empowerment as having power and be in control of one's work. Thus, the term can be used to describe both the individual aspect as well as the organizational one. Both perspectives acknowledged that empowerment is essential in order to be successful in today's business environment. Empowerment is seen as a mean of enhancing effectiveness at work (Koberg et al., 1999; Spreitzer, 1996; Spreitzer et al., 1997; Wall et al., 2002). Furthermore, as mentioned by Wilkinson (1998), empowerment is regarded as providing a solution to the problem of the traditional Tayloristic thinking and bureaucratic workplaces which focus too much on job specialization and rigid procedures. Hence, creativity is stifled and workers become estranged.

In practice, despite of its importance, it is still an effort to find the exact definition of empowerment. Various researchers have looked at the dimensions of empowerment through different views. Kanter (1983) defined empowerment as having power in the organization, or power to make decisions. In many cases, scholars have assumed that empowerment is the same as delegating or sharing power with subordinates and,

hence, the construct requires no further conceptual analysis beyond the power concept. However, Conger and Kanungo (1988) believe that the approach to the construct has serious flaws. Therefore, they agreed that the root construct of power and control from which the empowerment construct is derived must be considered. Consequently, empowerment can be viewed in two different ways; as a relational construct and a motivational construct.

Empowerment as relational construct refers to the relational concept used to describe the perceived power or control that one party has over another party or how much power and control an individual has relative to others. It also concern with sharing and transmitting of power and control from one individual to another who has less power. This has led to the development of strategies and tactics of resource allocation for increasing the power of less powerful parties and reducing the power of more powerful ones. For examples management by objective, total quality management, problem-solving teams, and self leadership are a few of management techniques that involve sharing of power or delegating authority.

In the motivational approach pioneered by Conger and Kanungo (1988), empowerment was conceptualized as psychological enabling. They also defined empowerment as “a process of enhancing feelings of self-efficacy among organizational members through the identification of conditions that foster powerlessness and through their removal by both formal organizational practices and

informal techniques of providing efficacy information”. Thomas and Velthouse (1990) extended this approach by viewing power as energy, which mean to empower is to energize. According to these authors empowerment is associated with “changes in cognitive variables (called task assessments), which determine motivation in workers”.

Meanwhile, Menon, (2001) viewed empowerment in three ways; structural approach, motivational approach and leadership approach. The structural approach is to look from the organizational view. This has been the traditional approach to empowerment and it focuses on the actions of the “powerholders” who transfer some power to the less powerful. This view of empowerment is similar to the relational approach discussed by Conger and Kanungo (1988). Meanwhile the motivational approach is also referred to the term conceptualized by Conger and Kanungo (1988) and Thomas and Velthouse (1990) where empowerment is viewed as psychologically enabling and thus employees are motivated to perform their job. Based on his review of previous work, Menon (2001) also categorized empowerment as leadership approach. In the leadership approach, to empower means to energize. Leaders energize their follower to act in certain manner that will lead to future direction. They inspire followers to participate and stimulate them by encouraging them to give new ideas and to take on difficult challenges. Later on Menon (2001) divided the treatment of empowerment into three; empowerment as an act is focus on the employer, while empowerment as a process, and empowerment as a state, both focus on the employee being empowered.

However, Spreitzer (1992) considered empowerment in two perspective; relational and psychological.

The concept of empowerment, whether it is viewed as a relational or motivational are believe to be related because empowerment as a motivational may be an outcome of relational empowerment. Relational empowerment has been referred to in the literature as top-down processing (Conger & Kanungo, 1988). It is belief to occur when higher levels within a hierarchy share power with lower levels, is also term as mechanistic (Wilkinson, 1998). Psychological empowerment, also known as organic or bottom-up processing is achieved when psychological states produce a perception of empowerment within the employee (Wilkinson, 1998; Mishra & Spreitzer, 1998). Previous studies had stressed a lot on the relational aspect of empowerment but very few examined the psychological aspect of empowerment (Spreitzer, 1995). Next part of discussion would focus on the psychological empowerment.

2.2.1 Conceptualization of Psychological Empowerment

The concept of empowerment has been mentioned and discussed by both management researchers and practitioners. This interest is due to several factors, mostly related to organizational effectiveness. In order to understand how empowerment plays its role in management, some definitions of the concept is introduced. According to Kanter (1977), empowerment results from decentralization, a flattening of the hierarchy, and

increased employee participation. Ford and Fottler (1995) stated that empowerment usually means giving employees the autonomy to make decisions about how they go about their daily activities. Therefore empowered employees have a high sense of self- efficacy due to having significant responsibility and authority over their jobs (Thomas & Velthouse, 1990).

Psychological empowerment is a motivational construct that comprises individual cognitions and perceptions that constitute feelings of behavioral and psychological investment in a work (Conger & Kanungo, 1988; Spreitzer, 1995, 1996). This would mean when individual experienced empowerment he or she feels the ability to carry out the work and perform well. A strong sense of personal efficacy is developed and this situation heightened the motivation to complete the task given. Therefore, Conger (1989) thinks of empowerment as the act of strengthening an individual's beliefs in his or her sense of effectiveness. The theory behind these ideas can be traced to the work of Alfred Bandura, who conceptualized the idea of self-efficacy. Based on the theory, it is reckons that empowered employees are intrinsically motivated to take personal rights of their jobs, to exercise self-determination, to satisfy their need for power and to strengthen their personal self-efficacy beliefs (Bandura, 1986).

Thomas and Velthouse (1990) regard empowerment as consisting of four psychological states: meaningfulness, competence, choice, and impact. The first component, meaningfulness, relates to the value of the task, involving intrinsic caring about a given task. The employees' perceptions of how meaningful their tasks are, will shape their feelings of empowerment. Competence, the second component, refers to

the belief that individuals are able to perform the task activities competently when they try. The third component, choice, is the degree to which employees undergo a causal accountability for choosing or regulating task actions. The last component, impact, is the degree to which employees perceive their behaviours as ‘making a difference’ in terms of accomplishing the task. (Thomas and Velthouse, 1990, p 672–673).

Based on the work of Thomas and Velthouse (1990), Spreitzer (1995) defined psychological empowerment as intrinsic task motivation manifested in a set of four cognitions reflecting an individual’s orientation to his or her work role: meaning, competence, impact and self-determination. *Meaning* is defined as the value of work goal or purpose, based on individual’s own standard. Employees will find meaning in their job when they perceived that the activity they take part and its objectives are compatible with their own value system (Brief & Nord, 1990). *Competence* is an individual’s belief that he or she has the capability to produce favorable outcome. *Self-determination* is defined as autonomy in carrying out work behavior or work process. Self-determination also refers to the discretion given to employees to engage to which types of behavior and actions that they think is the best in achieving organization’s objectives. According to Deci (1975), self-determination is the word of choice by the employees as how to perform their task. Finally, Spreitzer (1995) redefined *impact* as a “degree to which an individual can influence strategic, administrative or operating outcomes at work” (p.1443). Simply said, impact is the

perception of the employees whether he or she can affect or influence organization outcome (Ashforth, 1989).

Menon (2001) defined psychological empowerment as a cognitive state characterized by a sense of perceived control, competence, and goal internalization. She introduced a new measure of psychological empowerment. According to her, three main dimensions of the experience of power underlying the empowerment process are: (a) power as perceived control, (b) power as perceived competence, and (c) power as being energized toward achieving value goals. However, the measurement does not receive much attention. Most research on psychological empowerment adopt the measurement developed by Spreitzer (1995), (see also Koberg et al., 1999; Mok & Au-Yeung, 2002; Huang et al., 2006; Bordin, Bartram & Casimir, 2007; Chiang & Jang, 2008). The widely used of the instruments in other settings and across other culture has further strengthened its reliability and validity.

Some organizational scholars have defined empowerment uni-dimensionally such as self-efficacy (Conger & Kanungo, 1988) or self-determination/autonomy (Liden et al. 1993; Ford & Fottler, 1995). However, the broader conceptualizations of empowerment are multi-dimensional. Empowerment is defined as an individual's psychological states or cognitions based on their own experienced (Thomas & Velthouse, 1990; Spreitzer, 1992; Menon, 2001).

2.2.2 Antecedents of Psychological Empowerment

Several studies had been conducted to identify factors that contribute to feelings of empowerment (Spreitzer, 1995; Koberg et al., 1999; Mok & Au-Yeung, 2002; Huang et al., 2006; Bordin, Bartram & Casimir, 2007; Chiang & Jang, 2008). Spreitzer (1995) did a study to develop and validate a measure of psychological empowerment in a workplace context. For this purpose, a partial nomological network of psychological empowerment that include the antecedents and consequences of psychological empowerment in a work context had been developed. Two personality traits, self-esteem and locus of control, are hypothesized to be antecedents of empowerment because they shape how individuals see themselves in relation to their work environments. Two management practices, information sharing and structure of rewards are also considered as antecedents to psychological empowerment. Spreitzer (1995) included two aspects of information, information about the mission of the organization and information about the performance of a work unit. She also argued that individual-performance-based rewards to be important for employees to be able to experience empowerment. Result of the study supported the hypotheses except for locus of control.

Koberg et al. (1999) examined the correlates and consequences of psychological empowerment among a group of 612 hospital workers. Koberg and friends included both personal and environmental factors as antecedents to employees' psychological empowerment. They investigated whether a person felt empowered depending on the

person's education, tenure with the organization, gender, ethnicity, and locus of control. Environmental factors are referred to characteristics of the work group such as group effectiveness, intragroup trust, mutual influence, leader approachability, and worth of group, and position in the hierarchy. Findings of the study indicate that tenure with the organization (an individual variable), leader approachability, worth of group, and group's effectiveness (group variables), and a position in the organization's hierarchy influence feelings of empowerment. Their findings also suggest that feelings of empowerment affect both organizations and individuals through increased job satisfaction and work productivity/effectiveness and a decreased propensity to leave the organization.

Meanwhile Mok and Au-Yeung (2002) explore the relationship between organizational climate and empowerment among the nursing staff of a regional hospital in Hong Kong. Their study found that organizational climate such as supportive leadership and teamwork are related to empowerment. The findings also suggest that the nurses in the study did not put much emphasis on the importance of participative decision making.

Huang et al. (2006) investigated whether participative leadership behavior can produce psychological empowerment, which in turn will lead to organizational commitment. The study was conducted among the employees of Chinese state-owned enterprises. However their findings revealed that participative leadership behavior

was associated with organizational commitment, but not with all four dimension of psychological empowerment, namely, meaning, competence, self-determination and impact.

A study to examine the antecedents and consequences of psychological empowerment among Singaporean IT employees was conducted by Bordin, Bartram and Casimir (2007). The study investigates the role of access to information, employee participation, supervisory social support and job security on predicting psychological empowerment. It also examines the role of psychological empowerment on organizational commitment and job satisfaction. The findings showed that several factors such as access to information, employee participation, supervisory social support, job security, organizational commitment and job satisfaction were all correlated positively to psychological empowerment. Meanwhile supervisory social support also moderated the relationship between job satisfaction and psychological empowerment.

Siegall and Gardner (2000) examined the relationships between four contextual factors and the four component of psychological empowerment of a manufacturing company's workers. The four contextual factors are communication with supervisor, general relations with company, teamwork, and concern for performance and the four component of psychological empowerment are meaning, impact, self-determination and competence. The contextual factors were found to be differently associated with

the elements of psychological empowerment. Communication with supervisor and general relations with company were significantly related meaning, self-determination and impact, but were not related to competence. Teamwork was related to meaning and impact, while concern for performance was related to meaning and self-determination.

Besides the above studies, there are other studies that looked at factors that influence psychological empowerment. For instances, Conger and Kanungo (1988) studied the relationship of job design and psychological empowerment, Sparrowe (1994) examined the impact of organizational structure on psychological empowerment, Arad and Drasgow (1994) looked at the influence of top level support on psychological empowerment, Corzun and Enz (1999) studied effect of support-based relationships on psychological empowerment, and Melhem (2004) included trust, incentives, information and knowledge as antecedents of psychological empowerment. Meanwhile, Keller and Dansereau (1995), Liden, Sparrow and Wayne (1997) carried out a research to look at the relationships between leader and subordinate (LMX) and psychological empowerment, Huang et al. (2006) investigated whether participative leadership behavior can produce psychological empowerment, and Avolio, Zhu, Koh and Bhatia (2004) studied on the effect of transformational leadership on psychological empowerment.

Several studies on antecedents and consequences of psychological empowerment had been carried out in Malaysia (Abdullah, Almadhoun, & Ling, 2015; Wan Nawawi et al., 2015; Abd. Ghani, Raja Hussin, & Jusoff 2009; Chan et al., 2011; Samad, 2007). However, they used different antecedents variables and with different background of respondents. Abd. Ghani, Raja Hussin, and Jusoff (2009) examined access to resources as antecedents to psychological empowerment of lecturers in public higher institution. Samad (2007) in her study of Customer Marketing Executives of a telecommunication company in Malaysia, found that the social structure characteristics such as self-esteem, power distribution, information sharing, knowledge, rewards, transformational leadership, and organizational culture affect employees' psychological empowerment.

From the discussion above, it is obvious that previous studies had examined many factors or independent variables that contribute to the feelings of empowerment. Most of them looked at different aspect of independent variables or just studied a single independent variable. Most of them also examined psychological empowerment among frontline workers or workers from lower level of the hierarchy (e.g. Siegall & Gardner, 2000; Mok & Au-Yeung, 2002; Melhem, 2004; Dewettinck & Buyens, 2006; Samad, 2007).

According to theory of empowerment based on Kanter's (1977), the work environment in which the employees are in will determine the extent of the

empowerment experienced. When the environment is structured in such a way that employees feel empowered, they are more likely to be satisfied with their work and to achieve the target outcomes. The structural organizational structure or the contextual factors are therefore considered as antecedents or factors that would influence the level of psychological empowerment among employees. Therefore, for the purpose of this study, researcher would examine the relationship between transformational leadership, job characteristics, and organization structure and psychological empowerment using samples of managers from banking industries.

2.2.2.1 Transformational Leadership Style and Psychological Empowerment

Leadership has been defined in term of traits, behavior, influence, interaction patterns, role relationships, and occupation of an administrative position. Because of the different meanings, there appeared to be an issue of whether leadership should be viewed as a specialized role (with leader and follower relationship) or leadership as a process that occurs naturally in a social system (Yulk, 2006). However, due to the need to increase employees' effort and to change the rate of their work speed, researchers started to look into the role of relationship within an exchange process (Bruce. J. Avolio & Bass, 1999). The role of a leader is to change followers' (employees') perception on what is considered to be the right way of doing things and how to do it right. In other words, leadership is treated as both a specialized role and a social influence process.

Burns (1978) identified two types of leadership styles, transformational and transactional leadership. The transformational leader construct was suggested by Burns based on a qualitative analysis of the biographies of various political leaders. The notion of a transformational leadership style as a construct has also been addressed in the works of several scholars (B. M. Bass & Avolio, 1995; Conger & Kanungo, 1988; Podsakoff, MacKenzie, Moorman, & Fetter, 1990; Tichy & Devana, 1986; Yukl, 1989). Transformational and transactional models were proposed to address issues on leadership. According to Bass (1995), transformational leadership refers to the leader that could move the followers to generate extra effort, creativity, and productivity beyond expectation. Transformational leader influences followers through his or her immediate self-interests through idealized influence (charisma), inspiration, intellectual stimulation, or individualized consideration. *Idealized influence* is the degree to which leaders behave in charismatic ways that cause followers to identify with them (charismatic role modeling). *Inspirational motivation* is the degree to which leaders articulate visions that are appealing to followers (articulating an appealing and/or evocative vision). *Intellectual stimulation* is the degree to which leaders challenge assumptions, take risks, and solicit followers' ideas (promoting creativity and innovation). *Individualized consideration* is the degree to which leaders attend to followers' needs, act as mentors or coaches, and listen to followers' concerns (coaching and mentoring).

While transformational leadership emphasis social exchange between leader and follower, transactional leadership on the other hand refers more to the economic

exchange relationship between leader and follower to meet their self-interests. It may take the form of contingent reward, active management-by-exception, passive managing-by-exception, or *laissez-faire*. Therefore, in the case of economic crisis transactional leadership might not be so popular especially in terms of contingent reward.

Initially, Bass developed an instrument to measure both transactional and transformational leader behavior and to investigate the nature of the relationship between these leaders' styles and work unit effectiveness and satisfaction in 1985. The instruments were named the Multifactor Leadership Questionnaire (MLQ). It was developed and empirically validated to reflect the complimentary dimensions of transformational and transactional leadership with sub-scale to further differentiate leader behavior.

The transformational leader has been characterized as one who articulates a vision of the future that can be shared with peers and subordinates, intellectually stimulates subordinates, and pays high attention to individual differences among people. Therefore, members of transformational teams care about each other, intellectually stimulate each other, inspire each other, and identify with the team's goals. Those with transformational leadership are high-performing. Hence, with the right organizational policies and practices employee empowerment, creative flexibility and *esprit de corps* can be promoted (Bass, 1988).

Many studies looked at transformational leadership effects. Among the most often studied are its associations with beneficial job behaviors (Piccolo & Colquitt, 2006). Three meta-analytic studies (Fuller, Patterson, Hester, & Stringer, 1996; Timothy A. Judge & Piccolo, 2004; Lowe, Kroeck, & Sivasubramaniam, 1996) have displayed strong and consistent correlations between the transformational leadership dimensions with task performance and organizational citizenship behavior across organizations. While review by Bass (1988) stated that transformational leadership helps deal with stress among followers. The literature also highlighted that transformational leadership can contribute significantly to employee job satisfaction (Bartram & Casimir, 2007; Griffith, 2004), organizational citizenship behavior (Salniza, 2008), trust in management (Bartram & Casimir, 2007; Gillepsie & Mann, 2004) and employee turnover (Griffith, 2004).

Transformational leaders provide constructive feedback to their followers, convince followers to exhibit extra effort, and encourage followers to think creatively about complex problems (Bass, 1985). As a result, followers tend to behave in ways that facilitate high levels of task performance. Transformational leadership also associates positively with work attitudes and behavior at both an individual and organizational level (Lowe, Kroeck & Sivasubramaniam, 1996). Avolio et al. (2004) also confirmed that transformational leadership is positively associated with organizational commitment in a variety of organizational settings and cultures. Review from the literature reveals that transformational leadership behaviors energize and enhance

followers to act or would have a positive impact on motivation and performance of the individual workforce (B. J. Avolio, Bass, & Jung, 1999).

Based on the discussion above it is clear that transformational leader has a positive impact on workplace attitudes and behaviors. It was expected then that transformational leadership would positively predict psychological empowerment. Study by Meyerson and Kline (2008) among university students found that there is a positive relationship between transformational leadership and psychological empowerment. The meta-analysis by Seibert, Wang, & Courtright (2011) found that leadership had one of the strongest effect on psychological empowerment. Findings from study by Dust et al., (2013) also showed that there is a positive relationship between transformational leadership and employee motivation by indicating that psychological empowerment is an important motivational mechanism that link transformational leadership with employee performance-related behaviours. In other words, psychological empowerment mediates relationships between transformational leadership and employee performance and citizenship behaviour.

2.2.2.2 Organization structure and Psychological Empowerment

How jobs and departments, activities and operations are linked within an organization is presented through its structure. The types of structure adopted by the organization therefore, determine how the job tasks should be divided, grouped, and coordinated in

the most efficient way to achieve the organization's objectives. Among the most common dimension to describe the management or organizational structure are centralization and formalization (Pugh, Hickson, Hinings, & Turner, 1968). Centralization refers to the locus of decision making, author and control within the organization, while formalization refers to the degree to which the decisions and working relationships are governed by formal rules, standard policies, and procedures.

Another two basic management structural options are mechanistic and organic structure. Mechanistic structures are designed to induce people to behave in predictable, accountable ways, but organic structures promote flexibility, so people initiate change and can adapt quickly to changing conditions (Jones, 2007). The mechanistic structure could be operationalized as the degree of formalization characteristic and the organic structure could be related to characteristic of centralization (Chan, 2003).

Burns and Stalker (1961) as cited in Zanzi (1987) were the first to develop a conceptual scheme which described organizations on a continuum from mechanistic to organic, reflecting a combination of structural and behavioral characteristics. Mechanistic organizations resemble the traditional, bureaucratic model; while organic settings present more flexible, process-oriented, open-type internal arrangements. In their view, a mechanistic management system is more appropriate to stable conditions. An organic form, on the other hand, is appropriate to changing conditions

which include new problems and unforeseen requirements for action that cannot be automatically anticipated by fixed roles as defined within a hierarchical structure.

The extent of influence that the organization structure has on feelings of empowerment of the employees depends on whether or not the organization structure creates a supportive or non-supportive environment (Spreitzer, 1992, 1996). Employees in mechanistic organizations are passive mindset and behavior, and they are conforming to organization rules and procedures (Pennings & Woiceshyn, 1987). Thus, their opportunities to make decision or further involved in performing their role is rather limited. In contrast, an organic organization is more flexible. Employees are encouraged to be actively involved in performing their roles. They have the control and self-determination of how they wish to accomplish their work. Employees are aware of their roles and responsibilities toward the achievement of the overall organizational goals, and also aware of the impact of their individual actions on the achievement of such goals (Chan, 2003).

Spreitzer (1992) suggests that situation that created by organic structure are more likely to facilitate the perception of empowerment by employees than would a situation created by mechanistic structure. Therefore, both Spreitzer (1992) and Chan (2003) hypothesized that organic structure would positively related to psychological empowerment. However, studies showed inconsistent results. Spreitzer (1992) reported a negative relationship between organizational structure and psychological

empowerment. According to the measure of structure used in her study, a high score represents a more organic structure and a low score represents a more mechanistic structure. Thus a negative relationship meant that a mechanistic structure correlated with high perceived empowerment. This was contrary to her expectations and those that the literature had suggested. Meanwhile, empirical evidence from study by Chan (2003) however indicated that employees' perception of the level of empowerment is not affected significantly by whether the organization is a mechanistic or organic type of organization.

In mechanistic structure, the way decision making is made is different from organic structure. Organizations with mechanistic structure would held top management in decision-making. Where subordinates are closely administered, information flows mostly in vertical direction through a clearly defined hierarchy. On the other hand, organic structures are at the opposite side of the organizational design continuum from mechanistic structures. Decision making in organic structures is carried out together by upper management and lower subordinates. Roles are loosely identified and people continually build up new kinds of job skills to perform continually changing tasks.

From the discussion above, it is clear that organic and mechanistic structures have very different implications for the way people behave. Therefore, organizations with

organic structure are assumed to have employees that will experience higher level of psychological empowerment.

2.2.2.3 Job Characteristics and Psychological Empowerment

The most influential model of self-report research on job characteristics has been the Job Characteristics Model (Hackman & Oldham, 1976, 1980). The model was based on fundamental theory of job characteristics proposed by Turner and Lawrence (1965) as cited in Hackman and Oldham (1976). These researchers examined the relationship between certain objective attributes of tasks (for example, amount of variety of work, level of autonomy in performing the work, the amount of interaction necessary in carrying out task activities, the level of knowledge and skill required, and the amount of responsibility assigned to the jobholder) and employees' reactions to their work.

After more than 30 years, Job Characteristics Model still offers dominant perspective in job design theory (Clegg & Spencer, 2007). According to the model, job characteristics are defined as consisting of five characteristics, such as skill variety, task identity, task significance, autonomy, feedback. *Skill variety* is refers to the degree to which a job requires an array of different activities in carrying out the work that involve the use of a number of different skills and talents of a person. *Task identity* is defined as the degree to which a job requires completion of a whole and

identifiable piece of work, which means doing a job from beginning to end with a visible outcome. *Task significance* is the degree to which a job has a significant impact on the lives or work of other people, whether people from within the organization or people from the external environment. *Autonomy* is defined as the degree to which a job provides substantial freedom, independence, and discretion to the person in scheduling the work and in determining the procedures and methods to be used in carrying it out. *Feedback* refers to the degree to which carrying out the activities needed by a job results in individual getting direct and clear information about the effectiveness of their performance.

The model further states that the five core job characteristics can be combined into a single index of motivating potential score* (MPS) that reveals the overall potential of a job to influence an individual's feelings and behaviors (Fried & Farris, 1986). Job characteristics theory introduced by Hackman and Oldham (1976) explain conditions in which employees would be intrinsically motivated when performing a job. Internally motivated individuals are not reliant on external factors to be highly motivated to work effectively and efficiently. According to the theory, internal motivation is established by three psychological states, i.e. 'experienced meaningfulness' (i.e. the extent to which the work is considered as making a difference to others), 'felt responsibility' (i.e. the degree to which employees assume responsibility for their work), and 'knowledge of results' (i.e. the extent to which employees are conscious of the quality of their work).

To be more exact, these job characteristics have impact on employees attitudes and behaviors at work such as productivity, internal motivation, and satisfaction and effective work behavior, for example good performance and low absence and turnover (Hackman & Oldham, 1976; Hackman & Lawler, 1971). In other words, the expected behavior outcomes discussed above will take place when workers experience three critical psychological states (such as experienced meaningfulness, experienced responsibility and knowledge of the result) that had been discussed before. Meta analyses and reviews also support the link between perceived work characteristics and attitudinal outcomes. Fried and Ferris (1987), in their meta-analyses indicated a positive, moderately strong correlation between perceptual measures of intrinsic job characteristics and job satisfaction. Relationship between the core dimension of job characteristics and work motivation and job involvement also have been studied in the past and have been found to be consistently related to the core job dimensions (Hackman & Lawler 1971; Saal, 1978). Furthermore, empirical research about the effects of job characteristics and organizational citizenship behavior (OCB) has been explored in a few studies (for example Farr, Podsakoff, & Organ, 1990; Podsakoff, MacKenzie, & Bommer, 1996; Purvanova, Bono, & Dzieweczynski, 2006).

Studies also have been carried out to examine the relationship between work redesign (job characteristics) and psychological empowerment (Chen & Chen, 2007; Jha & Nair, 2008). Chen and Chen's (2007) study involved employees from Taiwan's state-owned enterprises that had undergone privatization or reorganization. This study adapted items from Hackman and Oldham's job characteristic model such as skill

variety, work identity, work significance, autonomy and feedback. The predicted effect for work redesign on psychological empowerment is significant. However, only three dimensions contribute to support the hypothesis, i.e. skill variety, work identity and feedback. Meanwhile Jha and Nair (2008) did a survey on frontline employees of five star hotel in Mumbai using measures from Sims, Szilagyi and Keller's (1976). This Job Characteristics Inventory is an improved measure of perceived job characteristics developed by Hackman and Lawler (1971). The dimensions are skill variety, task identity, autonomy and feedback. The other two dimensions are interpersonal dimensions, such as dealing with others and friendship opportunities. However, study by Jha and Nair (2007) did not include autonomy as part of measurement for job characteristic to avoid commonality in the dimension of job characteristics and psychological empowerment. The result also illustrates significant positive relationship between job characteristics and psychological empowerment, which mean if employees perceive the characteristics of their job as highly motivating, it will lead to higher perception of psychological empowerment. In other words, job characteristics influence intrinsic task motivation of an employee by providing meaningful job, making the employee more competent as well as determined to perform the job and also by creating a positive impact on the job environment. Study by Liden, Wayne and Sparrowe (2000) indicates that the relationship between job characteristics and job satisfaction is mediated by the meaning and competence dimensions of empowerment. This finding also confirms that there is a positive relationship between job characteristics and psychological empowerment.

Even though there are studies that examine the relationship between job characteristics and psychological empowerment as mentioned above, the area has remained underresearched compared to studies in other countries. There is still a need to further explore the relationship using different setting to further enhance the relationship and also to validate the psychological empowerment construct (Jha & Nair, 2007; Chan, 2003).

As stated in Job Characteristics Model (JCM), job characteristics have important aspects which can influence managers' attitudes and behaviour at work. Feedback dimension helps managers in achieving high intrinsic motivation, satisfaction, and attendance to workplace (Hackman & Lawler 1971; Hackman & Oldham, 1976). Other specific job characteristics such as skill variety and task significance will lead to positive psychological states such as feelings of meaningfulness and responsibility, which in turn lead to satisfaction with the job. Conceptually, these critical psychological states are very similar to the cognitions reflecting employees' psychological empowerment identified by Thomas and Velthouse (1990), and Spreitzer (1995). Furthermore, the increase in task identity, autonomy, and feedback in work will bring employees confidence and make them feel that they are competent in achieving the work objectives and self-determined to choose their own ways to solve problems (Chen & Chen, 2008). Since psychological empowerment is seen as intrinsic motivation, it is belief that employee perception on job characteristic would correlates with psychological empowerment too. Therefore, for the purpose of this study, it is assumed that job characteristic will enhance psychological empowerment.

2.2.3 Outcome of Psychological Empowerment

The continuing interests among practitioners and researchers in embracing empowerment suggest that the topic contributes to the effectiveness of the organizations and at the same time enriching the work lives of the employees (Liden, Wayne & Sparrowe, 2000). Many studies had been carried out to examine the impact or the outcomes of empowerment (Bhatnagar, 2005; Holdsworth & Cartwright, 2003; Laschinger et al., 2004; Savery & Luks, 2001; Spreitzer et al., 1997).

Laschinger et al. (2003) studied burnout among the nurses. The longitudinal design was used to examine the effect of structural empowerment (such as opportunity, information, support, resources and power) on psychological empowerment and then the effect of psychological empowerment on burnout. Their findings indicated that structural empowerment resulted in increased psychological empowerment at Time 1 and the feelings of psychological empowerment had a negative influence on burnout. In addition, Hochwalder and Brucefors (2005) also believe that psychological empowerment at work may be one of the possible factors that recommend protection against ill health.

Psychological empowerment also has an impact on job satisfaction and on job related stress (for example, Laschinger et al., 2004; Holdsworth & Cartwright, 2003; Savery & Luks, 2001; Spreitzer, Kizilos, & Nason, 1997). On the other hand, Bhatnagar

(2005) did a study to measure psychological empowerment and organizational commitment among managers in various organizations in India. The result shows that affective commitment is a strong result of psychological empowerment, followed by normative commitment, and continuance commitment being the weakest outcome.

Even though research in identifying the influences or outcomes of psychological empowerment on employees and organizational behavior had been conducted, the number is indeed still limited. From 1995 after Spreitzer introduced and developed the construct of psychological empowerment, few studies had been conducted to examine the outcomes or the consequences of psychological empowerment towards the individual or the organizational as a whole (Koberg et al. 1999; Savery & Luks, 2001; Bhatnagar, 2005; Bordin, Batram & Casimir, 2007; Chen & Chen, 2008; Abd. Ghani, Raja Hussin, & Jusoff, 2009). Abd. Ghani et. al., (2009) examined the impact of psychological empowerment on innovative behaviour among 312 lecturers in Malaysian private higher education institutions. The results show that psychological empowerment has significant relationship with innovative behavior. However, the results of the study carried out by Singh and Sarkar (2012) among 401 women primary school teachers in India, indicate that only self determination dimension of psychological empowerment has an effect on innovative behaviour.

Studies done in Malaysia relate psychological empowerment with work retention intention (Wan Nawawi et al., 2015; Chan et al., 2011). Wan Nawawi et al. (2015)

found that there is a relationship between employee's psychological empowerment and retention intention among the spa employees in Klang Valley. Chan et al. (2011) in their study among Malaysian secondary school principals also proved that psychological empowerment correlated negatively and significantly with withdrawal intention. While Abdullah, Almadhoun, and Ling (2015) found that job satisfaction and organizational commitment among Malaysian secondary school teachers are influenced by psychological empowerment.

Employees' perception of empowerment also had an impact on employee loyalty, job satisfaction and involvement (Karia & Asaari (2006). As proposed by Robbins (2005), job satisfaction, job involvement and organizational commitment have a significant impact in the study related to work place for they have important implications for organizational behavior. Furthermore, these attitudinal variables are also considered to be the primary indicator of the quality of work life (Igbaria, Parasuraman, & Badawy, 1994). In addition to that, Lawler (1992) and Pfeffer (1994) as cited in Melhem (2004) agreed that employee involvement is crucial and management must encourage employees to ensure business firms have competitive advantage. Since the literature review shows that job involvement too has a significant impact on workers behavior, therefore it justifies the need to include job involvement in this study as a possible outcome of psychological empowerment.

2.2.3.1 Job Involvement

2.2.3.1.1 Definition

The concept of job involvement has received much empirical and theoretical attention. But there is still no complete agreement over what the term means. To understand the concept of involvement one must also be familiar with the term work alienation.

The Latin usage of the term alienation can be meant as “the transfer of ownership of something to another person” or ‘to cause a separation to occur’ (Kanungo, 1982). While the second meaning of alienation as a state of separation was popularly used by theologian. In dealing with states of alienation in the spiritual life of individuals, theological approaches emphasized the idea that they can be alienation of different types depending on what elements of one’s environment one is separated from (such as God, one’s own body, other people, etc.), which will not be discussed here.

Concept of work alienation according to Marxian refers to a lack of control, autonomy, and ownership over one’s job (Kanungo, 1982). Marx provides two job conditions that alienate workers, rather than involve them. One condition implies that product is perceived as not belonging to the workers. While the other condition implies that workers perceive a lack of control over the function of the machines and

other means of production. In sociological literature, work alienation is measured only by determining the presence or absence of intrinsic factors, for example autonomy and responsibility on the job. Extrinsic job factors are totally excluded from the measures. Therefore, work alienation involves when workers engage in work activities that are not intrinsically rewarding in themselves.

In contrast to the sociological approach, psychologists have attempted to analyze the problem of alienation from the point of view of job involvement at work rather than alienation at work. Work alienation and job involvement are actually dealing with two poles of the same continuum (Kanungo, 1982).

Some 50 years ago Lodahl and Kejner (1965) identified job involvement as an important organizational attitude. It can be considered from two perspectives, organisational and individual. From an organizational perspective, job involvement has been considered the key to increase employee motivation and from individual's perspective, it has been thought of as key to personal growth and satisfaction, which will lead to goal-directed behaviour (Hackman & Lawler, 1971; Lawler & Hall, 1970). On the other hand, Ruh, White and Wood (1975) proposed job involvement as a construct that arises out of interactions between individual discrepancy of sensitivity regarding his or her work settings and personality traits.

Robinowitz and Hall (1977) concluded that job involvement be described into two perspectives; performance-self-esteem contingency and component of self-image. The first perspective describes the whole job situation such as work, co-workers, and the company he or she is working with as a very important part of his or her life. Performance at work would very much affect the self-esteem of the individuals. Therefore, higher level of job involvement would mean higher self-esteem derived from work behaviour. The second perspective views job involvement as component of self-image. This view is refers to the extent to which the individuals identify psychologically with their jobs. Both definitions are consistent with the definition proposed by Lodahl and Kejner (1965) which relates the importance of work in the workers' total self-image and how performance affects self-esteem.

Based on studies by previous researchers Blau and Boal (1987) defined job involvement as the degree to which a person identifies psychologically with his or her job and considers his or her perceived performance level important to self worth. Employees with high level of job involvement strongly identify with their job and really care about their job or the kind of work they do. Thus, a questionnaire that incorporated both perspectives of job involvement developed by Lodahl and Kejner (1965) has become very popular. Brown (1996) in his meta-analysis study and review of organizational research on job involvement found that the measurement had been widely used by psychologist in job involvement studies. However, the scale was not developed to operationalize a single, clearly defined conceptualization of the construct (Brown, 1996). Saleh and Hosek (1976) too proposed a multidimensional

scale of job involvement, reflecting four dimensions: (1) work as a central life interest, (2) the extent of a person's active participation in the job, (3) extent of performance-self-esteem contingency, and (4) consistency of job performance with the self concept.

Kanungo (1982), commented on the inconsistency or variety in defining job involvement. He strongly argued that the scale proposed by Saleh and Hosek (1976) as reflecting the psychological state of the individual and both its antecedents and consequences. Kanungo also argued that the conceptual meaning of results generated using Lodahl and Kejner's scale is uncertain because of its confusing conceptualization. Moreover, many users of the scale used the shortened version of it. The most common shortened version consists of six items which specified by Lodahl and Kejner (1965) as best representing the psychological identification dimension of job involvement. Later on, Paullay, Alliger and Stone-Romero (1994) try to make a distinctions between involvement with the present job (referred as job involvement) and involvement with work or paid employment in general (referred to as work centrality). They defined job involvement as the degree to which one is cognitively preoccupied with, engaged in, and concerned with one's present job.

The discussion above had confirmed Brown (1996) statement that there have been inconsistencies in the conceptualization and measurement of job involvement. As mentioned earlier by Kanungo (1982), the construct has been defined differently by

different researchers. For some it means a form of psychological identification, and for others it is a performance-self-esteem contingency. Others combined the two meanings to represent the construct. On the other hand the construct has also been viewed as a form of cognitive belief, a behavioural tendencies, as an affective state, or a combination of all three.

The most widely used measure of job involvement is Lodahl and Kejner (1965) measure, or some variation of it. However, the present research would not apply the widely used Lodahl and Kejner (1965) conceptualization of involvement in the present job and the importance of work in general because of the limitation discuss by previous researcher (Kanungo, 1980, Kanungo, 1982; Paullay, Alliger & Stone-Romero, 1994; Brown, 1996). Instead measurement by Kanungo (1982) will be used.

2.2.3.1.2 Outcomes of Job Involvement

Previous studies on job satisfaction and commitment shows that both components of work attitudes affect employees' behavior at work. Similar to job satisfaction and organization commitment, job involvement is also a determinant of organizational effectiveness and individual motivation (Hackman and Lawler, 1971). To be more specific, Cheloha and Farr (1980) found that both job involvement and job satisfaction were inversely related to absenteeism, but job involvement was more consistent with absence behavior.

Other study by Gechman and Wiener (1975) showed that job involvement and satisfaction did not correlate consistently with personal time devoted to work and mental health. The results showed that devoting personal time to work-related activities was positively associated with job involvement, but unrelated to job satisfaction. Mental health was positively related to job satisfaction, but did not correlate significantly with job involvement. A meta-analysis by Brown (1996) further concluded that job involvement was unrelated to job performance and mental health. However, these differential relationships support the view that job involvement and job satisfaction are two separate construct and distinct job attitudes (Gary J. Blau, 1985; Brooke, Russell, & Price, 1988; Kanungo, 1982a).

On the other hand, Keller (1997) in his study on engineers and scientists, found that job involvement was a strong predictor of job performance ratings and counts of patents and publications for scientists than for engineers. In addition to that, Diefendorff et al., (2002) found that job involvement was a significant predictor of organizational citizenship behavior and in-role performance. Their findings also mentioned that employees with high level of job involvement are more motivated to go to work and go on time because these employees are attracted by the kind of job they have. Thus, these findings reaffirms that job involvement is a potential determinant of individual performance.

Spreitzer (1996) has long suggested that empowerment to be particularly important to preserve the hope and attachment of survivors during times of organizational downsizing. Furthermore, psychological empowerment also enables employees to cope better when working in stressful working conditions (Spreitzer & Mishra, 2002). Similar to job satisfaction and organizational commitment, job involvement is also a component of attitudes that affect work related behavior (Gary J. Blau, 1986; Diefendorff et al., 2002; Huselid & Day, 1991; T. A. Judge, Bono, & Locke, 2000; Keller, 1997). Since managers' job in most organizations are trying to influence work related attitudes in order to create behavioural change, therefore it is belief that study on job involvement is very much significant in today's workplace scenario. A later studies regarding job involvement suggest that it has positive outcomes to organizations.



2.2.3.1.3 Determinants of Job Involvement

Acknowledging the importance of job involvement in organization, many researches had been carried out in order to explore determinants of job involvement (Robinowitz, Hall & Goodale, 1977; Carmeli, 2005; Boon et. l., 2007; Hao, Jung & Yenhui, 2009; Chen & Chiu, 2009; Biswas, 2011; Elias & Mittal, 2011). The findings from these studies revealed several potential factors that contribute to job involvement which can be categorized as situational or organizational and personal or psychological factors.

The findings from the study by Carmeli (2005) indicate that being involved in a job is a complex process. This is so because a favourable image, job satisfaction, and a high level of attachment do enhance job involvement but not directly. Affective commitment is found to be the connecting factor which leads to job involvement. Similarly, the findings show that protestant work ethics and job involvement are not directly related but is actually connected through normative commitment. Meanwhile, study by Boon et.al. (2007) revealed that teamwork, empowerment, customer focus, reward and recognition and communication are positively related with employees' job involvement in six major Malaysian semiconductor contract manufacturing organizations. Initially their study were to examine the perceptions of individual employees on the influence of eight elements of HRM/TQM such as leadership, training and development, employee participation, reward and recognition, customer focus, empowerment, teamwork, and communication on employees' job involvement. However, the results show that only five elements are related to job involvement.

2.2.3.2 Psychological empowerment and Job Involvement

A meta-analysis study by Brown (1996), support the conclusion that job involvement is affected by personality variables. Three relationships, work ethic endorsement, internal motivation, and self-esteem were statistically significant. The results shows that people who are high in work ethic, internal motivation, and self-esteem are

predisposed to be highly job involved. However, another two relationships, growth need strength and locus of control were not statistically significant.

Meanwhile the meta-analyses of the relationships between situational variables (such as, skill variety, task identity, feedback, task significance, job challenge, task complexity, and motivating potential) and job involvement generally support the position that job involvement is substantially related to situational influences. These results support the Hackman and Lawler (1971) and Hackman and Oldham (1975) position that enriched jobs stimulate job involvement. Although the concept of job involvement, its antecedents, and outcomes have been researched extensively by organizational researchers (for example, Gary J. Blau, 1985, 1986; Diefendorff et al., 2002; Kanungo, 1979, 1982a; Keller, 1997; Morrow, 1983; Rabinowitz & Hall, 1977) little attention has been devoted to exploring psychological empowerment and job involvement (Chan, 2003).

2.3 Trust

For many years trust has been considered an important variable for organizational effectiveness (Mayer et al., 1995a; McAllister, 1995; Mishra & Spreitzer, 1998). Past research showed that trust had a significant relationships with perceived organization support, reduced turnover intention, and increase affective commitment (Ferres, Connell & Travaglione, 2004; Laschinger et. al., 2000;), knowledge sharing (Jain,

Sandhu & Goh, 2015; Pangil & Joon, 2013), and innovativeness in organization (Ellonen, Blomqvist & Puumalainen, 2008). Walker, Kutsyruba, and Noonan (2010) mentioned that trust is very important in any human relationships.

Trust connects people together. As defined by most scholars, trust is where one party believes that the other party will act in certain behaviour that is consistent with their expectation. Thus, trust acts a bonding factor that would enhance the relationships within organizations. From the perspective of social capital theory, trust is considered necessary since it brings people in the organizations together. It also helps develop the right attitudes and behaviour in the workplace (Ferres, Connell and Travaglione, 2004). Meanwhile, from the social exchange theory in empowerment context, employees will be intrinsically motivated when they perceive that they are psychologically empowered by the management. Following norms of reciprocity (Goulner, 1960), employees who are intrinsically motivated will have an obligation towards the organization. Hence, in a social exchange relationship, such obligation will lead the employees to give something back to the organization. Therefore, in such exchange, trust that employees have towards their supervisors and top management are critical to ensure the success of the relationship (Chan, 2003).

The various studies on trust can be grouped in three categories: trust within organizations, trust between organizations, and trust between organizations and their customers (Dietz & Den Hartog, 2006). Trust within organizations or intra

organization means trust between lower level workers and supervisors/managers, or among co-workers of the same level. Trust within organizations refers to an inter-organizational event, and trust between organizations and their customers are related with marketing phenomena. Trust in marketing is more concern with level of confidence and willingness to rely on other person/party (Walker, et.al. 2010). Arnott (2007) incorporate the element of personal risk when he connects trust in marketing. While other studies stated that interpersonal trust is related with emotional link between individuals (Luhmann, 1979) and leads to positive social interaction between employees and supervisors (Costigan et. al., 1998). Hence, several conceptualizations and definitions of trust have emerged. For the purpose of the present study, researcher is concern with intra organizational trust; that is trust between bank managers and the top management. Conceptualization and definition of trust will be discussed further in the next session.

Regarding intra organizational trust, the assumption is that relations between organizational members that trust each others can encourage voluntary cooperation and extra-role behaviours (Tyler, 1996). According to Tyler this voluntary cooperation becomes important when command and control styles of management are no longer efficient. Thus, in a very uncertain setting, but decision making is decentralized and most of the work is done in mutually dependent teams, trust binds people together in the workplace.

In any activities that involve workers participation, especially when it relates to changes in work activities or organization structure (such as after merger and acquisition, technology advancement), trust is the core factor that will determine the successful of the implementation. This would include an employee's trust in a manager or a manager's trust in an employee, or trust among colleagues and team members. This interpersonal trust is defined by Rotter (1967) as a generalized expectancy that the word, promise, oral or written statement of another individual or group can be relied on. McAllister (1995) defined trust as the degree to which an employee is confident in, and willing to act on the basis of the words, actions, and decisions of his or her manager/supervisor. While Mishra and Spreitzer (1998) claim that trust depends on the belief that the other party is competent, open, concerned and reliable.

Consistent with the above definition of trust, Moye and Henkin (2006) stated that trust leads to a healthy working atmosphere where two parties involved are being honest and helpful to each other. This environment also enables the workers to have open exchange of ideas and thus, the quality and quantity of information exchanged are enhanced. As in the process of empowerment, employees will experience higher level of empowerment if they have trust toward the manager or the management in particular. This relationship between employees and manager in term of trust will be further discussed as a possible moderator variable in the next section.

Various studies had been carried out by previous researchers in understanding the importance of trust in various setting. Ferres, Connell and Travaglione (2004) in their study on a large public health organization found that trust in co-workers had significant relationship with perceived organizational support, intention to leave and affective commitment. Trust in co-workers was measured by a 12-item subscale developed by Ferres (2002). Initially, the measurement was divided by three-factor workplace trust such as trust in organization, trust in manager, and trust in co-worker. Their study involved workers from both the management and non management positions.

2.3.1 Definition of Trust

Many authors have discussed trust in term of expectation of others. Among the early trust theorists was Rotter (1967), who defined interpersonal trust as the expectancy held by an individual or group of people that they can rely on the word or promise of another party. Other definition of trust considers it as a personality trait of a person. In this approach trust is viewed as a trait that leads to a generalized expectation about the trustworthiness of others. Farris, Senner, and Butterfield (1973) named this approach as propensity to trust. Like most personality traits, propensity to trust is proposed to be stable. The inherent propensity to trust is influence by background and culture. Therefore, since people come from different background or different

culture their propensity towards trust is different. Propensity might be thought of as the general willingness to trust others.

In earlier study, Cook and Wall (1980), defined trust as “the extent to which one is willing to ascribe good intentions to and have confidence in the words and actions of other people”. Later Luhmann (1988), mentioned that trust is a answer for specific problems of risk in relations between actors, for the reason that it is an attitude that allows for risk-taking. Mayer et. al. (1995, p. 712) defined trust as “*the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party*”. Again, in this definition trust is not just taking risk but rather it is a willingness to take risk. Similar with Zand (1972) who includes integrity, benevolence, and credibility as three components of trust, Mayer and friends (1995) too suggest three underlying determinants of trust, also referred to as trustworthiness. They are ability, benevolence and integrity. Ability refers to the skills, competencies, and characteristics such as knowledge of the employees. Benevolence is the degree to which a trustee is believed to want to do good to the trustor, (apart from the egocentric profit motives). It also refers to the good intention and kindness towards the other party, and concern for their welfare (Dietz, 2006). Integrity is defined as the trustor’s perception that the trustees hold on to the set of principles that are acceptable to the trustor, which include honesty and fair treatment. Mayer and Davis (1999) added that not only managers adopt values

that are perceived as positive by the employees but also that the manager acts accordingly with the values.

Another well-known bases of trust is cognitive and affective trust (Atkinson, 2007). The concept of cognition-based trust and affect-based trust was first derived by McAllister (1995). The cognitive part of subordinates' trust is formed from cognitively evaluating the credibility of their supervisors (Mayer et al., 1995). In other words, individual will choose who to trust based on what he or she beliefs that the other person is trustworthiness or that the supervisor will not take advantage of them. For example, when supervisor possess the integrity to allow flexibility, to give access to resources, information and social political support for employees to exercise their empowered roles, the consequent is that the subordinates will perceive that they have the competence to accomplish assigned task, thus enhancing their self-efficacy. The cognitive and affective foundations of trust explain the nature and functioning of interpersonal trust. The cognitive-based component of trust relates to beliefs about an individual's reliability, dependability and competency, similar to the ability and integrity dimension by Mayer and Davis (1999). Mean while, affective-based trust involves emotion such as interest, support and care which is invested in a relationship (McAllister, 1995), that is consistent with benevolence aspect by Mayer and Davis (1999).

Based on the discussion above, this study will treat trust as an expectation about others intentions or behaviour, or employees expectation that the management will behave in a way that is important to the employee. This conceptualization is consistent with McEvily, Perrone and Zaheer (2003). Therefore, for this study, the three underlying bases for trust by Mayer and Davis (1995) such as ability, benevolence, and integrity will be adopted.

2.3.2 The Moderating Effect of Trust on the Relationship between the Antecedents Variables and Psychological Empowerment

A variable that affects the direction or strength of the relationship between an independent variables and depend variables is referred as moderating variables (Baron & Kenny, 1986). To include moderator variables is important to further understand the subject under study. Few empirical studies have investigated trust as a moderating role. Fleig-Palmer and Shoorman (2011) explored the role of trust in mentoring and knowledge transfer relationship. Trust in the relationships had demonstrated that the combination of receipt of mentoring together with willingness to be vulnerable to a mentor's guidance may positively affect knowledge sharing.

In relation to research on psychological empowerment, there are studies that had investigated the effect of the moderating variables. Samad (2007) had included openness of a personality dimension as a moderator that influences the relationship

between social structure variables and psychological empowerment. Bordim and Batram (2007) found that socio political support to moderate the relationship between psychological empowerment and job satisfaction. Chan (2003) in his study on nomological network of psychological empowerment proposed trust as moderator. However, findings of Chan's study do not support the hypotheses. Erturk (2012) in his study among blue collar employees from various manufacturing companies in Turkey linked psychological empowerment to innovation by investigating supervisory trust as a moderator. The result revealed that trust in supervisor moderates the relationship.

The present study will also examine the effect of trust as a moderating variable that could either strengthen or weaken the relationship between transformational leadership style and psychological empowerment, organization structure and psychological empowerment, and job characteristics and psychological empowerment. Trust is considered to be a possible moderating variable based on the nature of the relationship between any two parties. Without trust empowerment effort might not come to success (Andrews, 1994; D'anunzio & McAndrew, 1999; Harari, 1999; Owen, 1996). Previous researchers argue that personnel empowerment efforts had failed because both employees and managers underlined the importance of trust (D'anunzio & McAndrew, 1999). This argument is further support by Andrews (1994) who claims that the lack of trust within an organization is a key element of failure. Andrews (1994) states that in relationships between employees and managers, mutual trust creates a distinctive atmosphere for personnel empowerment. While other

studies accept trust as a critical prerequisite before managers empower employees (Mishra and Spreitzer, 1998; Mayer et al., 1995, Robbins et al., 2002). From the literature, it can be concluded that trust is important for empowerment practice to be successful. However, most of the past studies that included trust had examined it from the view of a manager towards subordinates. Research that deals with the issue of trust from the employee's perspective is still lacking (Ergeneli et al., 2007).

In addition, trust is also important for psychological health since it enables humans to interact in relationships (Asch, 1952; Barber, 1983; Erikson, 1959) as cited in Young (2006). Therefore, in relationships that involved social exchanges, including personal, business and work relationship, trust is very important. Spreitzer (1992) suggested that future research to include trust to further understand the concept of psychological empowerment in relation to social exchange theory. Additionally, studies on the relationships between organization structure and psychological empowerment by Spreitzer (1992) and Chan (2003) resulted in inconsistency. As recommended by Baron and Kenny (1986) the inconsistent result of previous studies that examine the relationships of the same variables could be explained by introducing moderating variable. Therefore, for the purpose of this study, researcher would focus on trust as a variable that could moderate the relationship between transformational leadership and psychological empowerment, organization structure and psychological empowerment, job characteristics and psychological empowerment.

Trust has been argued by several researchers as one of the conditions that is necessary for the success of empowerment (Mishra & Spreitzer, 1998; Mayer et al., 1995; Harari, 1999). This is further supported by Podsakoff et al., (1990) when they proposed that trust in the leadership is needed to increase the willingness to identify with the organization and to internalize its values. Therefore, it is hypothesized that trust act as a moderator or strengthened the relationships between the antecedents of psychological empowerment and the managers' overall psychological empowerment.

2.4 Summary

This chapter has reviewed the literature concerning psychological empowerment, its antecedents and outcome. Previous research had demonstrated that organizational contextual factors such as transformational leadership, job characteristics and organizational structure have influenced psychological empowerment. However, organizational structure has yielded some inconsistent result. So, further study should be carried out to investigate the relationship between the two variables i.e organizational structure and psychological empowerment. Even though studies on transformational leadership and job characteristics had shown positive relationship, further research using different settings should be carried out to strengthen and support the previous findings. This study would also incorporate trust as a moderating variable and job involvement as the outcome of psychological empowerment.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter covers the methodology and procedures that will be carried out by this study. It also includes theoretical framework, underpinning theory, as well as hypotheses development for the study. In addition, the chapter also explains about the population, sample, sampling technique, research instruments, data collection, and data analysis.

3.2 Theoretical Framework

Based on the review done on the literature concerning work attitudes such as job involvement, transformational leadership, organization structure, job characteristics, trust, and psychological empowerment, a theoretical framework for this study is developed as illustrated in Figure 1. The model focuses on psychological empowerment; its antecedents and its role on managers' attitude towards their work. The independent variables or the antecedents of psychological empowerment consist of transformational leadership, structure of the organization, and job characteristics. Job involvement is the work attitude that would be the consequence or outcome of psychological empowerment or its dependent variable. Trust is proposed as a

moderator between the relationships of the antecedents and psychological empowerment. The underlying theory for this research framework is the social exchange theory developed by Blau (1964).

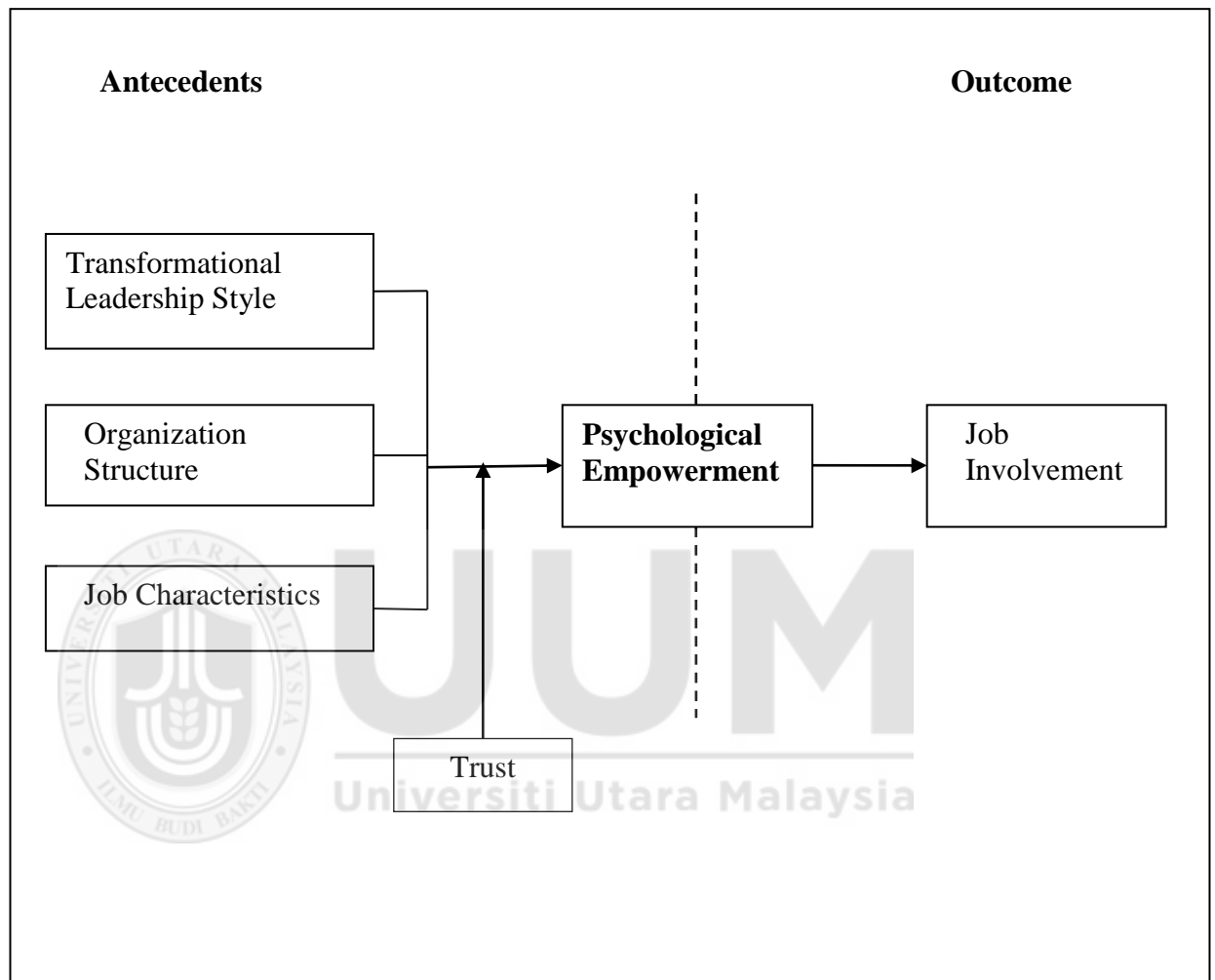


Figure 3.1

The Research Framework

3.3 Underpinning Theory

Social Exchange Theory and norms of reciprocity could explain the relationship that is established between organization and employees in an empowered organizational context. Social exchange occurs when (1) a person, such as supervisor or individual

employee, gives another person something of value, such as product, service, gesture, respect, favor, or support, and (2) the other person who receives the gift feels some obligation to reciprocate the action (Blau, 1964). In this study, the two parties involved are the managers and the top management.

In this study, when the managers perceived that the management prepare or give something that is of value to them, the managers will have positive attitudes towards the management and be happy about it. The happy managers will reciprocate and return something back to the management. In this case, when managers perceived that top managers practice transformational leadership, management provide job with high autonomy, high level of challenge (job design), flexible, and give authority in decision making (organic structure), it will make the managers feel empowered or motivated intrinsically. Therefore, highly empowered managers or employees who feel empowered are more likely to reciprocate by being more satisfied (Holdsworth & Cartwright, 2003; Koberg et al., 1999; Seibert, Silver, & Randolph, 2004); involved (Menon, 2001) and committed to their organization (Eisenberger, Fasolo, & Davis-LaMastro, 1990; Kraimer, Seibert, & Liden, 1999). Employees with positive attitudinal outcomes at the same time would show positive behavior. Hence, managers with high job involvement would perform more efficiently and effectively (Koberg et al. 1999), and have less absenteeism or turnover (Gary J. Blau, 1986).

Social exchange theory (Blau, 1964) and the norms of reciprocity (Gouldner, 1960) therefore provide the theoretical basis for this study. According to Blau (1964) social exchange relationships are based on trust. As one party gives to others, they are so trusting that the other parties will reciprocate. Therefore trust is the element

that is important in the theory of social exchange. Unlike economic exchange, social exchange is not clear, or based on contractual arrangement. In the context of social exchange theory, empowerment initiatives made by the management of the organization is seen as an offer to begin a relationship that is not based on economic exchange. Organization that is perceived by employees to provide favorable condition will experienced psychological empowerment or intrinsically motivated. This will then lead the employees to reciprocate with expected beneficial behaviors in the context of less controlled and more flexible type of organization.

In this study, managers' positive perception on antecedent variables and their relationships with psychological empowerment would be stronger if they have trust towards the organization and its management. Therefore, this theoretical framework includes trust as a moderator that could strengthen or weaken the relation between the antecedent variables (such as transformational leadership, organization structure, and job characteristics) and psychological empowerment.

The researcher prediction is that job involvement is one of the outcomes that empowering organization can expect from managers who are empowered. According to the theory, when management actions are viewed positively by employees, they reciprocate with attitudes and behaviors valued by the organization. Employees who are given the flexibility and autonomy in doing their job would feel empowered and intrinsically motivated. On this basis, where organizations give evidence of 'goodwill' toward employees, this engenders an 'obligation' on the part of employees to reciprocate the 'good deed' (Aryee, Budhwar, & Chen, 2002; Gouldner, 1960). It has been generally noted that reciprocating behaviors go beyond contractual

agreements behaviors (Tsui, Pearce, Porter, & Tripoli, 1997). As such, positive social exchanges can result in mutual benefits to both the employing organization and the workforce. In conclusion, when one person treats another person well, favorable treatment received by either party is reciprocate, leading to beneficial outcomes for both.

Meanwhile, according to theory of empowerment based on Kanter's (1977), the work environment in which the employees are in will determine the extent of the empowerment experienced. When the environment is structured in such a way that employees feel empowered, they are more likely to be satisfied with their work and to achieve the target outcomes. The structural organizational structure or the contextual factors are therefore considered as antecedents or factors that would influence the level of psychological empowerment among employees. Therefore, for the purpose of this study, researcher would examine the relationship between transformational leadership, job characteristics, and organization structure and psychological empowerment using samples of managers from banking industries.

3.4 Statements of Hypotheses

In this study, transformational leadership, organizational structure, and job characteristics were examined as the antecedent variables, while job involvement was the outcome of psychological empowerment. Trust was tested as moderating variable. Based on the discussion of previous studies, below are the hypotheses that had been developed for this study.

3.4.1. Direct Effect

3.4.1.1 Transformational Leadership and Psychological Empowerment

Generally, leadership style also has an impact on employees' experienced of psychological empowerment. Huang et al. (2006) in their study among Chinese state-owned enterprises found that participative leadership associates positively with psychological empowerment. Regarding the relationship between transformational leadership and psychological empowerment, researchers have found that transformational leadership has a positive influence with psychological empowerment (Samad, 2007; Ozaralli, 2003). Even though Samad (2007) used Podsakoff's measurement of transformational leadership and Ozaralli used Multifactor Leadership Questionnaire (MLQ) by Bass and Avolio, the result are consistent. In addition to that, result from a study carried out by Avolio et al. (2004) showed that psychological empowerment mediated the relationship between transformational leadership and organizational commitment.

Consistent with the above discussion, transformational leadership is also associated with motivating individuals to do more than they originally thought possible (Avolio & Bass, 2004). Performance is linked to the level of confidence or efficacy in the individual's perception of his or her ability and motivation. Therefore, when employees perceive that their leaders are motivational in a sense that they can act towards the vision with more freedom and confidence, the feeling of being psychologically empowered will be high (Kart, Shamir, & Chen, 2003; Ozaralli, 2003). Based on the above, the following hypothesis is raised:

H1: Managers' perception of top management's transformational leadership style will be positively associated with managers' perception of psychological empowerment.

3.4.1.2 Organizational Structure and Psychological Empowerment

According to the theory, in mechanistic structure, decision-making authority is centralized, subordinates are closely supervised, and information flows mainly in vertical direction down a clearly defined hierarchy. The tasks associated with a role are also clearly defined. Organic structures are at the opposite end of the organizational design spectrum from mechanistic structures. Organic structures are decentralized so that decision-making authority is distributed throughout the hierarchy. Roles are loosely defined and people continually develop new kinds of job skills to perform continually changing tasks.

From the discussion above, it is clear that organic and mechanistic structures have very different implications for the way people behave. Therefore, organizations with organic structure are assumed to have employees that will experience higher level of psychological empowerment. Hence, the following hypothesis is raised:

H2: Managers who perceive organization as having organic structure will be positively related to managers' perception of psychological empowerment.

3.4.1.3 Job Characteristics and Psychological Empowerment

According to the Job Characteristics Model (JCM), job characteristics (specifically the feedback dimension) have important aspects in the process for managers to achieve high intrinsic motivation, satisfaction and attendance level (Hackman & Lawler 1971; Hackman & Oldham, 1976). Since psychological empowerment is seen as intrinsic motivation, it is believed that employee perception on job characteristic would correlate with psychological empowerment too. Moreover, specific job characteristics (for example, skill variety, task significance) would lead to positive psychological states such as feelings of meaningfulness and responsibility, which in turn lead to satisfaction with the job.

These critical psychological states conceptually resemble very much the cognitions reflecting employees' psychological empowerment that were identified by Thomas and Velthouse (1990) and further validated by Spreitzer (1995). Furthermore, the increase in task identity, autonomy, and feedback in work will bring employees confidence and make them feel that they are competent in achieving the work objectives and self-determined to choose their own ways to solve problems (Chen & Chen, 2008). Therefore, the following hypothesis is raised:

H3: Managers' perception of job characteristics would be positively related to psychological empowerment.

3.4.1.4 Psychological Empowerment and Job Involvement

Job involvement has been considered the key to increase employee motivation and from individual's perspective, it has been thought of as key to personal growth and satisfaction, which will lead to goal-directed behaviour (Hackman & Lawler, 1971; Lawler & Hall, 1970). The earlier definition of job involvement proposed by Lodahl and Kejner (1965) relates it with the importance of work in the workers' total self-image and how performance affects self-esteem. Meyerson and Kline (2008) further proposed that psychological empowerment relates to how competent employees feel when working in empowered environment. These competent employees feel they have more ability to perform and positively related to organizational commitment, have low intention to quit and better work performance.

The social exchange context support the explanation of the relationships that exist between antecedents and attitudinal or behavioral outcomes that normally associated in the theory of social exchange. In this study, the attitudinal outcome such as job involvement is the likely consequence of psychological empowerment. Thus, it is hypothesized that it has a positive relationship with job involvement.

H4: Managers' perception on psychological empowerment will have a positive effect on job involvement.

3.4.2 Moderating Effect

In the context of social exchange, trust is considered as something that glued the relationships between organization and the employees. Thus, in this study it is hypothesized that when managers have high trust towards the top management regardless of how they perceive their immediate supervisor's leadership style, the organization's structure or job characteristic their level of psychological empowerment should be higher. For instance, the level of trust in a leader may explain condition under which transformational leadership is judged to be effective or not (Goodwin et al., 2011). In the context of psychological empowerment, the managers' perception on the organization intervention to enable them experiencing the feelings of psychological empowerment, could be moderated by trust towards the top management. Therefore, the followings hypotheses are raised:

H5: The extent of managers' trust towards the top management will moderate the relationship between transformational leader and managers' perception of psychological empowerment.

H6: The extent of managers' trust towards the top management will moderate the relationship between job characteristics and managers' perception of psychological empowerment.

H7: The extent of managers' trust towards the top management will moderate the relationship between organic structure and managers' perception of psychological empowerment.

3.5 Research Design

Research design is defined as the plan that explains how the research is conducted which usually contains elements such as purpose of study, type of investigation, unit of analysis and time horizon of study (Sekaran, 2003). Thus, this study was conducted with the intention to obtain an understanding of the psychological empowerment among the managers in the banking industries. The nature of this study is a correlation study. In correlation study the researcher basically evaluate a number of variables assumed to be related to other variables in the framework (Sekaran, 2003). In this study, there are three independent variables i.e transformational leadership, organization structure, and job characteristics (which is also known as the antecedents of psychological empowerment), and one dependent variable, that is job involvement (also considered as outcome of psychological empowerment). Trust is identified as a moderating variable. Meanwhile, in term of time horizon, this study is cross-sectional in nature and a survey method has been employed. In cross-sectional survey, data are collected at one point in time, for instance within a period of days, weeks, or months (Sekaran, 2003). For this study a cross-sectional study is appropriate since the study is to measure the current attitudes of the respondents. The field survey was conducted through the distribution of questionnaires to the managers and head of departments from selected conventional banks in Peninsular Malaysia.

Data collected was analyzed using the Statistical Package for the Social Science (SPSS) version 18 and Partial Least Square Structural Equation Modeling (PLS-SEM). The details of data analysis will be discussed later in the chapter.

3.6 Population and Sampling

3.6.1 Unit of analysis

The unit of analysis for this study is the bank manager. A number of bank managers were decided based from the whole population of bank managers in Peninsular Malaysia. A population is actually defined as a group of people, events, or things that become a focus of interest for the researcher to investigate (Sekaran, 2003), or a group of people who have the same characteristic (Cresweld, 2008). The population of this study covers all the nine anchor banks in Malaysia. Conventional banks which had gone through the merging and acquisition process had been selected for the study. Other banks are not included since they are not involved in the merging and acquisition process. The branch manager and the head of department from the various bank located in Peninsular Malaysia, were the respondents for this study. Based on the latest statistic from the banks websites, the total number of all conventional banks' branches in Peninsular Malaysia is 1607. Table 3.1 indicates the distribution of conventional banks (including their branches) in each state of Peninsular Malaysia.

Table 3.1

Total Number of Conventional Banks in Peninsular Malaysia

| | Affin Bank | CIMB | Public Bank | RHB Bank | Aliaance Bank | EON Bank | AmBank | Hong Leong | Maybank | Total |
|-----------------|------------|------------|-------------|------------|---------------|------------|------------|------------|------------|-------------|
| Johor | 10 | 34 | 28 | 23 | 14 | 21 | 22 | 22 | 50 | 224 |
| Kedah | 3 | 17 | 11 | 8 | 3 | 6 | 5 | 6 | 14 | 73 |
| Kelantan | 2 | 11 | 4 | 3 | 0 | 2 | 2 | 1 | 10 | 35 |
| Wil Persekutuan | 16 | 62 | 41 | 26 | 19 | 23 | 27 | 37 | 61 | 312 |
| Melaka | 2 | 12 | 7 | 4 | 2 | 5 | 5 | 3 | 11 | 51 |
| Neg sembilan | 3 | 15 | 9 | 8 | 1 | 5 | 8 | 5 | 12 | 66 |
| Pahang | 3 | 20 | 14 | 6 | 1 | 3 | 9 | 7 | 15 | 78 |
| Perak | 6 | 28 | 27 | 20 | 2 | 10 | 19 | 14 | 39 | 165 |
| Perlis | 1 | 2 | 1 | 1 | 0 | 1 | 2 | 1 | 3 | 12 |
| P. Pinang | 8 | 34 | 21 | 11 | 0 | 13 | 18 | 16 | 36 | 157 |
| Putrajaya | 0 | 0 | 0 | 1 | 0 | 1 | 1 | 0 | 1 | 4 |
| Selangor | 18 | 76 | 46 | 40 | 21 | 28 | 36 | 46 | 82 | 393 |
| Terengganu | 2 | 11 | 3 | 4 | 1 | 2 | 5 | 2 | 7 | 37 |
| Total | 74 | 322 | 212 | 155 | 64 | 120 | 159 | 160 | 341 | 1607 |

Sources: Data acquired from the websites of the participating banks in May 2011

3.6.2 Sampling Technique and Sample Size

The sampling technique engaged in the study was a cluster sampling. In cluster sampling, the population of interest is grouped into cluster based on physical proximity (Davis, 2005). Each cluster is supposed to be the miniature representation of the entire population. Cavana, Delahaye and Sekaran (2001) suggest that when several groups with intragroup heterogeneity and intergroup homogeneity are found, then a random sampling of clusters or groups can ideally be done and information gathered from each of the members in the randomly chosen clusters. In the present study the clusters are identified as states in peninsular Malaysia.

The sample size is determined according to the five technique suggested by Gay and Diehl (1992). First is to identify the population, or the total number of the

conventional banks branches, which is about 1607. Then, the number of the population sample size is determined based on Krejcie and Morgan (1970) table for determining a sample size (in this case the appropriate number according to the table is 310). The next step is to define a logical cluster. The logical cluster in the present study is the states in Peninsular Malaysia which equals to 13 states. An average number of population elements per cluster were estimated by dividing the population size (i.e. 1607) by the number of clusters (i.e. 13). Therefore, the elements per cluster would be 123.6. Finally the number of cluster was determined by dividing the determined sample size (310) by the estimated size of a cluster (13), which were 2.5 clusters or states. Based on the calculation, 3 states in Peninsular Malaysia were randomly selected. If the number of sample does not meet the determined sample size then an additional state need to be randomly selected. With regards to this study, 3 states were randomly chosen. They were Penang (157), Negeri Sembilan (66), and Wilayah Persekutuan (312).

3.7 Variables and Measures

3.7.1 Psychological Empowerment

The psychological empowerment measures that were used in this study are based from the instruments developed by Spreitzer (1992, 1995). The four-factored psychological empowerment construct is operationalized by twelve items. The four factors or dimensions are meaning, competency, self determination and impact.

These dimensions are basically introduced by Thomas and Velthouse (1990) but they are not validated empirically.

Spreitzer extracted the meaning scale from Tymon's meaningfulness scale ($\alpha = 0.72$). The competence scale was adapted from Jones's ($\alpha = 0.71$) and Coppel's ($\alpha = 0.91$). The self-determination scale was adapted from Hackman's and Oldham's autonomy scale ($\alpha = 0.66$). Impact was adapted from Ashforth's helpness scale ($\alpha = 0.87$). Since then, many researchers have utilized these measures, so the validity and reliability had been strengthened. For example, the Cronbach Alpha coefficients for the scales used by Ergeneli et al. (2007) are as follows: psychological empowerment ($\alpha=0.90$), meaning ($\alpha=0.83$), competence ($\alpha=0.84$), self-determination ($\alpha=0.78$), and impact ($\alpha=0.88$). While study in a local context by Samad (2007) gives an overall alpha coefficient of 0.93.

A Likert-type scale enables the respondents to evaluate each item by providing five alternatives, scoring from 1 (strongly disagree) to 5 (strongly agree). Each of the four dimensions in the scale was measured by three items. Examples of items for psychological empowerment are "The work that I do is very important to me" (meaning), "I am confident about my ability to do my job" (competence), "I have significant autonomy in determining how I do my job" (self determination), and "My impact on what happens in my department is large" (impact).

Table 3.2

Measurement of Psychological Empowerment

| VARIABLES | CONCEPTUAL DEFINITION | ITEMS |
|----------------------------------|--|--|
| Psychological Empowerment | <p>Psychological empowerment is conceptualized as intrinsic motivation manifested in four cognitions reflecting an individual's orientation to his or her work role. The four cognitions are meaning, competence, self-determination and impact. Meaning is a fit between requirement of work role a person's belief, values and behavior. Competence is self-efficacy specific to work. Self-determination is a sense of choice, which reflects autonomy. Meanwhile, impact is considered as the degree to which a person can influence strategic, administrative, or operating outcomes at work (Spreitzer, 1995).</p> | <ol style="list-style-type: none"> 1. The work that I do is very important to me. 2. My job activities are very personally meaningful to me. 3. The work I do is meaningful to me. 4. I have significant autonomy in determining how I do my job. 5. I can decide on my own how to go about doing my work. 6. I have considerable opportunity for independence and freedom in how I do my job. 7. I am confident about my ability to do my job. 8. My job is well within the scope of my abilities. 9. I have mastered the skills necessary for my job. 10. My impact on what happens in my department is large. 11. I have a great deal of control over what happens in my department. 12. I have significant influence over what happens in my department. |

3.7.2 The Antecedents factors

There are three variables which are considered as the antecedents variables of psychological empowerment in this study. They are perceived transformational leadership style of the leader, organization structure, and job characteristics.

3.7.2.1 Transformational leadership style

Bass (1995) definition of transformational leadership has four dimensions; idealized influence (also known as charismatic), inspirational motivation, intellectual stimulation and individualized consideration. Idealized influence refers to the socialized charisma of a leader (attributed) and the charismatic actions of the leader (behavior). Idealized influence (attributed) is when followers feel trust, admiration, loyalty and respect for the leader. While, idealized influence (behavior) dimension is when individuals transcend their self-interest for the sake of organization and develop a collective sense of mission and purpose. Inspirational motivation refers to the way in which transformational leaders energize their followers by articulating a compelling vision of the future, thus creating enthusiastic excitement, raising followers' expectations, and communicating confidence so that followers can achieve ambitious goals. Intellectual stimulation refers to the way in which transformational leaders question the status quo, appeal to followers' intellect, stimulate them to question their assumptions, and to invite innovative and creative solutions to problems. Individualized consideration refers to leadership behavior that contributes to followers' satisfaction by paying close attention to the individual needs

of the followers, acting as a mentor or coach, and enabling them to develop and self-actualize.

The measures for transformational leadership are based on twenty items measures developed by Bass and Avolio (1995). The questionnaire describes the leadership style of the supervisor or leader and the respondents should response to each statement accordingly. Examples of the items of transformational leadership using the latest version of Multifactor Leadership Questionnaire (MLQ-5X) that were used for this study are: The person I am rating. “Talks about his/her most important values and beliefs” (idealized influence), “Talks optimistically about the future” (inspirational motivation), “Seek differing perspectives when solving problems” (intellectual stimulation), and “Treats me as an individual rather than just as member of a group” (individual consideration). A study by Mat (2008) shows a reliability coefficient of 0.84 for idealized influence, 0.81 for individualized consideration, and 0.78 for inspirational motivation. Meanwhile Bono and Judge (2003) reported an average of 0.77 for each dimension of transformational leadership.

Table 3.3

Measurement of Transformational Leadership

| VARIABLES | CONCEPTUAL DEFINITION | ITEMS |
|------------------------------------|---|---|
| Transformational Leadership | The transformational leadership style comprises a leader's idealized attitude, idealized behavior, inspirational motivation, intellectual stimulation, and individualized consideration (Bass, 1985). | <ol style="list-style-type: none"> 1. Instill pride in me for being associated with him/her. 2. Goes beyond self-interest for the good of the group 3. Acts in ways that builds my respect for him/her 4. Displays a sense of power and confidence 5. Talks about his/her most important values and beliefs. 6. Specifies the importance of having a strong sense of purpose. 7. Considers the moral and ethical consequences of decisions. 8. Emphasizes the importance of having a collective sense of mission. 9. Talks optimistically about the future. 10. Talks enthusiastically about what needs to be accomplished. 11. Articulates a compelling visions of the future. 12. Expresses confidence that goals will be achieved. |

Table 3.3 9Continued)

| VARIABLES | CONCEPTUAL DEFINITION | ITEMS |
|-----------|-----------------------|---|
| | | <p>13. Re-examines critical assumptions, to question whether they are appropriate.</p> <p>14. Seek differing perspectives when solving problems</p> <p>15. Gets me to look at problems from many different angles</p> <p>16. Suggest new ways of looking at how to complete assignments.</p> <p>17. Spend time teaching and coaching subordinates</p> <p>18. Treat me as an individual rather than just as a member of a work group</p> <p>19. Considers me as having different needs, abilities, and aspirations from others</p> <p>20. Helps me develop my strength</p> |

3.7.2.2 Organization structure

The characterization of the organization structure is based on the theory of mechanistic-organic structure introduced by Burn and Stalker (1961) as cited in Zanzi (1987). A mechanistic type of organizational structure is characterized by centralization of power where management adopted a control-oriented type of structure. Centralized decision making and adherence to formalized organizational

policies, procedures, and practices are means that control the organization. On the other hand, organic structure provides a flexible system. The flexible structure is achieved through decentralized decision making and less formalized policies, procedures and practices. Besides decentralized decision making, those with organic structure also emphasize teamwork and open communication (Nelson & Quick, 2006).

Consistent with Spreitzer (1992) and Chan (2003), this study would also adopt Zanzi's(1987) operationalization to measure the characteristics of a working unit within the organization. The aggregated score of the six items measures the characteristics of a unit as a continuum with a perception of the unit as highly mechanistically structured on the lower end of the scale, and highly organically structured on the upper end. Individuals are required to evaluate their perceptions of their working unit as mechanistic or organic, based on a six item instrument. Examples of questions are: "Goals are well defined for total unit" and "Lines of authority are precisely defined". Reliability coefficient for the measures is 0.81 both by (Chan, 2003) and (Spreitzer, 1995b).

Table 3.4
Measurement of Organization Structure

| VARIABLES | CONCEPTUAL DEFINITION | ITEMS |
|---------------------------------|--|--|
| Organizational Structure | Organizational structure refers to the two structural extremes proposed by Burn and Stalker (1961); mechanistic and organic structure. The mechanistic and organic structures are the opposite ends of a continuum of organizational design possibilities. Organization with mechanistic structure is considered as rigid compared to organic structure which emphasizes more flexible tasks, open communication, and decentralized decision making. | <ol style="list-style-type: none"> 1. Goals are well defined for total unit. 2. Lines of authority are precisely defined. 3. Communications on job related matters are predominantly vertical. 4. Most tasks performed at the lower levels of the total units are well defined. 5. Routine solutions exist to perform many tasks. 6. It is relatively easy to predict in advance how each job is to be performed |

3.7.2.3 Job Characteristics

Job characteristics in this study refers to Hackman and Oldham (1976) job characteristics model. Job characteristics are defined as skill variety, task identity, task significance, autonomy, and feedback. Hackman and Oldham posited that these five characteristics affect individuals' psychological states experienced meaningfulness of the work, experienced responsibility of work outcomes, and knowledge about the results of their work activities.

Five dimensions of job characteristics of the respondents' current jobs are measured using the Job Diagnostic Survey (JDS) developed by Hackman and Oldham (1980). The 15-items of job characteristics are measured using the five Likert scale questionnaires with the value such very inaccurate (1) to (5) very accurate. Examples of each item of job characteristics that covered the five dimensions; skill variety, task identity, autonomy, job feedback and task significance are: "How much variety is there in you job?" (skill variety), "To what extent does your job involve doing a *whole* an identifiable piece of work?" (task identity), "How much autonomy in your job?" (autonomy), "In general, how significant or important is your job?" (task significance), and "To what extent does doing the job itself provide you with information about your work performance?" (feedback). Dewettinck and Buyens (2006) in their study give a cronbach alpha of 0.76 for job characteristics.

Table 3.5
Measurement of Job Characteristics

| VARIABLES | CONCEPTUAL DEFINITION | ITEMS |
|----------------------------|---|--|
| Job characteristics | Job design in this study refers to Hackman and Oldham (1976) job characteristics model. Job characteristics are defined as skill variety, task identity, task significance, autonomy, and feedback. | 1. How much variety is there in your job? That is, to what extent does the job require you to do many different things at work, using a variety of your skills and talents? 2. The job requires me to use a number of complex or high-level skills. 3. The job is quite simple and repetitive. * 4. To what extent does your job involve doing a "whole" an |

Table 3.5 (Continued)

| VARIABLES | CONCEPTUAL DEFINITION | ITEMS |
|-----------|-----------------------|---|
| | | <p>identifiable piece of work? That is, is the job a complete piece of work that has an obvious beginning and end? Or is it only a small part of the overall piece of work, which is finished by other people or by automatic machines?</p> <p>5. The job is arranged so that I do not have the chance to do an entire piece of work from beginning to end.*</p> <p>6. The job provides me the chance to completely finish the pieces of work I begin.</p> <p>7. How much autonomy in your job? That is, to what extent does your job permit you to decide on how to go about doing the work?</p> <p>8. The job denies me any chance to use my personal initiative or judgement in carrying out the work.*</p> <p>9. The job gives me considerable opportunity for independence and freedom in how I do the work.</p> |

Table 3.5 (Continued)

| VARIABLES | CONCEPTUAL DEFINITION | ITEMS |
|-----------|-----------------------|--|
| | | <p>10. In general, how significant or important is your job? That is, are the result of your work likely to significantly affect the lives or well being of other people?</p> <p>11. This job is one where a lot of other people can be affected by how well the work gets done.</p> <p>12. The job itself is not very significant or important in the broader scheme of things.</p> <p>13. To what extent does doing the job itself provide you with information about your work performance? That is, does the actual work itself provide clues about how well you are doing aside from any “feedback” co-workers or supervisors may provide?</p> <p>14. Just doing the work required by the job provides many chances for me to figure out how well I am doing.</p> <p>15. The job itself provides very few clues about whether or not I am performing well.*</p> |

(*) negatively worded items

3.7.3 Outcome Variable

3.7.3.1 Job Involvement

Job involvement is operationalized as the extent to which the individuals identify psychologically with his or her job (Kanungo, 1982). It is also defined as a cognitive belief state reflecting the degree of psychological identification with one's job. Job involvement is assessed using the 10-item index developed by Kanungo (1982) to measure the degree to which the individual identifies with his or her present job. Kanungo (1982) reported evidence supporting the reliability and validity of this measure. The reliability coefficient of the scale based on data from 703 respondents is 0.87. While Carmeli (2003) reported a cronbach alpha of 0.82, Boon et. al., (2009) who did a study on job involvement among Malaysian semiconductor contract manufacturing organization stated a cronbach alpha of 0.76.

Later are a few examples of statements which indicate individual's level of job involvement. Respondents can response by using 5-point Likert scale from strongly agree to strongly disagree. For examples, "To me, my job is only a small part of who I am" and "I am very much involved personally in my job".

Table 3.6
Measurement of Job Involvement

| VARIABLES | CONCEPTUAL DEFINITION | ITEMS |
|------------------------|--|--|
| Job involvement | Job involvement is defined as the extent to which the individuals identify psychologically with his or her job (Kanungo,1982). | <ol style="list-style-type: none"> 1. I like to be absorbed in my job most of the time. 2. The most important things that happen to me involve my present job. 3. To me, my job is only a small part of who I am. 4. I am very much involved personally in my job. 5. I live, eat, and breath my job. 6. Most of my interests are centered around my job. 7. I have very strong ties with my present job which would be very difficult to break. 8. Usually I feel detached from my job 9. Most of my personal life goals are job-oriented. 10. I consider my job to be very central to my existence |

3.7.4 Moderating Variable

3.7.4.1 Trust

The instrument contains 21 items to assess three dimensions of trustworthiness (in this case referred to as trust); i.e ability, benevolence, and integrity Mayer et al. (1995). A seven point Likert-type scale evaluates the responses ranging from 1 (strongly disagree) to 7 (strongly agree). Examples of question to indicate subordinates' the level of trust for the top management are: "Top management is very capable of performing its job" (ability), "Top management is very concerned about my welfare." (benevolence), and "Sound principles seem to guide top management's behavior" (integrity).

Table 3.7
Measurement of Trust

| VARIABLES | CONCEPTUAL DEFINITION | ITEMS |
|--------------|---|--|
| Trust | Trust here refers as the expectation or trustworthiness that the other party will perform a particular action important to the trustor, irrespective of | 1. Top management is very capable of performing its job. 2. Top management is known to be successful at the things it tries to do. 3. Top management has much knowledge about the work that needs done |

Table 3.7 (continued)

| | | |
|--|---|---|
| | <p>the ability to monitor or control that other party (Mayer et al., 1995).</p> | <p>4. I feel very confident about top management's skill.</p> <p>5. Top management has specialized capabilities that can increase our performance.</p> <p>6. Top management is well qualified.</p> <p>7. Top management is very concerned about my welfare</p> <p>8. .My needs and desires are very important to top management.</p> <p>9. Top management would not knowingly do anything to hurt me.</p> <p>10. Top management really looks out for what is important to me.</p> <p>11. Top management will go out of its way to help me.</p> <p>12. Top management has a strong sense of justice</p> <p>13. I never have to wonder whether top management will stick to its word.</p> <p>14. Top management tries hard to be fair in dealings with others.</p> <p>15. Top management's action and behaviours are not very consistent.</p> <p>16. I like top management's value.</p> |
|--|---|---|

Table 3.7 (Continued)

| VARIABLES | CONCEPTUAL DEFINITION | ITEMS |
|-----------|--------------------------|---|
| | | <p>17. Sounds principles seem to guide top management's behaviour.</p> <p>18. If I had my way, I wouldn't let top management have any influence over issues that are important to me.</p> <p>19. I would be willing to let top management have complete control over my future in this company.</p> <p>20. I really wish I had a good way to keep an eye on top management.</p> <p>21. I would be comfortable giving top management a task or problem which was critical to me, even if I could not monitor their actions</p> |

3.8 Questionnaires Design

The questionnaire consists of four sections. The first section A is further divided into three parts: questions aim to measure the perception of the respondents on the antecedents or the organizational contextual variables such as transformational leadership, job characteristic, and organizational structure. Section B consists of questions regarding the level of psychological empowerment and respondents' level

of job involvement. Section C consists of items for the measurement on trust. The last section, Section D consists of questions to gather information about the profile of the respondents, such age, gender, tenure, education background.

Table 3.8
Layout of the Questionnaire

| Section | Variables | No. of dimensions /Items | Scale | Past Studies Sources |
|----------|-----------------------------|--------------------------|-----------------------|-------------------------------|
| A | Antecedents: | | | |
| | Transformational leadership | 4 / 20 | 1-5 Likert-type scale | MLQ (5X) (Bass &Avolio, 1995) |
| | Organizational structure | 6 | 1-5 Likert-type scale | Burn and Stalker (1961) |
| | Job characteristic | 5 / 15 | 1-5 Likert-type scale | Hackman and Oldham (1980) |
| B | Psychological empowerment | 4 / 12 | 1-5 Likert-type scale | Spreitzer (1995) |
| | Job Involvement | 10 | 1-5 Likert-type scale | Kanungo (1988) |
| C | Trust | 3 / 21 | 1-7 Likert-type scale | Mayer et al. (1995) |
| D | Demographic | | | |

3.9 Data Collection Method

In order to test the hypotheses developed previously, a cross sectional empirical study was carried out. A questionnaire was self-administered in order to carry out the survey on the managerial level of the banking sector throughout Peninsular

Malaysia. Once the respondents have been identified, the questionnaires were distributed personally by researcher.

Accompanying the questionnaire was a cover letter from the researcher requesting a prompt response and research contract promising complete anonymity. This should be done to increase the motivation of informants to cooperate without fear of potential reprisals. In addition, respondents were assured that there is no right and wrong answers and they should answer all questions as honest as possible. All respondents were given 2 weeks to complete the questionnaire and were asked to mail the completed questionnaires to the researcher using the pre-stamped envelopes enclosed. However, due to poor respond, researcher decided to collect the completed questionnaires personally. The respondents were given the maximum of two weeks to respond to the questionnaire. Some of them responded immediately on the same day, some asked to come a few days later. There were times when the respondents promised to mail the answered questionnaires to researcher. For such cases, researcher expected them to complete the questionnaires and mail them to researcher using the enclosed self-addressed envelopes by the end of the second week. However, if researcher did not receive the questionnaires as promised, they were considered as non-responded.

3.10 Pretest

Pretesting was conducted using a small sample of respondents with characteristics similar to the aimed population. During pretest, data were collected from respondents similar to the actual study, which serves as a guide to see if the selected

approach and method will work as intended (Zikmund et al., 2010). In the first phase, questionnaire items were pretested for face validity on three chosen academicians and two bank officers/managers. As suggested by Gay and Diehl (1996, p 247) two to three people should performed the pretesting of questionnaire before being used in the actual study in order to detect any deficiency and to provide suggestions for improvement. Meanwhile Hair et al. (2007, p.278) suggested 4 to 30 people as an appropriate pretest sample. They were asked to evaluate the items for readability, accuracy of words, clearness of questions as well as adequacy of the items used for concept measurement in the questionnaire.

3.11 Statistical Techniques

For the purpose of data analysis and hypotheses testing, several statistical tools and techniques were utilized. This study used different statistical tools represented by SPSS version 18.0 and SEM-PLS (Partial Least Square) version 2.0. Furthermore, this study used a combination of both descriptive and inferential statistics method. While the former method helped this study in summarizing the obtained data by describing the characteristics of the respondents, the later was used to test the hypothesized relationships presented in the research framework.

3.11.1 Preliminary Analysis and Descriptive Statistics

Descriptive analysis refers to the transformation of raw data into a form that would provide information to describe a set of factors in a situation that will make them easy to understand and interpret (Sekaran, 2003; Zikmund, 2000). This analysis will

give a feel for data through the frequency distribution, central tendency, and dispersion. Descriptive statistic such as means, range, standard deviation, and variance will be obtained for the interval-scaled independent and dependent variables.

Prior to this analysis, preliminary analysis (treatment of missing value and outliers) were carried out. The missing value or missing data occurs when omits or refuse to answer certain questions. For this study, missing value was treated by replacing it with mean value. Since the number of data with missing value is small (less than five percents) it is suitable to use mean replacement method (Hair, Black, Babin, and Anderson, 2010).

Outliers in the data set are the extreme response given by the respondents towards the variables which could falsify the result (Tabachnik & Fidel, 2007). The univariate outliers were identified by using histogram, box plots and standardized z score. On the other hand, the multivariate outliers were examined through SPSS by using the Mahalanobis distance for each respondent. If the Mahalanobis score is greater than the critical value, the case is considered as outliers and will be removed from further analysis.

3.11.2 Partial Least Squares Structural Equation Modelling (PLS-SEM)

SEM is one of the most powerful statistical tools in the area of social science that has the ability to test several relationships simultaneously (Hair et al., 2010). Even though, covariance-based approach (CB-SEM) such as AMOS have been a focused

by previous researches (Hair, Sarstedt & Ringle, 2012), however, a variance-based approach or PLS-SEM with a distinctive methodological features make it a possible alternative to the more popular CB-SEM approach (Henseler, Ringle & Sinkovics, 2009).

PLS-SEM has become popular for a number of reasons. Urbach and Ahleman (2010) review on several arguments why PLS is used by most researchers. Among them are that PLS makes fewer demands regarding sample size as compare to other method, PLS does not require normal-distributed input data, can be applied to complex structural equation models with large number of constructs, also able to handle both reflective and formative constructs. PLS is especially useful when the main objectives of applying the structural modeling are prediction and explanation of a construct (Hair et al., 2014).

PLS-SEM is similar to using multiple regression analysis. The main objective is to maximize variance explained in the dependent constructs and to also evaluate the data quality on the basis of measurement of model characteristics. For the purpose of this study, researcher decided to use PLS-SEM on the conditions that PLS-SEM is more flexible; it makes minimal demands on the sample size and able to cater to complex structural model. In addition, the model of this study consists of reflective and formative construct. Furthermore, the objectives of this study are to make prediction among the constructs. The justification for using Partial Least Square (PLS) for the data analysis was further supported by Golami et.al. (2013). According to them it is especially useful when one dependent variable becomes an independent variable in subsequent relationships and it does not involve assumptions of

homogeneity in variances and covariances of the dependent variable. It also can simultaneously test the structural and the measurement models, providing a more complete analysis for the inter-relationships. Therefore, the Smart PLS M2 Version 2.0 and two-step analysis approach is used to analyze the data. Also a bootstrapping method (500 resamples) is used to determine the significance levels of the loadings, weights, and path coefficients.

3.11.3 Assessing the Measurement Model (Outer Model)

Initially, model assessment focuses on the measurement models. Examination of PLS-SEM estimates enables the researcher to evaluate the reliability and validity of the construct measures. Since there are two types of measurement models, each should be treated differently. The reflective mode has arrow pointing from the construct to the observed indicators in the measurement model. If the construct changes, all items in the measurement model are changed too. Therefore, all indicators are highly correlated. On the other hand, formative mode has arrows pointing from the indicators in the measurement model to the constructs. In other words it means that all indicators together form the construct. Since formative indicators represent independent sources of the construct's content, they should not be highly correlated. The differences between reflective and formative construct is illustrated in Figure 3.2

To examine the reliability and validity for both reflective and formative construct, Hair et al. (2011) mentioned that certain evaluation should be carried out as presented in Table 3.9.

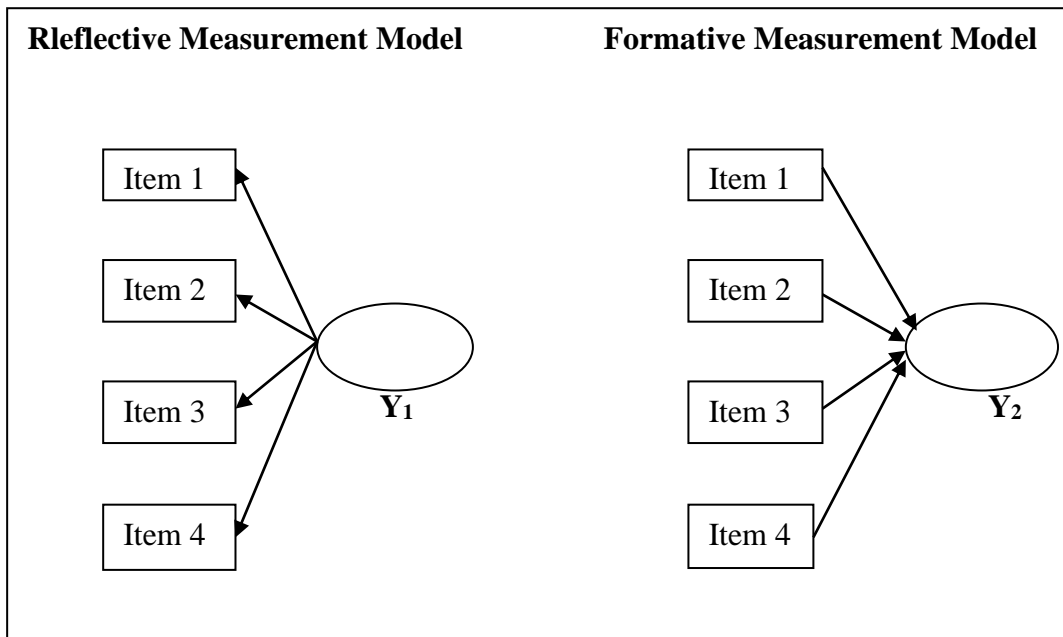


Figure 3.2
Difference between Reflective and Formative Measurement Model

Table 3.9
Assessing Measurement Model

| Criterion for <u>Reflective</u> Measurement Model: | Description |
|--|---|
| <ul style="list-style-type: none"> Composite reliability (Internal consistency) | Composite reliability (CR) should be higher than 0.7 |
| <ul style="list-style-type: none"> Indicator reliability | Indicator loadings should be higher than 0.5 |
| <ul style="list-style-type: none"> Convergent Validity (average variance extracted) | Average variance extracted (AVE) should be higher than 0.5 |
| <ul style="list-style-type: none"> Discriminant validity | The AVE of each latent construct should be higher than the construct's highest squared correlation with any other latent construct (Fornell-Larcker criterion) |
| <ul style="list-style-type: none"> Cross Loadings | Cross loadings offer another check for discriminant validity. If an indicator has higher correlation with another latent variable, the appropriateness of the model should be reconsidered. |

Table 3.9 (Continued)

| Criterion for <u>Formative</u> Measurement Models: | Description |
|---|---|
| <ul style="list-style-type: none"> • Convergent validity | Convergent validity is examined by looking at its correlation with an alternative measure of the construct, using reflective measures. The correlation should be 0.80 or higher |
| <ul style="list-style-type: none"> • Collinearity among indicator | variance inflation factor (VIF) is used as an indicator of multi-collinearity, with a suggested cut off value of 5 |
| <ul style="list-style-type: none"> • Significance and relevance of outer weights | Use bootstrapping to assess their significance. The t-values are calculated to assess each indicator weight's significance |

Source: Hair et al., 2014

With regard to internal consistency, composite reliability is preferred over Cronbach's Alpha in order to overcome some of the limitations using Cronbach's Alpha (Anderson & Gerbing, 1988). The main limitation is that it assumes equal reliabilities of all items. Composite reliability provides a better estimate of variance shared by the respective indicators (Hair, Anderson, Tatham, & Black, 2006).

3.11.4 Assessing the Structural Model (Inner Model)

A reliable and valid outer model estimates then permit an evaluation of inner path model estimates or structural model. Assessment of the structural model results enables the researcher to determine how well empirical data support the theory/concept and therefore to decide if the researcher's theory/concept has been

empirically confirmed (Hair et al., 2014, p167-168). The key criteria for assessing the structural model are as shown in Table 3.10.

Table 3.10
Assessing Structural Model

| Criteria | Description |
|---|--|
| <ul style="list-style-type: none"> Significance for path coefficient | <p>The estimates obtained for the structural model relationship (i.e. path coefficient) should have standardized values between -1 and +1. Path coefficient close to +1 represent strong positive relationships (and vice versa for negative values) and usually significant. Path coefficients close to 0 are usually nonsignificant.</p> |
| <ul style="list-style-type: none"> Coefficient of determination (Level of R^2 values) | <p>R^2 value ranges from 0 – 1 with higher levels indicating higher level of predictive accuracy. R^2 values of 0.75, 0.50, or 0.25 can be described as substantial, moderate, or weak, respectively.</p> |
| <ul style="list-style-type: none"> The f^2 effect size | <p>Effect size (f^2) is the change in R^2 value when specified exogenous construct is omitted from the model. It can be used to evaluate whether the omitted construct has a substantive impact on the endogenous constructs. f^2 values of 0.02, 0.15, or 0.35 can be viewed as whether a predictor latent variable has a weak, medium, or large effect (Cohen, 1988).</p> |

Table 3.10 (Continued)

| | |
|--|---|
| <ul style="list-style-type: none"> • Predictive relevance (Q^2 and q^2) | <p>The Q^2 value is obtained by using blindfolding procedure. It is only applied to endogenous constructs that have a reflective measurement model specification as well as to endogenous single-item construct. Q^2 values larger than 0 suggest that the model has predictive relevance for a certain endogenous construct.</p> |
|--|---|

3.12 Summary

This chapter describes the underpinning theory and hypotheses development related to the research framework. It also describes the methodology used, which includes research design, population and sampling, the measurement of the variables, survey instrument, sampling, data collection strategies and methods of data analysis to answer the research questions.

CHAPTER FOUR

FINDINGS

4.1 Introduction

This chapter presents the data analysis process and results of the study. Firstly, the chapter describes the response rate and the demographic profile of the respondents which includes gender, age, education level, and job tenure. This is followed by the data analysis specifically on the goodness of measures which assesses the validity and reliability of the study variables. Next, the results of the study particularly, the relationship between the predictors and criterion variables involved are reported. Finally, the results of the hypotheses testing are presented.

4.2 Response Rate

A total of 400 questionnaires were distributed to bank managers in three states (Penang, Negeri Sembilan, and Wilayah Persekutuan) which were randomly selected through the cluster sampling technique as stated in the methodology chapter. The data collection was carried out between June 2012 and February 2013, where from the 400 questionnaires distributed, only 164 (41.0%) were returned. Later, after an inspection out of 164 questionnaires only 151 were usable, giving a response rate of 37.8 %. Specifically, from the 164 questionnaires returned, 13 were excluded because found

to be non-usable, while four questionnaires were incomplete. The rest nine questionnaires were excluded because it was responded by non-managers, thus, were not included in the data analysis.

The response rate considered low but still acceptable which is supported by Daniel Soper's G power test analysis which states that 151 responses are good enough for the present study. This approach relies on the path leading to an endogenous variable and the desired confidence interval and effect size. In this study, to reach a statistical power of 95 %, the recommended sample size was 129 (please refer Appendix F). Therefore, the sample size (n=151) used for analysis in this study is considered enough to achieve an adequate level of statistical power in PLS since it is above the minimum requirement as suggested by the test. Furthermore the sample of 151 is adequate because PLS-SEM is an appropriate technique for model testing with small sample size (Hair et al., 2011). Table 4.1 summarizes the distribution of questionnaires in the study.

Table 4. 1

Questionnaires distribution

| Response Rate | |
|----------------------------|-------|
| Questionnaires Distributed | 400 |
| Returned and Usable | 151 |
| Returned and Unusable | 13 |
| Not Returned | 236 |
| Response Rate | 41% |
| Usable Response Rate | 37.8% |

4.3 Response Bias

4.3.1 Non Response Bias

In this study, the test for non-response bias was not conducted given the way the data were collected. The method for data collection was a self-administered, whereby the questionnaires were personally delivered to the managers of each participating banks. The respondents were given a maximum of two weeks to respond. If the respondents did not give any feedback after two weeks, they were considered as non-respondent. Therefore, the test for deviations between the respondents and non-respondents was not employed as all the participating respondents returned the questionnaires within the predetermined time.

4.3.2 Common Method Variance

Common method variance (CMV) refers to variance attributable to measurement method rather than to the construct of interest (Fiske, 1982; Podsakoff et al., 2003). This variance is a potential problem in research when the same person provides self-report data for the items measuring the dependent and independent variables.

Following the recommended statistical diagnosis for CMV, this study conducted Harman's single factor test to ensure that the CMV does not present in the data. The test was performed through the exploratory factor analysis with unrotated factor solution using SPSS. From the analysis, it was revealed that nineteen factors explaining 76.95 % of the variance, with the first factor accounted for 24.56 % of this

total 76.95%. Therefore, neither a single factor emerged, nor one general factor accounted for the majority of the total variance. Hence, the data in this study indicates that common method variance assumptions is not violated. The result for this test can be referred in Appendix E.

4.4 Profile of Respondents

Table 4.2 provides a summary of the distribution of samples on demographic characteristics (N=151). Majority (53%) of the respondents were female and having diploma (54.3%). They were aged between 31 to 50 years and working in the current position for not more than 10 years (92.7%), while being in the industry ranging from 11 to 20 years (43.7%).

Table 4.2
Profile of Respondents

| Variables | Categories | Frequency | (%) |
|----------------------------------|--------------------|-----------|------|
| Gender | Male | 71 | 47.0 |
| | Female | 80 | 53.0 |
| Age | 21-30 | 31 | 20.5 |
| | 31-40 | 55 | 36.4 |
| | 41-50 | 54 | 35.8 |
| | Above 50 | 11 | 7.3 |
| Education | 1- master & higher | 21 | 13.9 |
| | 2 - degree | 30 | 19.9 |
| | 3 - diploma | 82 | 54.3 |
| | 4 - spm/stpm | 16 | 10.6 |
| | nr | 2 | 1.3 |
| Years in current position | 1 -10 | 140 | 92.7 |
| | 11- 20 | 7 | 4.6 |
| | 21 – 30 | 3 | 2.0 |
| | nr | 1 | 0.7 |
| Years in industry | 1 -10 | 52 | 34.4 |
| | 11- 20 | 66 | 43.7 |
| | 21 - 30 | 27 | 17.9 |
| | 31 - 40 | 6 | 4.0 |

4.5 Descriptive Analysis

Descriptive analysis was carried out in SPSS. The analysis provides some information regarding the distribution of continuous variable scores (Pallant, 2010). Table 4.3 presents the descriptive analysis for each variable. The results of the analysis show that the respondents' perceived that their supervisors were displaying transformational leadership style ($M=3.656$). The mean score for idealized influence is 3.74, which is the highest score among the transformational leadership dimensions. They also perceived that their organizations as having an organic structure ($M=3.757$) and the mean score for job characteristics is considered to be moderately high ($M=3.650$). The score implies that they perceived their job as meaningful and important since the mean score on task significance and skill variety, are 3.88 and 3.78 respectively. Besides that, the mean score for job involvement is considered to be moderately high ($M=3.373$), while the mean score for psychological empowerment ($M=3.873$) indicated that employees feel a considerably high degree of psychological empowerment in their job. Meaning and competence are two components of psychological empowerment with high scores, which is 4.0 and 3.9 respectively. Trust shows the lowest mean score of 4.32 on 7 point Likert scale, while ability was 4.79, followed by integrity at 4.17, and benevolence to be 4.0.

Table 4.3
Descriptive statistics for the studied variables

| Variables | Mean | Std. Deviation | Scale |
|--------------|-------|----------------|---|
| TL | 3.656 | .565 | 1= Strongly Disagree, 5= Strongly Agree |
| TLii | 3.754 | .535 | |
| TLim | 3.733 | .638 | |
| TLis | 3.625 | .669 | |
| TLic | 3.512 | .721 | |
| OS | 3.757 | .557 | 1=Strongly Disagree, 5 = Strongly Agree |
| JI | 3.373 | .638 | 1= Strongly Disagree, 5= Strongly Agree |
| JC | 3.650 | .418 | 1= Very Inaccurate, 5 = Very Accurate |
| JCa | 3.662 | .606 | 1= Very Little, 5 = Very Much |
| JCsv | 3.781 | .692 | |
| JCfb | 3.564 | .621 | |
| JCts | 3.882 | .640 | |
| JCtid | 3.364 | .620 | |
| Trust | 4.324 | 1.084 | 1= Strongly Disagree, 7= Strongly Agree |
| TRi | 4.165 | 1.202 | |
| TRA | 4.787 | 1.155 | |
| TRB | 4.021 | 1.205 | |
| PE | 3.873 | .518 | 1= Strongly Disagree, 5= Strongly Agree |
| PEm | 4.024 | .698 | |
| PEimp | 3.717 | .678 | |
| PEsd | 3.790 | .650 | |
| PEc | 3.961 | .603 | |

4.6 Goodness of Measurement Model

The goodness of measurement is assessed for the purpose of confirming the reliability and validity of the measurement items. In PLS, there are two-staged process involved in order to determine the goodness of measurement (Chin, 1998; Henseler, Ringle & Sinkovics, 2009). First, the assessment of the reliability and validity of the

measurement model which is the outer model. Secondly, is the assessment of the structural model or the inner model.

The measurement model or the outer model may be depicted by two different measurement, that is reflective and formative mode. The reflective indicators are considered as functions of the latent variable. In other words, the reflective mode is the causal relationship established from the latent variable to observed variables. Reflective indicators are represented as a single headed arrows pointing from latent variable to the observed variables. In PLS-SEM, the associated coefficients for the relationships between latent variable and observed variables are known as outer loadings. Unlike reflective indicator, formative indicators are assumed to cause a latent variable (Urbach & Ahlemann, 2010). Formative indicators are delineated by single headed arrow pointing towards latent variable. The associated coefficients for formative relationships are known as outer weights (Hair et al., 2011). The selection of the outer model, whether to be reflective or formative, is subject to theoretical support (Hair et al., 2011; Henseler et al., 2009; Diamantopoulos & Winklhofer, 2001). Meanwhile, the assessment for structural model or the inner model showed the relationships between latent variables. Explanation on the assessment of the structural model will be on the later part of this chapter. Figure 4.1 illustrated the path model of two different measurement models which consisted of reflective and formative mode; and structural model.

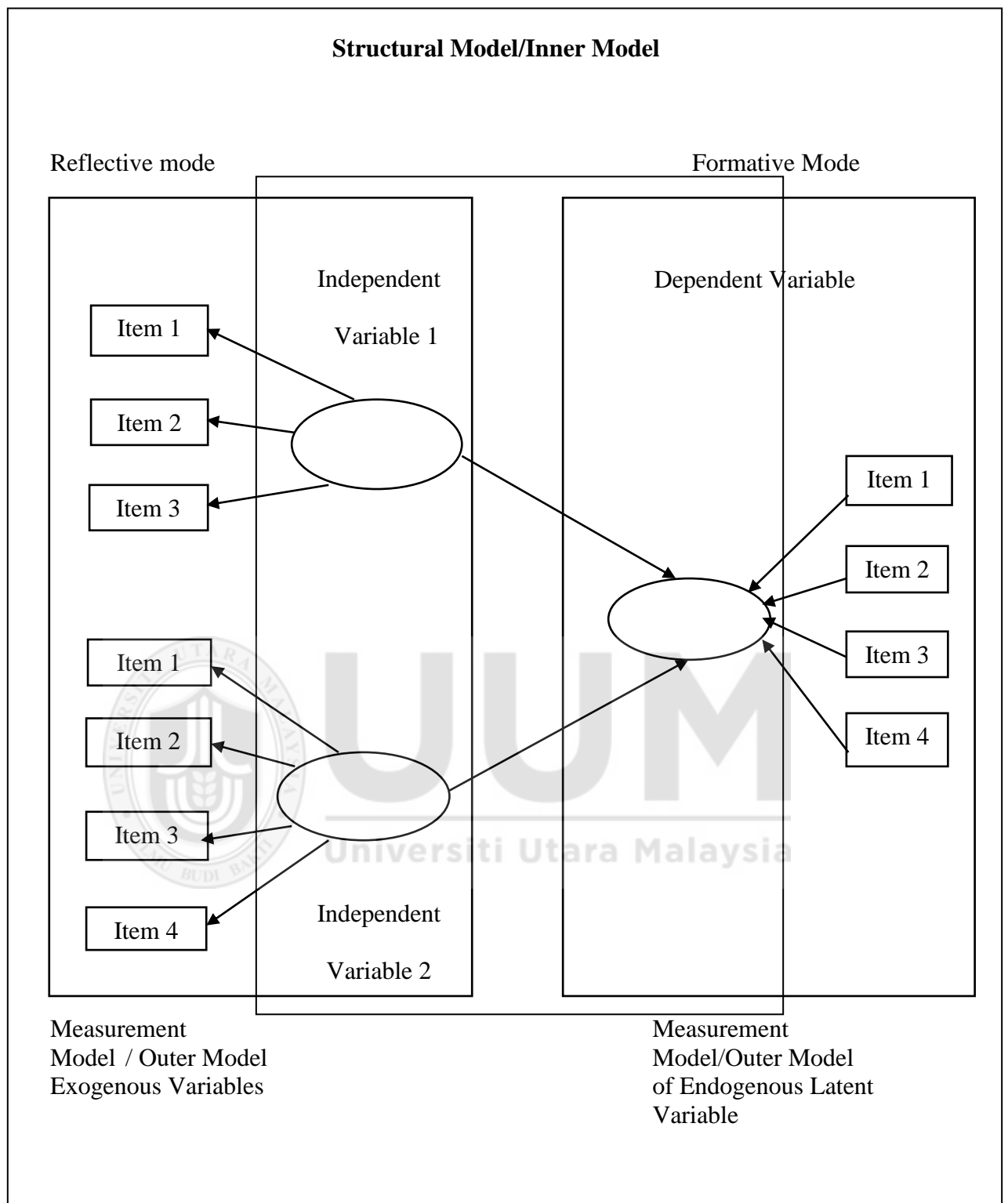


Figure 4.1
Example of a PLS Path Model

This study performed Confirmatory Factor analysis (CFA) to validate the measurement model (outer model) by examining the relationship between items/indicators and their respective underlying construct. Since the model consist of first and second order construct (high order construct), assessing the measurement model included both constructs. The first order construct refers to the relationship between the indicators and its dimensions, while the second order construct refers to the relationship between the dimensions and the latent constructs. In evaluating the measurement model, elements of the model are individually evaluated based on certain quality criteria such as reflective measurement models, formative measurement models and structural model.

The present study proposed a model consisting of determinants/antecedents, focus of study, outcome and moderator. The model hypothesized that transformational leadership (TLia, TLic, TLim, TLis), organic organization structure and job characteristics (JCa, JCfb, JCsv, JCTid, JCTs) are the predictors of psychological empowerment (PEc, PEimp, PEm, PEsd). Thus, psychological empowerment is the focus of this study. The outcome of psychological empowerment is job involvement. Meanwhile trust (TRi, TRC, TRB) is hypothesized to moderate the relationship between transformational leadership, job characteristic, organizational structure and psychological empowerment. Figure 4.2 represent the measurement model for this study.

4.6.1 Construct Reliability and Validity

The reliability of each item/construct is assessed by examining the loadings of the respective items on their respective latent construct (Hulland, 1999) or internal composite reliability. Meanwhile, the construct validity can be measured through convergent (AVE) and discriminant validity (cross loadings).

Convergent validity refers to the degree where multiple items used in the research to measure the same concept are in agreement (Ramayah et al., 2011). Convergent validity of the measures used in this research is examined through outer loadings, the value of average variance extracted (AVE). AVE value of 0.5 and higher should be achieved to prove that the latent variable explains more than half of its indicators' variance (Hair et al., 2011).

Discriminant validity can be defined as a situation when two or more distinctively different concepts are not correlated to one another (Sekaran & Bougie, 2011). The two methods that have been put forward to determine the constructs' discriminant validity are the cross loadings and Fornell-Larcker criterion. In the cross loadings method, the loadings and cross loadings were examined by running the PLS-algorithm analysis. Discriminant validity was ascertained when an indicators loading pertaining to its associated latent construct was higher than all the remaining constructs. Please refer to Table 4.4 for loadings and cross loadings of the constructs. Hair et al. (2011) recommended that indicators with very low loading of 0.4 should always be eliminated from further consideration. If the study has two types of construct; reflective and formative, they should be examined separately.

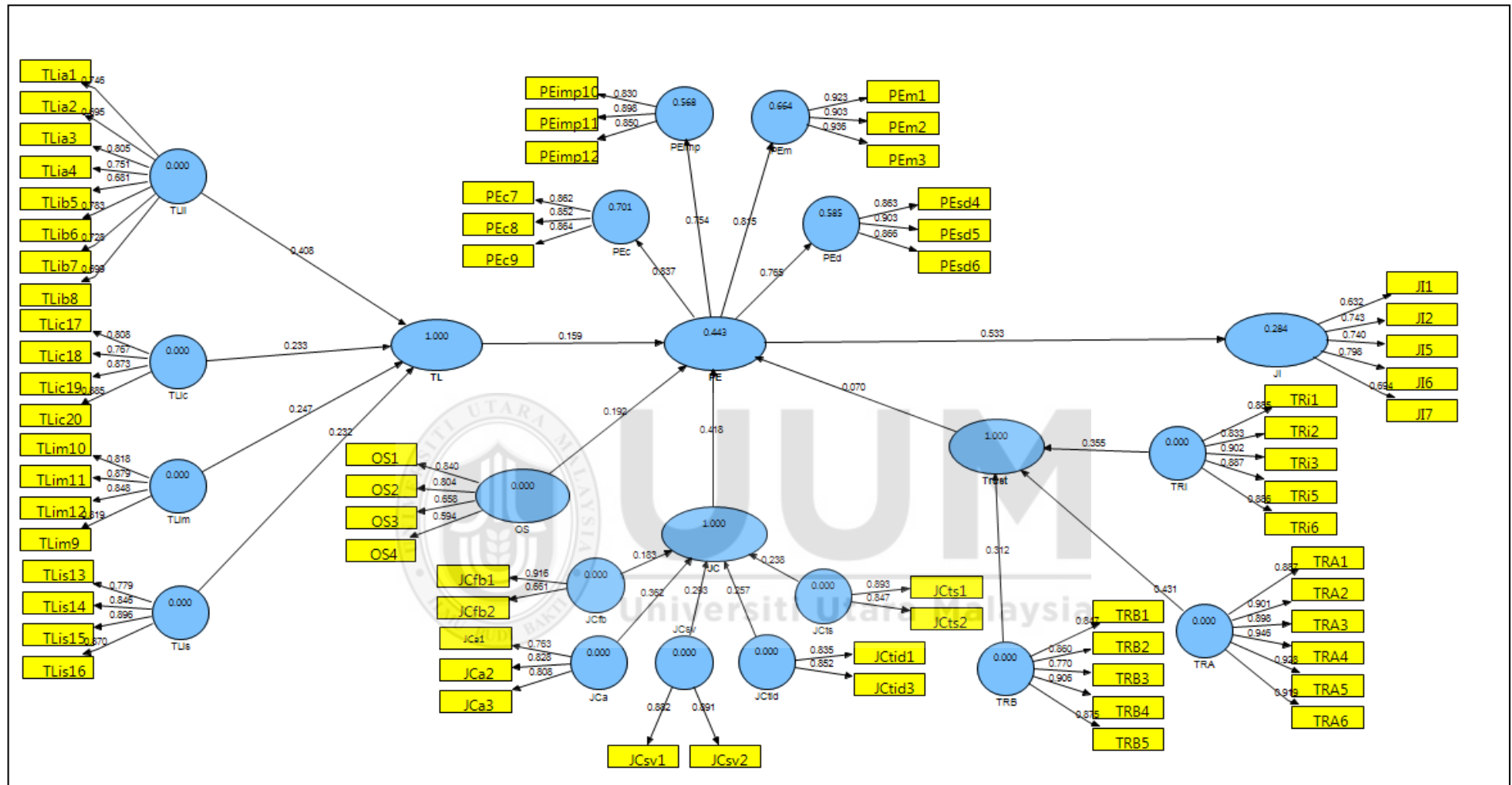


Figure 4.2
Research Model

Note: TL –Transformational Leadership. OS- Organization Structure, JC – Job Characteristics, PE – Psychological Empowerment, JI – Job Involvement

Table 4.4

Loadings and Cross Loadings

| | JCa | JCfb | JCsv | JCtid | JCts | JI | OS | PEc | PEd | PEimp | PEm | TLic | TLii | TLim | TLis | TRB | TRA | TRi |
|--------|--------------|--------------|--------------|--------------|--------------|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| JCa1 | 0.763 | 0.229 | 0.398 | 0.402 | 0.254 | 0.244 | 0.294 | 0.391 | 0.411 | 0.248 | 0.342 | 0.414 | 0.496 | 0.334 | 0.364 | 0.144 | 0.247 | 0.209 |
| JCa2 | 0.828 | 0.478 | 0.366 | 0.497 | 0.285 | 0.297 | 0.382 | 0.292 | 0.442 | 0.285 | 0.281 | 0.347 | 0.501 | 0.470 | 0.402 | 0.242 | 0.351 | 0.312 |
| JCa3 | 0.808 | 0.292 | 0.310 | 0.436 | 0.234 | 0.200 | 0.271 | 0.203 | 0.424 | 0.363 | 0.333 | 0.318 | 0.399 | 0.400 | 0.354 | 0.137 | 0.190 | 0.197 |
| JCfb1 | 0.375 | 0.916 | 0.419 | 0.407 | 0.434 | 0.259 | 0.335 | 0.232 | 0.294 | 0.325 | 0.317 | 0.224 | 0.359 | 0.364 | 0.269 | 0.205 | 0.255 | 0.170 |
| JCfb2 | 0.305 | 0.661 | 0.072 | 0.292 | 0.057 | 0.118 | 0.227 | 0.080 | 0.200 | 0.078 | 0.229 | 0.165 | 0.186 | 0.135 | 0.229 | 0.113 | 0.153 | 0.165 |
| JCsv1 | 0.378 | 0.294 | 0.882 | 0.420 | 0.507 | 0.310 | 0.279 | 0.336 | 0.286 | 0.343 | 0.405 | 0.133 | 0.284 | 0.376 | 0.154 | 0.094 | 0.269 | 0.094 |
| JCsv2 | 0.414 | 0.345 | 0.891 | 0.481 | 0.451 | 0.309 | 0.333 | 0.368 | 0.336 | 0.304 | 0.466 | 0.246 | 0.373 | 0.397 | 0.318 | 0.082 | 0.263 | 0.151 |
| JCtid1 | 0.439 | 0.279 | 0.481 | 0.835 | 0.347 | 0.293 | 0.230 | 0.269 | 0.332 | 0.262 | 0.405 | 0.222 | 0.292 | 0.341 | 0.167 | 0.013 | 0.096 | 0.050 |
| JCtid3 | 0.502 | 0.465 | 0.380 | 0.852 | 0.372 | 0.288 | 0.308 | 0.237 | 0.309 | 0.265 | 0.323 | 0.241 | 0.406 | 0.378 | 0.248 | 0.246 | 0.312 | 0.282 |
| JCts1 | 0.276 | 0.373 | 0.546 | 0.413 | 0.893 | 0.230 | 0.305 | 0.343 | 0.226 | 0.373 | 0.297 | 0.135 | 0.300 | 0.309 | 0.175 | 0.027 | 0.191 | 0.056 |
| JCts2 | 0.289 | 0.255 | 0.382 | 0.324 | 0.847 | 0.241 | 0.272 | 0.260 | 0.074 | 0.242 | 0.341 | 0.179 | 0.234 | 0.197 | 0.149 | 0.006 | 0.131 | 0.034 |
| JI1 | 0.244 | 0.228 | 0.218 | 0.212 | 0.064 | 0.632 | 0.097 | 0.360 | 0.271 | 0.349 | 0.344 | 0.208 | 0.218 | 0.248 | 0.135 | 0.078 | 0.076 | 0.185 |
| JI2 | 0.230 | 0.230 | 0.394 | 0.419 | 0.360 | 0.743 | 0.286 | 0.358 | 0.262 | 0.546 | 0.368 | 0.170 | 0.297 | 0.277 | 0.094 | 0.235 | 0.161 | 0.271 |
| JI5 | 0.222 | 0.168 | 0.143 | 0.162 | 0.164 | 0.740 | 0.102 | 0.326 | 0.242 | 0.319 | 0.196 | 0.218 | 0.285 | 0.315 | 0.121 | 0.340 | 0.206 | 0.278 |
| JI6 | 0.227 | 0.149 | 0.237 | 0.240 | 0.161 | 0.798 | 0.050 | 0.241 | 0.240 | 0.369 | 0.286 | 0.154 | 0.192 | 0.286 | 0.060 | 0.274 | 0.127 | 0.231 |
| JI7 | 0.179 | 0.087 | 0.200 | 0.105 | 0.183 | 0.694 | 0.124 | 0.121 | 0.058 | 0.372 | 0.215 | 0.256 | 0.270 | 0.287 | 0.162 | 0.224 | 0.116 | 0.218 |

Table 4.4 (Continued)

| | JCa | JCfb | JCsv | JCtid | JCTs | Jl | OS | PEc | PEd | PEimp | PEm | TLic | TLii | TLim | TLis | TRB | TRA | TRi |
|---------|-------|-------|-------|-------|-------|-------|--------------|--------------|--------------|--------------|--------------|-------|-------|-------|-------|-------|-------|-------|
| OS1 | 0.394 | 0.404 | 0.366 | 0.324 | 0.272 | 0.139 | 0.840 | 0.383 | 0.307 | 0.334 | 0.387 | 0.150 | 0.326 | 0.299 | 0.189 | 0.181 | 0.408 | 0.243 |
| OS2 | 0.174 | 0.275 | 0.250 | 0.201 | 0.287 | 0.099 | 0.804 | 0.279 | 0.217 | 0.239 | 0.241 | 0.054 | 0.105 | 0.047 | 0.032 | 0.166 | 0.357 | 0.277 |
| OS3 | 0.277 | 0.091 | 0.163 | 0.164 | 0.118 | 0.116 | 0.658 | 0.181 | 0.240 | 0.212 | 0.230 | 0.169 | 0.250 | 0.189 | 0.166 | 0.245 | 0.257 | 0.204 |
| OS4 | 0.290 | 0.208 | 0.176 | 0.209 | 0.292 | 0.248 | 0.594 | 0.203 | 0.234 | 0.237 | 0.154 | 0.079 | 0.188 | 0.088 | 0.002 | 0.265 | 0.216 | 0.256 |
| PEc7 | 0.379 | 0.196 | 0.396 | 0.306 | 0.335 | 0.362 | 0.373 | 0.862 | 0.501 | 0.473 | 0.547 | 0.263 | 0.357 | 0.374 | 0.207 | 0.117 | 0.269 | 0.221 |
| PEc8 | 0.242 | 0.170 | 0.309 | 0.224 | 0.324 | 0.305 | 0.323 | 0.852 | 0.486 | 0.397 | 0.474 | 0.154 | 0.285 | 0.226 | 0.173 | 0.097 | 0.161 | 0.162 |
| PEc9 | 0.324 | 0.193 | 0.316 | 0.240 | 0.242 | 0.401 | 0.269 | 0.864 | 0.418 | 0.492 | 0.479 | 0.269 | 0.321 | 0.344 | 0.210 | 0.105 | 0.125 | 0.179 |
| PEimp10 | 0.285 | 0.189 | 0.358 | 0.274 | 0.396 | 0.547 | 0.264 | 0.540 | 0.375 | 0.830 | 0.510 | 0.222 | 0.297 | 0.305 | 0.123 | 0.142 | 0.150 | 0.211 |
| PEimp11 | 0.329 | 0.283 | 0.315 | 0.249 | 0.275 | 0.434 | 0.349 | 0.455 | 0.381 | 0.898 | 0.414 | 0.278 | 0.389 | 0.340 | 0.242 | 0.235 | 0.105 | 0.279 |
| PEimp12 | 0.352 | 0.280 | 0.254 | 0.286 | 0.237 | 0.446 | 0.312 | 0.345 | 0.344 | 0.850 | 0.249 | 0.285 | 0.396 | 0.316 | 0.205 | 0.316 | 0.107 | 0.290 |
| PEm1 | 0.449 | 0.340 | 0.523 | 0.420 | 0.386 | 0.361 | 0.394 | 0.620 | 0.491 | 0.485 | 0.923 | 0.393 | 0.392 | 0.418 | 0.266 | 0.196 | 0.292 | 0.305 |
| PEm2 | 0.332 | 0.320 | 0.398 | 0.375 | 0.303 | 0.415 | 0.247 | 0.452 | 0.404 | 0.389 | 0.903 | 0.318 | 0.300 | 0.358 | 0.222 | 0.247 | 0.236 | 0.267 |
| PEm3 | 0.302 | 0.295 | 0.429 | 0.391 | 0.309 | 0.357 | 0.360 | 0.526 | 0.422 | 0.410 | 0.936 | 0.259 | 0.286 | 0.316 | 0.192 | 0.228 | 0.286 | 0.267 |
| PEsd4 | 0.437 | 0.291 | 0.293 | 0.310 | 0.155 | 0.317 | 0.344 | 0.466 | 0.863 | 0.410 | 0.420 | 0.235 | 0.328 | 0.259 | 0.150 | 0.237 | 0.213 | 0.243 |
| PEsd5 | 0.485 | 0.259 | 0.286 | 0.278 | 0.148 | 0.264 | 0.266 | 0.505 | 0.903 | 0.365 | 0.411 | 0.222 | 0.312 | 0.316 | 0.209 | 0.197 | 0.234 | 0.207 |
| PEsd6 | 0.479 | 0.283 | 0.347 | 0.413 | 0.169 | 0.255 | 0.300 | 0.465 | 0.866 | 0.353 | 0.430 | 0.234 | 0.309 | 0.274 | 0.210 | 0.176 | 0.247 | 0.266 |

Table 4.4 (Continued)

| | JCa | JCfb | JCsv | JCtid | JCts | Jl | OS | PEc | PEd | PEim | PEm | TLic | TLii | TLim | TLis | TRB | TRA | TRi |
|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------------|--------------|--------------|-------|-------|-------|-------|
| TLia1 | 0.317 | 0.267 | 0.182 | 0.289 | 0.218 | 0.332 | 0.142 | 0.253 | 0.159 | 0.351 | 0.205 | 0.575 | 0.746 | 0.485 | 0.537 | 0.310 | 0.194 | 0.361 |
| TLia2 | 0.494 | 0.240 | 0.198 | 0.332 | 0.173 | 0.242 | 0.210 | 0.225 | 0.313 | 0.307 | 0.194 | 0.493 | 0.695 | 0.456 | 0.501 | 0.280 | 0.267 | 0.285 |
| TLia3 | 0.472 | 0.175 | 0.218 | 0.287 | 0.220 | 0.270 | 0.172 | 0.278 | 0.284 | 0.328 | 0.292 | 0.609 | 0.805 | 0.537 | 0.596 | 0.227 | 0.183 | 0.304 |
| TLia4 | 0.464 | 0.252 | 0.282 | 0.305 | 0.198 | 0.243 | 0.283 | 0.334 | 0.285 | 0.283 | 0.275 | 0.537 | 0.751 | 0.578 | 0.556 | 0.318 | 0.334 | 0.341 |
| TLib5 | 0.429 | 0.248 | 0.346 | 0.304 | 0.168 | 0.213 | 0.287 | 0.288 | 0.319 | 0.325 | 0.308 | 0.473 | 0.681 | 0.549 | 0.418 | 0.225 | 0.235 | 0.249 |
| TLib6 | 0.463 | 0.332 | 0.342 | 0.326 | 0.233 | 0.234 | 0.279 | 0.284 | 0.296 | 0.258 | 0.297 | 0.575 | 0.783 | 0.702 | 0.681 | 0.193 | 0.329 | 0.222 |
| TLib7 | 0.384 | 0.362 | 0.338 | 0.296 | 0.303 | 0.243 | 0.159 | 0.206 | 0.194 | 0.275 | 0.262 | 0.551 | 0.728 | 0.568 | 0.634 | 0.221 | 0.226 | 0.223 |
| TLib8 | 0.420 | 0.248 | 0.285 | 0.319 | 0.309 | 0.296 | 0.300 | 0.348 | 0.286 | 0.340 | 0.266 | 0.451 | 0.699 | 0.540 | 0.486 | 0.227 | 0.207 | 0.209 |
| TLic17 | 0.425 | 0.150 | 0.229 | 0.193 | 0.192 | 0.125 | 0.100 | 0.134 | 0.171 | 0.168 | 0.259 | 0.808 | 0.636 | 0.525 | 0.761 | 0.244 | 0.187 | 0.195 |
| TLic18 | 0.153 | 0.189 | 0.002 | 0.138 | 0.060 | 0.144 | 0.087 | 0.226 | 0.175 | 0.211 | 0.254 | 0.767 | 0.457 | 0.379 | 0.439 | 0.270 | 0.132 | 0.227 |
| TLic19 | 0.450 | 0.275 | 0.234 | 0.303 | 0.168 | 0.305 | 0.154 | 0.361 | 0.290 | 0.330 | 0.385 | 0.873 | 0.642 | 0.554 | 0.635 | 0.316 | 0.180 | 0.337 |
| TLic20 | 0.416 | 0.206 | 0.208 | 0.261 | 0.153 | 0.311 | 0.065 | 0.179 | 0.231 | 0.291 | 0.277 | 0.885 | 0.657 | 0.574 | 0.678 | 0.336 | 0.228 | 0.329 |
| TLim10 | 0.468 | 0.333 | 0.389 | 0.311 | 0.242 | 0.213 | 0.180 | 0.243 | 0.284 | 0.183 | 0.257 | 0.550 | 0.650 | 0.818 | 0.621 | 0.214 | 0.356 | 0.229 |
| TLim11 | 0.416 | 0.253 | 0.400 | 0.335 | 0.228 | 0.376 | 0.220 | 0.354 | 0.291 | 0.415 | 0.368 | 0.529 | 0.639 | 0.879 | 0.596 | 0.222 | 0.248 | 0.218 |
| TLim12 | 0.385 | 0.290 | 0.283 | 0.354 | 0.284 | 0.348 | 0.207 | 0.343 | 0.238 | 0.327 | 0.365 | 0.551 | 0.683 | 0.848 | 0.614 | 0.280 | 0.259 | 0.278 |
| TLim9 | 0.433 | 0.279 | 0.406 | 0.450 | 0.237 | 0.377 | 0.174 | 0.297 | 0.276 | 0.333 | 0.350 | 0.435 | 0.548 | 0.819 | 0.440 | 0.171 | 0.226 | 0.186 |

Table 4.4 (Continued)

| | JCa | JCfb | JCsv | JCtid | JCts | Jl | OS | PEc | PEd | PEim | PEm | TLic | TLii | TLim | TLis | TRB | TRA | TRi |
|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------------|--------------|--------------|--------------|
| TLis13 | 0.421 | 0.278 | 0.210 | 0.286 | 0.170 | 0.158 | 0.139 | 0.226 | 0.156 | 0.208 | 0.295 | 0.603 | 0.632 | 0.620 | 0.779 | 0.337 | 0.348 | 0.373 |
| TLis14 | 0.315 | 0.265 | 0.194 | 0.151 | 0.113 | 0.097 | 0.086 | 0.164 | 0.171 | 0.129 | 0.153 | 0.607 | 0.608 | 0.479 | 0.846 | 0.236 | 0.219 | 0.264 |
| TLis15 | 0.451 | 0.270 | 0.305 | 0.216 | 0.183 | 0.127 | 0.149 | 0.193 | 0.224 | 0.192 | 0.203 | 0.701 | 0.644 | 0.610 | 0.896 | 0.159 | 0.246 | 0.178 |
| TLis16 | 0.393 | 0.237 | 0.198 | 0.186 | 0.165 | 0.137 | 0.053 | 0.194 | 0.180 | 0.208 | 0.190 | 0.679 | 0.670 | 0.593 | 0.870 | 0.201 | 0.245 | 0.169 |
| TRB1 | 0.155 | 0.169 | 0.084 | 0.055 | 0.041 | 0.198 | 0.261 | 0.170 | 0.174 | 0.149 | 0.256 | 0.343 | 0.276 | 0.246 | 0.279 | 0.847 | 0.709 | 0.755 |
| TRB2 | 0.131 | 0.168 | 0.100 | 0.171 | 0.005 | 0.217 | 0.251 | 0.060 | 0.198 | 0.268 | 0.171 | 0.224 | 0.269 | 0.174 | 0.175 | 0.860 | 0.502 | 0.708 |
| TRB3 | 0.274 | 0.283 | 0.098 | 0.223 | 0.066 | 0.213 | 0.291 | 0.087 | 0.250 | 0.228 | 0.180 | 0.224 | 0.294 | 0.197 | 0.202 | 0.770 | 0.517 | 0.668 |
| TRB4 | 0.198 | 0.142 | 0.066 | 0.154 | 0.026 | 0.289 | 0.210 | 0.079 | 0.212 | 0.267 | 0.229 | 0.326 | 0.285 | 0.291 | 0.270 | 0.906 | 0.592 | 0.779 |
| TRB5 | 0.195 | 0.143 | 0.076 | 0.083 | 0.005 | 0.411 | 0.185 | 0.126 | 0.162 | 0.206 | 0.185 | 0.362 | 0.317 | 0.217 | 0.227 | 0.875 | 0.512 | 0.766 |
| TRA1 | 0.344 | 0.266 | 0.348 | 0.262 | 0.243 | 0.170 | 0.450 | 0.286 | 0.260 | 0.184 | 0.314 | 0.232 | 0.357 | 0.356 | 0.294 | 0.551 | 0.887 | 0.597 |
| TRA2 | 0.240 | 0.160 | 0.276 | 0.204 | 0.191 | 0.112 | 0.389 | 0.204 | 0.171 | 0.067 | 0.270 | 0.179 | 0.266 | 0.252 | 0.245 | 0.512 | 0.901 | 0.569 |
| TRA3 | 0.186 | 0.223 | 0.214 | 0.185 | 0.138 | 0.160 | 0.383 | 0.154 | 0.202 | 0.112 | 0.261 | 0.126 | 0.229 | 0.261 | 0.212 | 0.672 | 0.898 | 0.667 |
| TRA4 | 0.339 | 0.253 | 0.271 | 0.202 | 0.149 | 0.179 | 0.376 | 0.204 | 0.293 | 0.131 | 0.295 | 0.211 | 0.299 | 0.297 | 0.277 | 0.622 | 0.946 | 0.692 |
| TRA5 | 0.325 | 0.239 | 0.245 | 0.217 | 0.107 | 0.204 | 0.383 | 0.174 | 0.241 | 0.163 | 0.272 | 0.265 | 0.359 | 0.333 | 0.366 | 0.664 | 0.928 | 0.701 |
| TRA6 | 0.387 | 0.311 | 0.299 | 0.273 | 0.207 | 0.210 | 0.422 | 0.179 | 0.272 | 0.118 | 0.215 | 0.198 | 0.329 | 0.282 | 0.309 | 0.627 | 0.919 | 0.695 |
| TRi1 | 0.134 | 0.119 | 0.075 | 0.115 | 0.002 | 0.347 | 0.186 | 0.070 | 0.164 | 0.234 | 0.148 | 0.220 | 0.228 | 0.159 | 0.135 | 0.842 | 0.624 | 0.885 |
| TRi2 | 0.168 | 0.099 | 0.087 | 0.086 | 0.016 | 0.251 | 0.277 | 0.172 | 0.215 | 0.160 | 0.277 | 0.279 | 0.313 | 0.223 | 0.263 | 0.759 | 0.570 | 0.833 |
| TRi3 | 0.288 | 0.176 | 0.105 | 0.194 | 0.059 | 0.248 | 0.272 | 0.177 | 0.198 | 0.280 | 0.256 | 0.366 | 0.378 | 0.244 | 0.299 | 0.773 | 0.611 | 0.902 |

Table 4.4 (Continued)

| | JCa | JCfb | JCsv | JCtid | JCts | JI | OS | PEc | PEd | PEimp | PEm | TLic | TLii | TLim | TLis | TRB | TRA | TRi |
|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------------|
| TRi5 | 0.365 | 0.206 | 0.167 | 0.246 | 0.091 | 0.295 | 0.326 | 0.252 | 0.283 | 0.289 | 0.290 | 0.291 | 0.363 | 0.269 | 0.296 | 0.713 | 0.663 | 0.887 |
| TRi6 | 0.373 | 0.289 | 0.174 | 0.235 | 0.061 | 0.307 | 0.392 | 0.293 | 0.334 | 0.345 | 0.371 | 0.290 | 0.352 | 0.304 | 0.270 | 0.709 | 0.682 | 0.886 |

Note: TL –Transformational Leadership. TLii- idealized influence, TLic-individual consideration, TLim-inspirational motivation, TLis-individual stimulation; OS- Organization Structure, JC – Job Characteristics, JCfb-feedback, JCa-autonomy, JCsv-skill variety, JCtid-task identity, JCts-task significance; PE – Psychological Empowerment, PEc-competence, PEimp-impact, PEm-meaning, PEsd-self-determination; TR-Trust, TRB-benevolence, TRA-ability, Tri-intergrity; JI – Job Involvement



4.6.2 Assessment of Reflective Measurement Model

To measure reliability, all items' loading for reflective constructs were inspected to pass a cut-off point of 0.5, as recommended by Hair et al. (2010). The higher the loadings mean that there is more shared variance between the construct and low loadings shows very small explanatory power of the model, as well as reducing the estimated parameters linking the construct (Hulland, 1999). To assess convergent validity, outer loadings, composite reliability (CR) and the average variance extracted (AVE) were determined. Any loadings below 0.5 were deleted, resulting in final AVE and CR to be above the benchmark value of 0.5 and 0.7 respectively (please refer to Table 4.5). In addition, discriminant validity for reflective measurement model can also be established through the Fornell-Larcker criterion. According to this criterion, the square root of AVE for each latent construct should be greater than the correlations of any other latent construct. As shown in Table 4.6, the square root of AVE for each construct is evidently higher than the correlation for each construct.

Table 4.5

Results Summary for Reliability and Validity of Constructs

| First Order Construct | Second order Construct | Scale type | Item | Loading/weight | AVE/VIF | CR/t-value | Items deleted due to low loadings |
|-------------------------------|------------------------|------------|--------|----------------|---------|------------|-----------------------------------|
| TLii Idealized Influence | | Reflective | TLia1 | 0.746 | 0.543 | 0.905 | |
| | | | TLia2 | 0.695 | | | |
| | | | TLia3 | 0.805 | | | |
| | | | TLia4 | 0.751 | | | |
| | | | TLib5 | 0.681 | | | |
| | | | TLib6 | 0.783 | | | |
| | | | TLib7 | 0.728 | | | |
| | | | TLib8 | 0.699 | | | |
| TLic Individual Consideration | | Reflective | TLic17 | 0.808 | 0.697 | 0.901 | |
| | | | TLic18 | 0.767 | | | |
| | | | TLic19 | 0.873 | | | |
| | | | TLic20 | 0.885 | | | |
| TLim Inspirational Motivation | | Reflective | TLim10 | 0.818 | 0.708 | 0.907 | |
| | | | TLim11 | 0.879 | | | |
| | | | TLim12 | 0.848 | | | |
| | | | TLim9 | 0.819 | | | |
| TLis Intellectual Stimulation | | Reflective | TLis13 | 0.779 | 0.72 | 0.911 | |
| | | | TLis14 | 0.846 | | | |
| | | | TLis15 | 0.896 | | | |
| | | | TLis16 | 0.870 | | | |

Table 4.5 (Continued)

| First Order Construct | Second order Construct | Scale type | Item | Loading/weight | AVE/VIF | CR/t-value | Items deleted due to low loadings |
|------------------------|------------------------|------------|---------|----------------|---------|------------|-----------------------------------|
| Organization Structure | | Reflective | OS1 | 0.840 | 0.534 | 0.818 | OS5, OS6 |
| | | | OS2 | 0.804 | | | |
| | | | OS3 | 0.658 | | | |
| | | | OS4 | 0.594 | | | |
| JCa Autonomy | | Reflective | JCa1 | 0.763 | 0.641 | 0.842 | |
| | | | JCa2 | 0.828 | | | |
| | | | JCa3 | 0.808 | | | |
| JCfb Feedback | | Reflective | JCfb1 | 0.916 | 0.637 | 0.774 | JCfb3 |
| | | | JCfb2 | 0.661 | | | |
| JCsv Skill variety | | Reflective | JCsv1 | 0.882 | 0.786 | 0.880 | JCsv3 |
| | | | JCsv2 | 0.891 | | | |
| JCTid Task identity | | Reflective | JCTid1 | 0.835 | 0.711 | 0.831 | JCTid3 |
| | | | JCTid2 | 0.852 | | | |
| JCts Task significance | | Reflective | JCts1 | 0.893 | 0.758 | 0.862 | JCts3 |
| | | | JCts2 | 0.847 | | | |
| PEc Competence | | Reflective | PEc7 | 0.862 | 0.739 | 0.895 | |
| | | | PEc8 | 0.852 | | | |
| | | | PEc9 | 0.864 | | | |
| PEimp Impact | | Reflective | PEimp10 | 0.830 | 0.739 | 0.895 | |
| | | | PEimp11 | 0.898 | | | |
| | | | PEimp12 | 0.850 | | | |

Table 4.5 (Continued)

| First Order Construct | Second order Construct | Scale type | Item | Loading/weight | AVE/VIF | CR/t-value | Items deleted due to low loadings |
|-------------------------|------------------------|------------|-------|----------------|---------|------------|-----------------------------------|
| PEm Meaning | | Reflective | PEm1 | 0.923 | 0.847 | 0.943 | |
| | | | PEm2 | 0.903 | | | |
| | | | PEm3 | 0.936 | | | |
| Pesd Self Determination | | Reflective | PEsd4 | 0.863 | 0.77 | 0.910 | |
| | | | PEsd5 | 0.903 | | | |
| | | | PEsd6 | 0.866 | | | |
| JI Job Involvement | | Reflective | JI1 | 0.632 | 0.524 | 0.845 | JI3, JI4, JI8, JI9, JI10 |
| | | | JI2 | 0.743 | | | |
| | | | JI5 | 0.740 | | | |
| | | | JI6 | 0.798 | | | |
| | | | JI7 | 0.694 | | | |
| TRB Benevolence | | Reflective | TRB1 | 0.847 | 0.728 | 0.930 | |
| | | | TRB2 | 0.860 | | | |
| | | | TRB3 | 0.770 | | | |
| | | | TRB4 | 0.906 | | | |
| | | | TRB5 | 0.875 | | | |
| TRA Ability | | Reflective | TRC1 | 0.887 | 0.834 | 0.968 | |
| | | | TRC2 | 0.901 | | | |
| | | | TRC3 | 0.898 | | | |
| | | | TRC4 | 0.946 | | | |
| | | | TRC5 | 0.928 | | | |
| | | | TRC6 | 0.919 | | | |

Table 4.5 (Continued)

| First Order Construct | Second order Construct | Scale type | Item | Loading/weight | AVE/VI F | CR/t-value | Items deleted due to low loadings |
|---------------------------|-----------------------------|------------|-------|----------------|----------|------------|-----------------------------------|
| TRi Integrity | | Reflective | TRi1 | 0.885 | 0.772 | 0.944 | TRi4 |
| | | | TRi2 | 0.833 | | | |
| | | | TRi3 | 0.902 | | | |
| | | | TRi5 | 0.887 | | | |
| | | | TRi6 | 0.886 | | | |
| | Transformational Leadership | Formative | TLii | 0.408 | 2.636 | 21.392** | |
| | | | TLic | 0.233 | 2.476 | 17.373** | |
| | | | TLim | 0.247 | 2.259 | 18.596** | |
| | | | TLis | 0.232 | 2.947 | 20.006** | |
| Trust | | Formative | TRB | 0.312 | 4.026 | 22.875** | |
| | | | TRA | 0.431 | 2.102 | 25.015** | |
| | | | TRi | 0.355 | 4.596 | 31.452** | |
| Job Characteristics | | Formative | JCa | 0.362 | 1.517 | 12.483** | |
| | | | JCfb | 0.183 | 1.293 | 9.993** | |
| | | | JCsv | 0.293 | 1.643 | 11.433** | |
| | | | JCtid | 0.257 | 1.832 | 12.938** | |
| | | | JCts | 0.238 | 1.559 | 10.181** | |
| Psychological Empowerment | Reflective | PEc | 0.837 | 0.626 | 0.871 | | |
| | | PEimp | 0.754 | | | | |
| | | PEm | 0.815 | | | | |
| | | PEsd | 0.760 | | | | |

Note: AVE (Average Variance Extracted) = (summation of the square of the factor loadings) / {(summation of the square of the factor loadings) + (summation of the error variances)}; Composite Reliability (CR) = (square of the summation of the factor loadings) / {(summation of the square of the factor loadings) + (summation of the square of the error variances)}; VIF=Variance Inflation Factor.

*P<0.05 (t=1.645); **P<0.01 (t=1.96)

Table 4.6

Fornel I-Larcker Criterion Analysis for Checking Discriminant Validity of First-order Constructs

| | JCa | JCfb | JCsv | JCtid | JCts | JI | OS | PEc | PEd | PEimp | PEm | TLic | TLii | TLim | TLis | TRB | TRA | TRi |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| JCa | 0.800 | | | | | | | | | | | | | | | | | |
| JCfb | 0.424 | 0.798 | | | | | | | | | | | | | | | | |
| JCsv | 0.447 | 0.361 | 0.886 | | | | | | | | | | | | | | | |
| JCtid | 0.558 | 0.444 | 0.509 | 0.713 | | | | | | | | | | | | | | |
| JCts | 0.323 | 0.366 | 0.540 | 0.427 | 0.870 | | | | | | | | | | | | | |
| JI | 0.311 | 0.254 | 0.349 | 0.344 | 0.270 | 0.724 | | | | | | | | | | | | |
| OS | 0.398 | 0.360 | 0.346 | 0.320 | 0.333 | 0.197 | 0.731 | | | | | | | | | | | |
| PEc | 0.368 | 0.217 | 0.398 | 0.300 | 0.350 | 0.414 | 0.375 | 0.860 | | | | | | | | | | |
| PEd | 0.532 | 0.316 | 0.352 | 0.379 | 0.179 | 0.318 | 0.345 | 0.546 | 0.878 | | | | | | | | | |
| PEimp | 0.372 | 0.288 | 0.365 | 0.313 | 0.359 | 0.557 | 0.358 | 0.529 | 0.428 | 0.860 | | | | | | | | |
| PEm | 0.396 | 0.346 | 0.492 | 0.431 | 0.364 | 0.409 | 0.366 | 0.583 | 0.479 | 0.468 | 0.921 | | | | | | | |
| TLic | 0.448 | 0.246 | 0.215 | 0.274 | 0.178 | 0.271 | 0.122 | 0.268 | 0.262 | 0.302 | 0.354 | 0.835 | | | | | | |
| TLii | 0.583 | 0.361 | 0.372 | 0.415 | 0.309 | 0.350 | 0.309 | 0.375 | 0.361 | 0.415 | 0.357 | 0.726 | 0.737 | | | | | |
| TLim | 0.505 | 0.344 | 0.436 | 0.426 | 0.295 | 0.388 | 0.233 | 0.368 | 0.323 | 0.373 | 0.398 | 0.617 | 0.752 | 0.842 | | | | |
| TLis | 0.468 | 0.309 | 0.268 | 0.247 | 0.187 | 0.153 | 0.126 | 0.229 | 0.216 | 0.218 | 0.248 | 0.765 | 0.754 | 0.680 | 0.848 | | | |
| TRB | 0.221 | 0.210 | 0.099 | 0.157 | 0.020 | 0.312 | 0.280 | 0.124 | 0.232 | 0.260 | 0.241 | 0.350 | 0.337 | 0.266 | 0.273 | 0.853 | | |
| TRA | 0.333 | 0.266 | 0.300 | 0.245 | 0.187 | 0.190 | 0.438 | 0.218 | 0.264 | 0.142 | 0.296 | 0.221 | 0.336 | 0.325 | 0.312 | 0.668 | 0.913 | |
| TRi | 0.303 | 0.203 | 0.139 | 0.200 | 0.052 | 0.330 | 0.331 | 0.219 | 0.272 | 0.299 | 0.304 | 0.329 | 0.371 | 0.273 | 0.287 | 0.804 | 0.718 | 0.879 |

Note: The square root of AVE values are shown on the diagonals and printed with bold, non-diagonal elements are the latent variable correlation.

TL –Transformational Leadership. TLii- idealized influence, TLic-individual consideration, TLim-inspirational motivation, TLis-individual stimulation; OS- Organization Structure, JC – Job Characteristics, JCfb-feedback, JCa-autonomy, JCsv-skill variety, JCtid-task identity, JCts-task significance; PE – Psychological Empowerment, PEC-competence, PEimp-impact, PEm-meaning,, PEsd-self-determination; TR-Trust, TRB-benevolence, TRA-ability, TRi-integrity; JI–Job Involvement

4.6.3 Assessment of Formative Construct

The assessment for formative construct was done in three steps, (i) testing for weight significant; (ii) testing for multicollinearity, and (iii) testing the correlation of the indicators with the latent construct.

First, the significant of the weight was assessed by using a bootstrapping technique to calculate the significance of path coefficients. It is common that the weight of formative items is generally lower than reflective item loadings. However, these small weights should not be misinterpreted as a poor measurement model (Chin, 1998). The weight of each item actually indicates its relative contribution to the construct. In other words, the t-value obtained from the bootstrap analysis implied the importance of each item or indicator in forming a latent construct. Therefore, no minimum threshold value for indicator weight needs to be ascertained.

Next, multi-collinearity test was performed. Multi-collinearity between indicators is considered to be a key issue in evaluating the formative construct. In the test, variance inflation factor (VIF) is used as an indicator of multi-collinearity, with a suggested cut off value of 5 (Hair et al., 2011). Lastly, testing the correlation of formative indicators is by evaluating its outer weight. Bootstrapping procedure is carried out and t values are calculated to access each indicator weight's significance.

4.6.4 The Establishment of Second-Order Constructs

In this study, psychological empowerment, transformational leadership, job characteristics and trust are conceptualized as a second-order construct indicators. The second-order constructs were assessed using the repeated indicator in which all the first-order constructs are taken out together as a reflective measure (for psychological empowerment) and formative measure (for transformational leadership, job characteristics and trust) of second order constructs in PLS model. Hence, the second-order construct were measured directly by all indicators of first-order constructs (Becker, Klien & Wetzels, 2012; Chin, Marcolin & Newsted, 2003; Wetzels, Ordekerhen-Schroder & van Oppen, 2009). The same number of indicators of each construct in the first-order model was then used to make a better operationalization of the model (Chin et al., 2003).

Singh and Sankar (2013) measured psychological empowerment by considering all of the items as reflective indicator. Following them, Table 4.7 shows that all first-order constructs for PE namely competency, impact, meaning and self-determination with reflective indicators were modelled to the second-order construct as reflective indicators. This model is referred to as reflective-reflective type (Becker et al., 2012). These four first-order constructs were explained well by the second-order construct of PE as indicated by R square value of 0.701, 0.568, 0.664, and 0.585 (see Table 4.7) respectively. Furthermore, all of the path coefficients from PE to its dimensions are significant at $P < 0.01$ (see Table 4.5). High correlation between all four dimensions of PE in the first-order construct as illustrated in Table 4. 4 also shows the existence of second-order construct (Byrne, 2001; 2013). Thus, all four

dimensions of PE were measured to second-order construct procedure (Wetzels et al., 2009).

Unlike PE, transformational leadership (TL), job characteristics (JC) and trust are considered as second-order formative construct with first-order reflective construct which are referred to as reflective-formative type II model (Becker et al., 2012). TL is conceptualized as a second-order construct with four first-order reflective construct which consists of idealized influence, individual consideration, inspirational motivation, and intellectual stimulation. Table 4.7 also depicted that the four first-order construct for TL with reflective indicator were modelled to the second-order construct with the four first-order constructs as formative constructs. All path coefficients (β) from dimension of TL to TL are significant at $P < 0.01$ (see Table 4.7). Again, all four dimensions of TL were measured according to the second-order construct procedure (Wetzels et al., 2009). The weight values of the four second-order construct are 0.233 for idealized influence, 0.408 for individual consideration, 0.247 for inspirational motivation, and 0.232 for intellectual stimulation and were significant at $p < 0.01$. Moreover, the value of VIF for the four constructs are less than 0.5 (see Table 4.5) which are well below the threshold. The result, therefore, verified the goodness of measuring for formative second-order construct.

Job characteristics are also conceptualized as a second-order formative construct with five first-order reflective constructs. The five first-order constructs are autonomy, feedback, task significance, task identity, and skill variety. All path coefficients from dimension of JC to JC are significant at $P < 0.01$ (see Table 4.7).

The weight values of the five first-order constructs are 0.362 for autonomy, 0.183 for feedback, 0.293 for task significance, 0.257 for task identity, and 0.238 for skill variety. The values of VIF are all below 0.5 (see Table 4.5).

The last construct that is conceptualized as a second-order formative construct with first-order reflective constructs is trust. Sollner and Lei Meister (2010) suggested that trust should be treated as formative construct. Therefore, this study proposed that trust should be looked up as second-order formative construct with three first-order reflective constructs which Becker et al. (2012) include as reflective-formative type II model. The three first-order reflective constructs are benevolence, ability and integrity. The path coefficients from the dimension of trust are significant at $P < 0.01$ (see Table 4.7). Therefore, the second-order construct of trust is directly measured by all indicators of first-order constructs (Wetzel et al., 2009).

The weight values recorded for trust as a second-order constructs are 0.431 for TRB, 0.312 for TRA, and 0.355 for TRi, and they are all significant at $P < 0.01$. Moreover, the VIF values for the construct of trust are less than 5 as shown in Table 4.5. Since the values are well below the recommended threshold, the results demonstrated the goodness of measuring for formative second-order.

Table 4.7

Second-order of PE, TL, JC and Trust construct and its relationship with first-order constructs

| Second Order Construct | First Order Construct | R Square | Beta | T-value |
|---|---------------------------------|----------|--------|---------|
| Psychological Empowerment (PE) | Competency (PEc) | 0.701 | 0.837 | P<0.01 |
| | Impact (PEimp) | 0.568 | 0.765 | P<0.01 |
| | Meaning (PEm) | 0.664 | 0.754 | P<0.01 |
| | Self-determination (PEsd) | 0.585 | 0.815 | P<0.01 |
| Second Order Construct | First Order Construct | R Square | Weight | T-value |
| Transformational Leadership (TL) | | 1.000 | - | - |
| | Idealized Influence (TLii) | | 0.233 | P<0.01 |
| | Individual Consideration (TLic) | | 0.408 | P<0.01 |
| | Inspirational Motivation (TLim) | | 0.247 | P<0.01 |
| | Intellectual Stimulation (TLis) | | 0.232 | P<0.01 |
| | | | | |
| | | | | |
| Job Characteristics (JC) | | 1.000 | - | - |
| | Autonomy (JCa) | | 0.362 | P<0.01 |
| | Feedback (JCfb) | | 0.183 | P<0.01 |
| | Task Significance (JCts) | | 0.293 | P<0.01 |
| | Task Identity (JCtid) | | 0.257 | P<0.01 |
| | Skill Variety (JCsv) | | 0.238 | P<0.01 |
| | | | | |
| Trust | | 1.000 | - | - |
| | Benevolence (TRB) | | 0.431 | P<0.01 |
| | Ability (TRA) | | 0.312 | P<0.01 |
| | Integrity (TRi) | | 0.355 | P<0.01 |

4.7 Assessment of Structural Model

4.7.1 Direct Effect

The structural model can be ascertained by conducting a bootstrapping procedures (Chin, 2010). Structural model assessment was performed to test the developed hypotheses relationships. This test can only be done after measurement model analysis has ensured no violation.

In the structural assessment, the path coefficients and R^2 values are examined first. In other words, after computing the path estimates in the structural model, a bootstrap analysis was performed to assess the statistical significance of the path coefficients. The path coefficient represents the hypothesized relationships among the constructs. If the standardized values of the path coefficients close to +1, it means that there is strong positive relationships (and vice versa for negative values) and that they are almost always significant (Hair et al., 2014). Thus, the path coefficients for this study were produced as shown in Figure 4.2 and Table 4.8.

Next, is to look at the result of the coefficient determination or R^2 . The R^2 indicates that the variance in the endogenous variable (also referred to as dependent variable) is explained by the exogenous variables (also referred to as independent variables) and the main target construct's level of R^2 should be high (Hair et al., 2014). The rule of thumb for acceptable R^2 varies, but according to Cohen (1998), R^2 value of 0.26 and above is considered substantial, which means that the estimated model fit the data very well. In this study, the endogenous variables appear to have R^2 value of

0.443 and 0.284 (see Table 4.9). On the other hand, Chin (1998a) proposed that R^2 values of 0.67, 0.32, or 0.19 for endogenous latent variables in the inner path model are considered as substantial, moderate, or weak respectively. Thus, the estimated model fit can be considered as moderate.

Both Table 4.7 and Table 4.8 presents the results of the direct effect hypothesized in this study. The results from the output of the bootstrapping PLS-SEM confirmed that there is a positive significant relationships between transformational leadership and psychological empowerment ($\beta = 0.159$, $t = 2.131$, $p < 0.01$), organization structure and psychological empowerment ($\beta = 0.192$, $t = 2.823$, $p < 0.01$) and job characteristics and psychological empowerment ($\beta = 0.418$, $t = 4.913$, $p < 0.01$). Therefore, hypotheses 1, 2 and 3 are supported. In addition, the R^2 was 0.443, which means that 44.3 % of the variance in psychological empowerment is explained by exogenous variables such as transformational leadership, organization structure and job characteristics.

As for the relationships between psychological empowerment and job involvement, the result also shows that there is a positively significant relationship ($\beta = 0.533$, $t = 7.953$, $p < 0.01$). In addition, it indicates that 28.4% of the variance in job involvement is contributed by psychological empowerment. Hence, hypothesis 7 is supported.

Table 4.8
Summary of the Direct Effect

| Hypotheses | Relationship | Beta | SE | T Statistic | Decision |
|------------|--------------|-------|-------|-------------|-----------|
| H2a | TL - PE | 0.159 | 0.075 | 2.131** | Supported |
| H2b | OS - PE | 0.192 | 0.068 | 2.823** | Supported |
| H2c | JC - PE | 0.418 | 0.085 | 4.913** | Supported |
| H3 | PE - JI | 0.533 | 0.067 | 7.953** | Supported |

Note * $p < 0.05$ ($t > 1.645$), ** $p < 0.01$ ($t > 2.33$)

Table 4.9
 R^2 of Endogenous latent variables

| Construct | R^2 | Result |
|---------------------------|-------|-------------|
| Psychological Empowerment | 0.443 | Substantial |
| Job Involvement | 0.284 | Substantial |

4.7.2 Effect Size

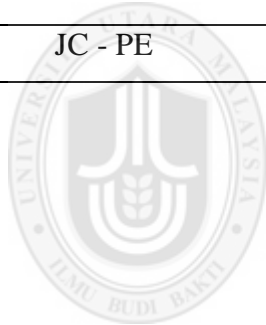
Effect size (f^2) in PLS-SEM was performed to determine the change in R^2 to distinguish whether the impact of a particular exogenous latent variable (or independent variable) on an endogenous latent variable (or dependent variable) has substantive impact. This means, the changes on R^2 was observed with the omission of any selected exogenous variable from the model. The effect size f^2 can be calculated through the following formula:

$$f^2 = \frac{R^2_{\text{included}} - R^2_{\text{excluded}}}{1 - R^2_{\text{included}}}$$

Where R^2_{included} and R^2_{excluded} are the R^2 provided on the endogenous latent variable when the predictor exogenous latent variable is used or omitted in the structural model respectively. Based on Cohen (1988), the effect size f^2 of 0.02, 0.15, and 0.35, can be viewed as a guide line for whether a predictor or exogenous latent variable has a small, medium, or large effect at the structural level. Table 4.10 shows the effect size of this study.

Table 4.10
The Effect Size of the Model

| Latent variables | R^2_{included} | R^2_{excluded} | f^2 | Result |
|-------------------------|---|---|-------------------------|---------------|
| TL - PE | 0.433 | 0.427 | 0.03 | small |
| OS - PE | 0.433 | 0.417 | 0.05 | small |
| JC - PE | 0.433 | 0.343 | 0.18 | medium |



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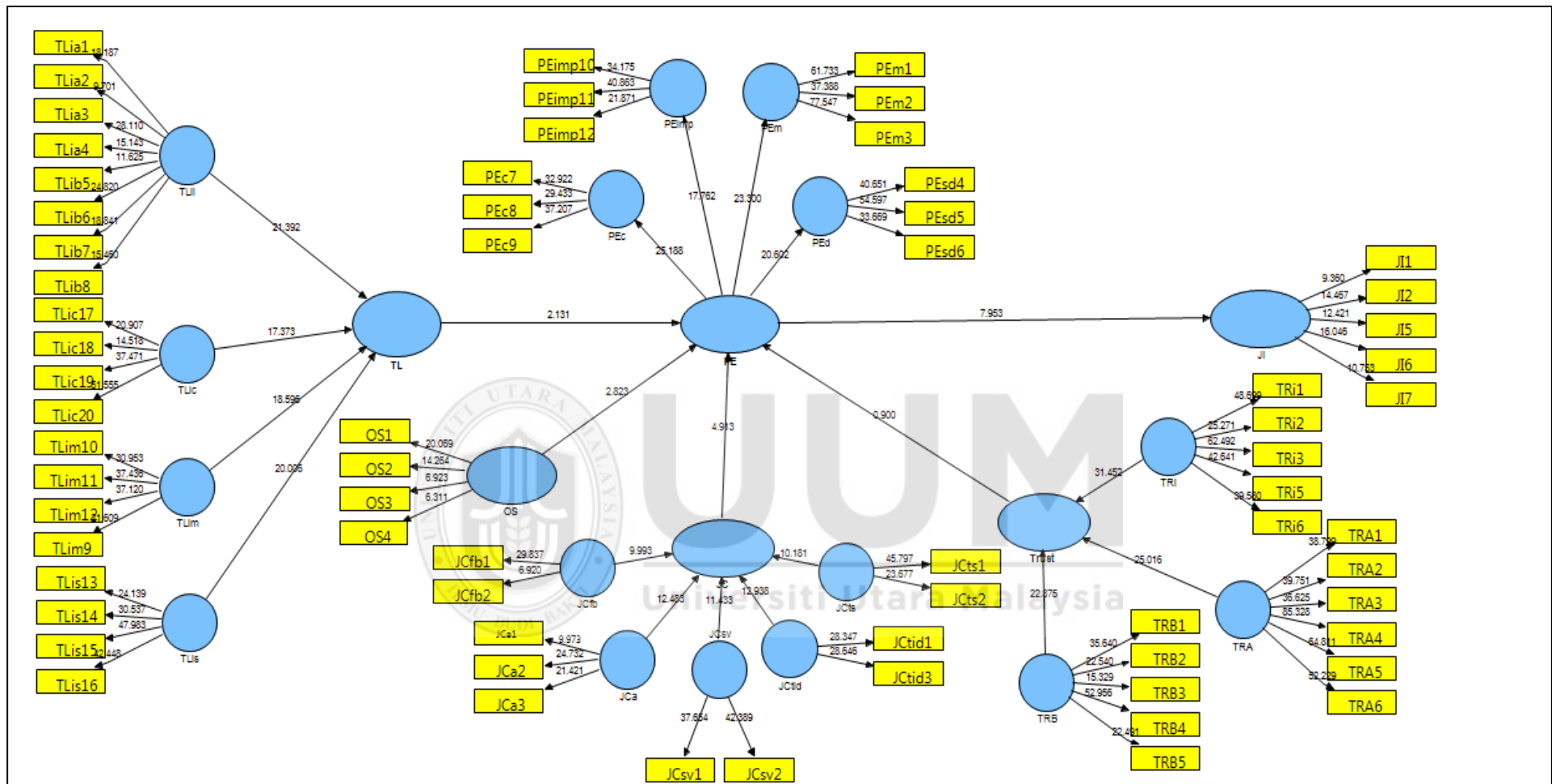


Figure 4.2

The Structural Model

Note: TL –Transformational Leadership. TLii- idealized influence, TLic-individual consideration, TLim-inspirational motivation, TLis-individual stimulation; OS-Organization Structure, JC – Job Characteristics, JCfb-feedback, JCa-autonomy, JCsv-skill variety, JCtid-task identity, JCTS-task significance; PE – Psychological Empowerment, PEc-competence, PEimp-impact, PEM-meaning, PEsd-self-determination; TRB-benevolence, TRA-ability, TRI-integrity; JI – Job Involvement

4.7.3 Moderating Effect – The Two Stage Approach

In examining the interaction effects of moderators using PLS, a direct moderating test using product approach is not applicable (Hair et al., 2013). Thus, the study employed two-stage approach since there is a reflective-formative type of hierarchical component model (Henseler & Chin, 2010). For the first stage, latent variable scores for the lower component must be taken using the repeated indicators approach. Then, these scores are used as the input for the second stage or the higher order component, whereby all the constructs would be represented by a single item as shown in Figure 4.3. Then, the full model analysis is carried out to examine the moderating effect. Results indicated that there is no moderating effect of trust in the relationship between transformational leadership and psychological empowerment ($\beta = -0.040$, $t = 0.087$, $p < 0.01$). Similarly, there is also no moderating effect of trust in the relationship between organization structure and psychological empowerment ($\beta = 0.080$, $t = 0.074$, $p < 0.01$). Finally, the study also found no moderating effect of trust in the relationship between job characteristics and psychological empowerment ($\beta = 0.085$, $t = 0.122$, $p < 0.01$). Table 4.11 shows the result for the test, corresponding to hypotheses H4 to H6.

Table 4.11
Summary of Result for Moderating Effect

| Hypotheses | Relationship | Beta | SE | T Statistic | Decision |
|------------|----------------------------|---------------|--------------|--------------|---------------|
| H4 | TL * Trust -> PE | -0.040 | 0.087 | 0.455 | Not supported |
| H5 | OS * Trust -> PE | 0.080 | 0.074 | 1.075 | Not supported |
| H6 | JC * Trust -> PE | 0.085 | 0.122 | 0.698 | Not supported |

Note; * $p < 0.05$ ($t = 1.645$); ** $P < 0.01$ ($t = 2.33$)

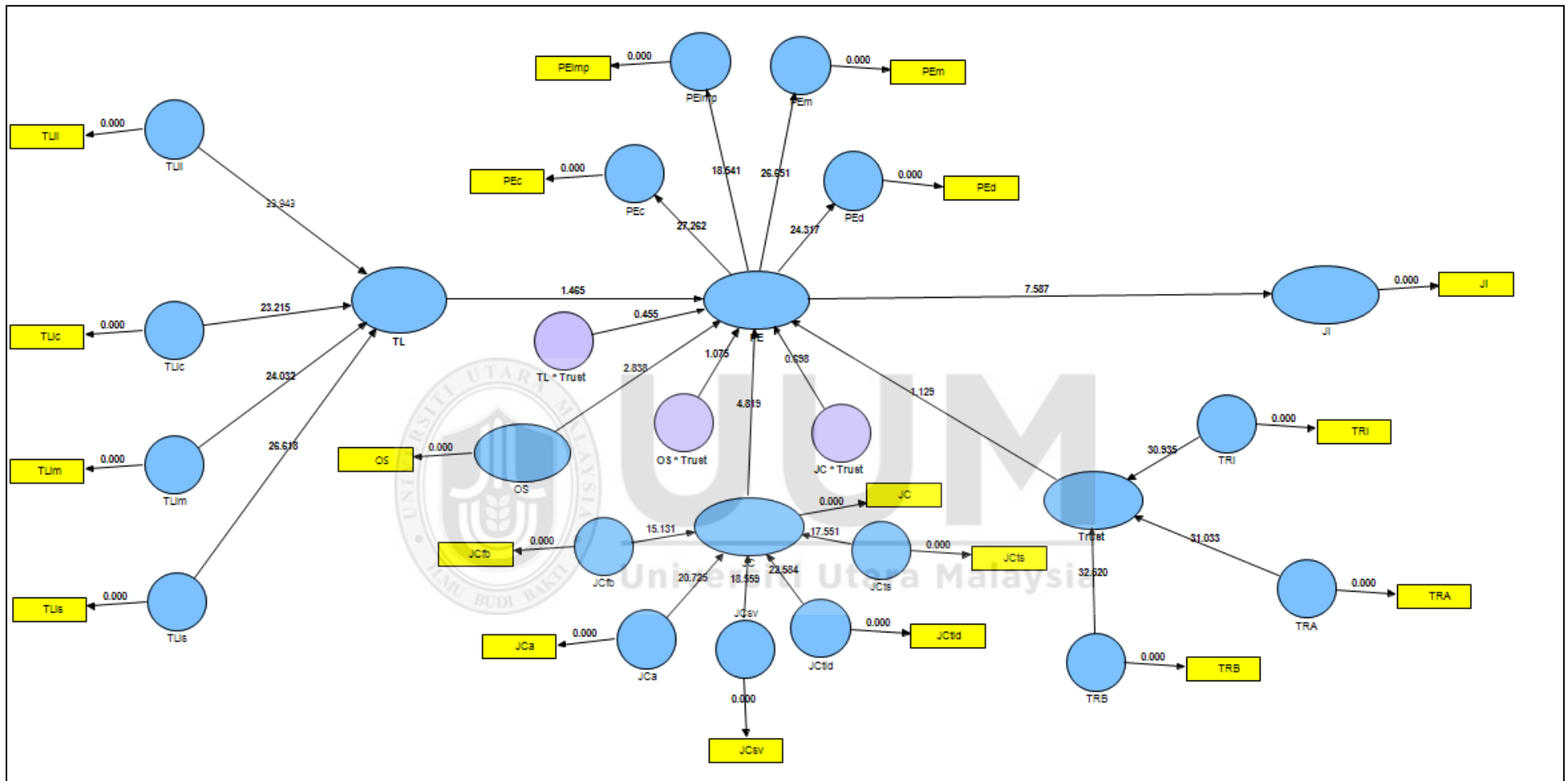


Figure 4.3
Two-Stage Approach: Moderating Effects Model (Bootstrapping)

Table 4.12

Summary of Hypotheses Testing

| Hypotheses | Descriptions | Result (support or not support) |
|-------------------|---|--|
| H1 | Transformational leadership style is positively related to psychological empowerment. | Supported |
| H2 | Organic structure is positively related to psychological empowerment. | Supported |
| H3 | Job characteristics are positively related to psychological empowerment. | Supported |
| H4 | Trust moderates the relationship between transformational leadership style and employees' psychological empowerment. | Not supported |
| H5 | Trust moderates the relationship between organization structure and employees' perception on psychological empowerment. | Not supported |
| H6 | Trust moderates the relationship between job characteristics and employees' perception of psychological empowerment. | Not supported |
| H7 | Employees' perception on psychological empowerment is positive related with job involvement. | Supported |

4.8 Analyzing Predictive Relevance (Q^2)

In order to assess the capability of the research model to make prediction, the predictive relevance R^2 was employed (Chin, 2010; Henseler et al., 2009). The predictive relevance proposes that the model must be capable enough to predict each endogenous latent construct's indicator. To evaluate the criterion of predictive accuracy, the Stone-Geisser's Q^2 value was utilized (Geisser & Stone, 1974 cited in Hair et al., 2014). The blindfolding procedure was performed to obtain the value of

Q^2 . Blindfolding procedure is only practical to endogenous latent variables that hold a reflective measurement model specification. According to Fornell and Cha (1994) and Hair et al. (2014), a Q^2 greater than 0 implies that the model has predictive relevance, while value less than 0 indicates a lack of predictive relevance. Values of 0.02, 0.15, and 0.35 indicate that an exogenous construct has a small, medium, and large predictive relevance for a certain endogenous construct (Hair et al., 2014). In this study, there are two reflective endogenous variables - psychological empowerment and job involvement. Results of the predictive relevance are presented in Table 4.13.

Table 4.13
Predictive Relevance for Endogenous Variables

| Constructs | Q^2 | R^2 | Result of Predictive Relevance |
|---------------------------|-------|-------|--------------------------------|
| Psychological Empowerment | 0.213 | 0.443 | Yes |
| Job Involvement | 0.138 | 0.284 | Yes |

4.9 Summary of the Findings

This chapter reports the findings of the data analysis. The final sample for data analysis is 151 managers with a 37.8% response rate. The analyses that were carried out using SPSS are frequencies to describe profile of the respondents and descriptive analysis to get a feel of data distribution on main construct such transformational leadership, organization structure, job characteristics, trust, psychological empowerment, and job involvement.

PLS-SEM was then used to test the measurement and structural model. Prior to the test, CFA was performed to evaluate the components of constructs, convergent validity, and discriminant validity. Next, in assessing the structural model, value for path coefficient (β), variance explained (R^2), and effect size (f^2) for each path in the model. Then predictive relevance (Q^2) was conducted. Bootstrapping was conducted and PLS generated t-value for each path for hypotheses testing. The results of the hypotheses testing reviewed that only four of the seven hypotheses were supported.

The following chapter will discuss the findings, implications, limitation, and suggestions for future research.



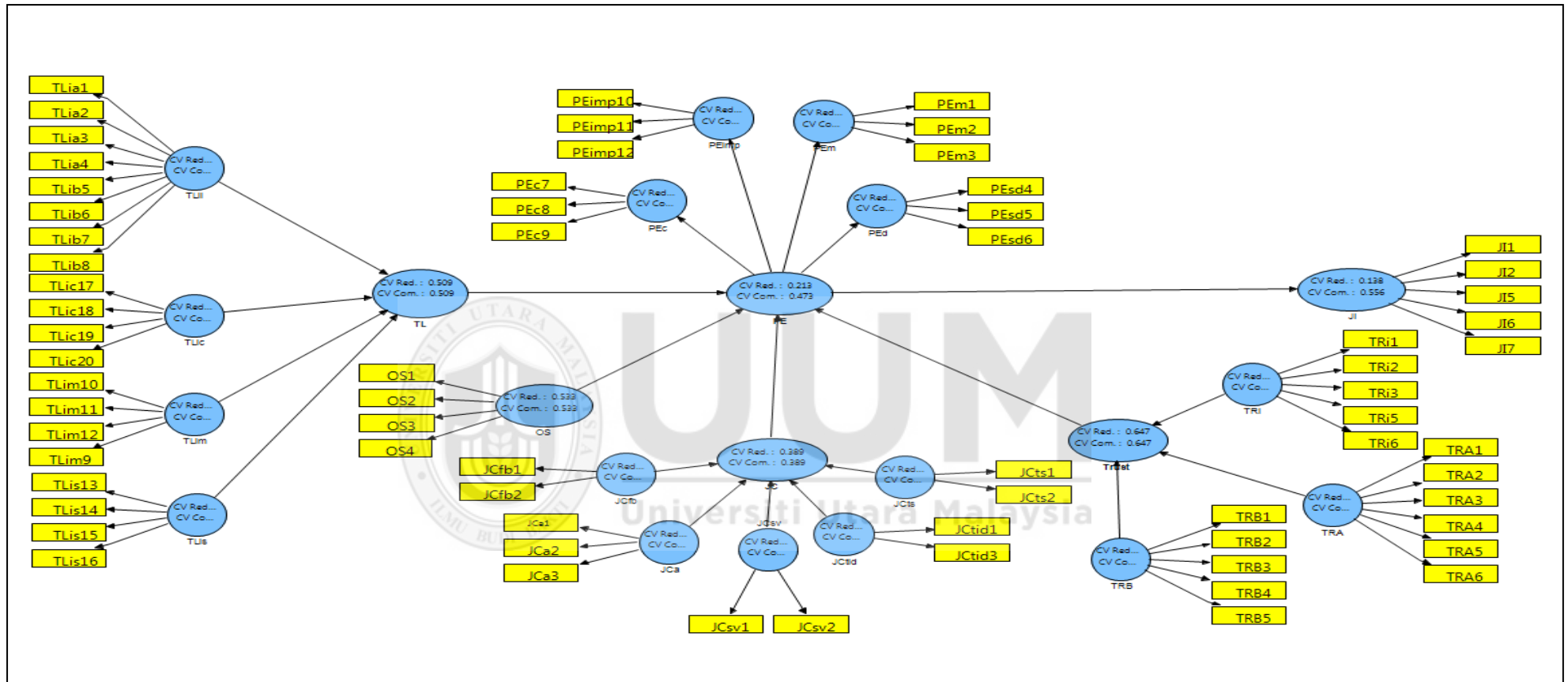


Figure 4.4

The Predictive relevance of the endogenous latent variables (Q^2)

Note: TL –Transformational Leadership. TLii- idealized influence, TLic-individual consideration, TLim-inspirational motivation, TLis-individual stimulation; OS- Organization Structure, JC – Job Characteristics, JCfb-feedback, JCa-autonomy, JCsv-skill variety, JCtid-task identity, JCts-task significance; PE – Psychological Empowerment, PEc-competence, PEimp-impact, PEm-meaning, PEsd-self-determination; TR-Trust, TRB-benevolence, TRA-ability, TRi-integrity; JI – Job Involvement

CHAPTER FIVE

DISCUSSION AND CONCLUSION

5.1 Introduction

A theoretical model was conceptualized consisting of three antecedents; namely transformational leadership, organization structure and job characteristics, and a work outcome of psychological empowerment; i.e. job involvement. Meanwhile, trust was proposed as a moderating variable between the antecedents and psychological empowerment. The present study was undertaken to seek answers to several research questions. Therefore, this chapter will provide the summary of the findings, discussion and conclusion of the study. The findings discussed are in the relation to the following research questions: 1) How well do the managers' perceptions towards transformational leadership style would influence their level of psychological empowerment?, 2) How well do the managers' perceptions towards organizational structure would influence their level of psychological empowerment? and; 3) How well do the managers' perceptions towards job characteristics would influence their level of psychological empowerment? 4) Does trust moderates the relationship between transformational leadership style and psychological empowerment?, 5) Does trust moderates the relationship between organizational structure and psychological empowerment?; and 6) Does trust moderates the relationship between job characteristics and psychological empowerment? 7) Does

psychological empowerment act as a predictor to job involvement? Both theoretical and managerial implications together with limitations and future direction of the research are also discussed.

5.2 Recapitulation of the Study Findings

This study was carried out to examine the developed research framework which consists of transformational leadership, organization structure, and job characteristics as antecedents or predictors to psychological empowerment, and job involvement as its outcome. Trust was introduced as a moderating variable that could influence the relationship between the proposed antecedents and psychological empowerment. This study used a quantitative approach, whereby data were collected from bank managers around Peninsular Malaysia. Partial Least Squares (SmartPLS) software was used to test the hypotheses developed based on the problem statement.

Based on the results of the research, the following conclusions were drawn:

Firstly, the study found that the overall level of psychological empowerment among the bank managers is moderately high (Mean = 3.87, SD = 0.52). The findings also demonstrated that psychological empowerment of the bank managers was influenced by factors such as transformational leadership, organization structure, and job characteristics. From R^2 , it was further found that 44.3% of the variance in psychological empowerment is explained by exogenous variables namely transformational leadership, organizational structure and job characteristics. Job

characteristics were found to be the biggest contribution to the development of psychological empowerment among the bank managers.

Secondly, regarding the direct relations between independent variables and dependent variable, hypothesis 1, 2, and 3 hypothesized that positive relationships between transformational leadership and psychological empowerment, organic organization structure and psychological empowerment, and between job characteristics and psychological empowerment. The result from the output of the PLS-SEM analysis confirmed that there were positively significant relationships between transformational leadership and psychological empowerment ($\beta = 0.159$, $t = 2.131$, $p < 0.01$), organizational structure and psychological empowerment ($\beta = 0.192$, $t = 2.823$, $p < 0.01$) and job characteristics and psychological empowerment ($\beta = 0.418$, $t = 4.913$, $p < 0.01$). Therefore, hypotheses 1, 2 and 3 were supported. As for the relationships between psychological empowerment and job involvement (the second part of the model), the result also showed that there was a positively significant relationship ($\beta = 0.533$, $t = 7.953$, $p < 0.01$), with psychological empowerment contributed 28.4% of the variance in job involvement. Hence, hypothesis 7 is substantiated. The assessment on the capability of the research model to make prediction has further supported the findings. According to Fornell and Cha (1994) and Hair et al. (2014), a Q^2 greater than 0 implies that the model has predictive relevance, while value less than 0 indicates a lack of predictive relevance. In this study, both reflective endogenous variables obtained predictive relevance; psychological empowerment (0.213) and job involvement (0.138).

Thirdly, in this research, the moderating influence of trust on these relationships, found that trust towards top management did not moderate the relationships between transformational leadership, organization structure, and job characteristics with psychological empowerment. Thus, the hypothesized statements for these variables (H4, H5, and H6) were not supported.

5.3 Discussion

The following section discusses in further detail the factors that contributed to the development of psychological empowerment or the antecedents of psychological empowerment among the bank managers. The explanation about the relationships between psychological empowerment and job involvement is also included. However, discussion on the non-significant results will not be included due to insufficient evidence concerning the existence and nonexistence of the relationship between the construct (Lane, 2011; Rainey, 2012).

5.3.1 The Level of Psychological Empowerment among Bank Managers

One of the main aim of the study is to examine the level of psychological empowerment among the bank managers. The mean score for three psychological empowerment dimensions, such as impact, self-determination, and competence show moderately high levels, while meaning shows high mean level (above 4.0). This score is rather encouraging and reflects that the managers in the sample have quite high levels of psychological empowerment. The main indicator was their score

on meaning which give a score of more than the other dimensions. The feeling that their work is very meaningful to themselves could be translated as they value their work goals so much and perceived them to be very important. The findings also suggested that the respondents perceived themselves as being competent and self-determined. Competent refers to the ability of the employee to perform their task successfully, and self-determination reflects how much the employees have the choice and control over their tasks. Impact is the extent to which employees are confident that they can make a difference in their work outcome or in the organizations' outcomes. However, because of the self-reporting nature, there is tendency to over-report one's competence and self-determination highly, however the overall score for psychological empowerment do reflect moderately high levels of empowerment.

5.3.2 The Direct Relations between Transformational Leadership and Psychological Empowerment

Transformational leadership is generally conceptualized as a set of interrelated behaviors including idealized influence, inspirational motivation, intellectual stimulation, and individual consideration (Bass, 1995), while psychological empowerment is an intrinsic task motivation comprising of meaning, competence, self-determination, and impact (Spreitzer, 1995). The result from the output of the algorithm and bootstrapping PLS-SEM confirms that there is a positive significant relationships between transformational leadership and psychological empowerment ($\beta = 0.159$, $t = 2.131$, $p < 0.01$). Therefore, this study found that transformational leadership style affects the psychological empowerment of the managers. Consistent

with the previous findings of Dust, Resick and Mawritz (2014); Joo and Lim (2013); Seibert, Wang and Courtright (2011), this study suggested that transformational leadership is still an important element in pursuing individuals' intrinsic motivation, particularly the psychological empowerment. A meta-analysis by Seibert et al. (2011) also found that leadership had one of the strongest effect size with psychological empowerment, which further supported the finding of this research.

In the earlier studies, even though Samad (2007) used Podsakoff's measurement of transformational leadership and Ozaralli used Multifactor Leadership Questionnaire (MLQ) by Bass and Avolio, but the results were consistent. Followers who work with transformational leaders are more likely to be empowered as the leaders tend to transform their followers' value and behavior so that their follower can reach their full potential (Johnson & Dipboye, 2008), which is believed to influence the competence dimension of psychological empowerment. Such characteristic of transforming followers' value and behavior reflects the inspirational motivation dimension of transformational leadership style. Further by providing individual support, transformational leaders encourage the workers to believe in their abilities, challenge the status quo, and again, enhance their perception of competence, and the impact that they have on the direction of the organization. By demonstrating their concern on individual employees, the transformational leaders notice their employees' needs, trends, and desires, thus enhanced the employees motivation (Sahin, Cubuk & Uslu, 2014). Transformational leaders further influence feelings of confidence and a sense of self determination and competence among employees with their acknowledgement on the employees' worth and efficacy.

Individualized consideration to followers' need for achievement and growth can also encourage them to take on bigger responsibilities, hence bringing them to the cognitive state of psychological empowerment (Avolio et. al., 2004). As discussed by Picolo and Colquitt (2006), transformational leaders help them perceived their work as making a contribution towards achieving the organization goals and Arnold et al., (2007), stated that transformational leaders encourage employees to view the organization's visions as meaningful.

Intellectual stimulated leaders will also encourage knowledge development and allow freedom for thinking critically and risk taking. Therefore, this relationship creates working environment that allow the employees to experience overall feelings of empowerment.



5.3.3 The Direct Relations between Organization Structure and Psychological Empowerment

Structure is another contextual factor that can influence what types of behavior to be expected of the workers. The result of this study shows that organizational structure and psychological empowerment are positively related. The result of the mean score in result section revealed that the respondents perceived their organizations as an organic structure. Organic structure hereby implies that the organization has more flexible task, open communication, and decentralized decision making. Therefore, the significant positive relationship between organization structure and psychological empowerment reveals that certain design of structure will help employees to

experience a sense of empowerment. Thus, the result of this study is consistent with the finding of Chan (2003).

As suggested by Conger and Kanungo (1988) the key concept of empowerment is the feeling enhancement of self-efficacy among employees through identifying and removing conditions that cultivate powerlessness. Thus, the more organic the organization is perceived by the employees, the higher is their level of psychological empowerment. More specifically, it seems that when the organization is more flexible, the employees would have more freedom and more opportunities in decision making. Employees are encouraged to be actively involved in performing their roles. Thus, they have the control and self-determination of how they wish to accomplish their work. Free flow of communication in organic organization can create a sense of openness among the employees. Therefore, in organic organizations employees would feel more empowered. Unlike in mechanistic organization where the structure is considered as rigid, centralized decision making means that decision making is located at the top management, thus, it restricts the feeling of empowerment.

5.3.4 The Direct Relations between Job Characteristics and Psychological Empowerment

Job characteristics model (Hackman & Oldham, 1980) explained five core motivational job characteristics that may influence employee's attitudes and work outcomes. The five dimensions are namely autonomy (the extent of freedom, independence, and discretion of an employee to plan his/her work pace and method);

skill variety (the extent to which employee can use different skills in doing his/her job); task identity (the extent to which employee can complete the whole or identifiable piece of work); task significance (the extent of the significant impact of the job on others); and feedback (the extent to which an employee knows his/her performance from the job itself, colleagues, supervisors or customers).

The result confirms that there is a positively significant relationship between job characteristics and psychological empowerment. This result is consistent with the previous studies carried out by Jha and Nair (2008) and Chen and Chen's (2007). The positive relationship between job characteristics and psychological empowerment, in other words mean that if employees perceive the characteristics of their job as highly motivating, it will lead to higher perception of psychological empowerment. As such, job characteristics would influence intrinsic task motivation of an employee by providing meaningful job, making the employee more competent as well as determined to do the job and also by making a positive impact on the job environment. Hackman and Oldham (1976) had pointed that enhanced perception of job characteristics increases intrinsic motivation by creating, challenging important, and autonomous jobs. The result of this study supports this assertion.

Another point is that since psychological empowerment is seen as intrinsic motivation, it is believed that employee perception on job characteristic would correlate with psychological empowerment too. Moreover, specific job characteristics (for example, skill variety, task significance) would lead to positive psychological states such as feelings of meaningfulness and responsibility, which in turn would lead to satisfaction with the job. These critical psychological states

conceptually resemble very much the cognitions reflecting employees' psychological empowerment that were identified by Thomas and Velthouse (1990) and further validated by Spreitzer (1995). Furthermore, the increase in task identity, autonomy, and feedback in work, will bring employees confidence and make them feel that they are competent in achieving the work objectives and self-determination to choose their own ways to solve problems (Chen & Chen, 2008).

Specifically in the present study, the level of psychological empowerment among bank manager was seemed to be mostly affected by how they perceived their job characteristics. Since job characteristics were regarded as second-order construct, the relationship between the five dimensions and level of psychological empowerment cannot be drawn. However, some general assumptions can still be made. Firstly, skill variety indicates that employees are able to use different skills at work in order to perform different kind of tasks. Secondly, the opportunity to use variety of skills would influence the level of competence and therefore, increases their perception of psychological empowerment. Thirdly, task identity and task significance reflects the importance of a job, thus, enable employees to experience meaningfulness and impact dimension of psychological empowerment. Meanwhile, autonomy allows employees to exercise choices about how and when to get things done. As managers, having substantial amount of freedom in carrying out their job is essential and would definitely improve their intrinsic motivation. Finally, feedback received from the work being done would also allow them to monitor their progress. These characteristics are both important as they could affect their level of self-determination dimension in psychological empowerment. The relationship between job characteristic and psychological empowerment is thus consistent with Self-

Determination Theory (SDT). The theory stresses that besides relatedness, individuals have strong need for autonomy and competence too. This is further supported by Hackman and Oldham's (1975), where they suggested that job characteristics that have five core job dimensions would affect certain personal and work-related outcomes, including work motivation and job satisfaction. In other words, job characteristics influence intrinsic task motivation of an employee by providing meaningful job, making the employee more competent as well as determined to do the job and also by making a positive impact on the job environment.

5.3.5 The Direct Relations between Psychological Empowerment and Job Involvement

Job involvement refers to the extent to which the individuals psychologically identify with his or her job (Kanungo, 1982b). It is also relates to how employees actively participate in their jobs and how much they see their job as very important to their self image. The result of this study confirmed the hypothesized positive relationship between employees' perception on psychological empowerment and job involvement. This result is consistent with Ooi et al. (2007), where they found that how employees perceived their psychological empowerment affects their job involvement. Employees with high level of psychological empowerment perceive that their job as very meaningful (value of work goal), believe they are competent (self-efficacy), self-determined (having choices and autonomy), and able to make an impact or make a difference (influence on works outcome) in performing their tasks (Lambert, 1991; Brown & Leigh, 1996; Kanungo, 1982a). Meanwhile, Singh and

Sankar (2012) found only meaning to be significantly effects job involvement. In other words, those with high level of psychological empowerment would experience high level of internal motivation. Therefore, the finding indicates that employees who are psychologically empowered tend to psychologically identified with their job or being actively attached with their job.

The present study's finding also implies that employees who are psychologically empowered are motivated to perform their tasks and having a strong sense of feeling towards the attachment with their job. Job involvement is considered to be attitudinal outcome of intrinsic motivation, and thus, was hypothesized as positively related to psychological empowerment. Employees are motivated intrinsically when organization eliminates constraints that contributes to their feeling of powerlessness or helplessness.

5.3.6 The Moderating Effects of Trust

Trust was hypothesized to moderate the relationship between transformational leadership and psychological empowerment, organic structure and psychological empowerment, and between job characteristics and psychological empowerment. It was proposed that trust towards the top management would enhanced the relationship between transformational and psychological empowerment; between organization structure and psychological empowerment; and between job characteristics and psychological empowerment. However, no moderation of trust was found. The results exemplifies that the level of the managers' trust towards the top management does not effects the managers feeling of psychological empowerment. Although the

managers do not consider trust towards top management play an important role, they still experience high level of psychological empowerment through transformational leadership, organization structure, and job characteristics. This indicates that the role of leadership, the structure of the organization, and how job is designed are more crucial than trust towards top management in influencing psychological empowerment.

A possible reason for the lack of moderation effect of trust could be due to the nature of how bank is being governed. Even though the commercial banks are the largest and most significant providers of funds in the banking system, they are monitored and controlled by The Banking and Financial Institutions Act 1989 (BAFIA) previously and currently by Financial Services Act 2013 (FSA). These acts extend BNM's powers for the supervision and regulation of financial institutions and deposit taking institutions who are also engaged in the provision of finance and credit. This allow the BNM to have some control over the operation and decision making of commercial bank. Thus, it provides explanation of the insignificant result of trust as a moderating factor on the relationship between transformational leadership and psychological empowerment, between organization structure and psychological empowerment and between job characteristics and psychological empowerment. More research need to be carried out to further explore the role of trust in organization.

5.4 Contributions of the Research

The findings of the current study have contributed to a number of important implications to theory and practice. In particular, it offers recommendations to academicians, managers and business practitioners on the need to consider appropriate measures and ways to improve job involvement. In short the following section would discuss the contribution of the study in terms of theoretical and practical aspect.

5.4.1 Theoretical Contribution

The theoretical value of this study is it's emphasize on the relevance of social exchange theory in explaining the concept of psychological empowerment. In social exchange theory, the value of reciprocity is the main feature that explains its importance in social life. As noted by Molm, Schaefer and Collect (2007), reciprocity is the giving of benefits to another in return for benefits received. In the present study, the reciprocity is the employee's positive attitude of job involvement in return to the intrinsic motivation gained from the organization. Thus, this study is congruent with Blau's (1964) social exchange theory. In other word, this study has empirically supported the application of this theory which posits that employees tend to reciprocate with positive attitude such as having high level of job involvement as they experienced higher psychological empowerment. These feelings of psychological empowerment were perceived to be contributed by transformational leadership, organization structure and job characteristics. Meanwhile, job

involvement is the desirable workplace attitudinal condition which is consistent with the theory.

As for organization structure, some people would prefer to work in highly formalized, standardized tasks – that is the mechanistic organizations. However, result of this study shows that when employees perceived their organizations as being organic, with freedom and flexibility, it would have positive influence on their intrinsic motivation.

This study also supported the job characteristics model by Oldham and Hackman (1976). The five core dimensions of a job are combined to determine the job's motivating potential score (MPS). Thus, the greater the job's MPS score, the greater would be the satisfaction and motivation of the employees. In other words, the theory posits that enriched and motivating job characteristics develop positive cognitive states. This would in turn result in desirable workplace attitudinal conditions. The significant result of the relationships between job characteristic and psychological empowerment in this study has confirmed that job characteristics develop positive cognitive states. Psychological empowerment is defined by Spreitzer (1996) as an intrinsic motivation manifested in four cognitions namely meaning, competence, self-determination, and impact.

5.4.2 Methodological Contribution

The present study has also several methodological contribution. Firstly, as most of the researches were conducted in foreign countries, there is a need to cross-validate

the measurement scales in order to confirm their validity and reliability. For that purpose, composite reliability, convergent validity, and discriminant validity were calculated and were found to be above the minimum threshold in all cases.

Secondly, is the choice of statistical analysis where most previous researches use covariance-based structural equation modeling (CB-SEM) compared with PLS-SEM. However, currently PLS-SEM has been increasingly applied in marketing and other business disciplines (Henseler, Ringle & Sinkovics, 2009). Therefore, the present study findings were derived through PLS-SEM approach. The PLS-SEM analysis provides parameter estimates that maximize the explained variance (R^2 values) of the dependent constructs. The method therefore supports prediction-oriented goals, which is consistent with the objectives of this study (to explain/predict the target constructs in the structural model such as psychological empowerment and job involvement). Furthermore, as stated by Hair, Sarstedt, Ringle and Mena (2011), PLS-SEM works efficiently with small sample size - which fits the nature of the present study.

Thirdly, PLS-SEM is also efficient for second order formative measurement of latent variables i.e. transformational leadership, job characteristics and trust which was nature of the variables of the present study. Ringle et al., (2009) agreed that PLS-SEM results are robust when formative measures are used. In addition, the using of the Stone-Geisser test of predictive relevance once again is a significant methodological contribution.

5.4.3 Managerial Implications

The results provided an initial demonstration of the important relationships among contextual variables, psychological empowerment, and job involvement. These relationships provided several practical implications for organizations. Firstly, transformational leadership is seen as a conducive condition for the development of employees' psychological empowerment. Thus, this study enhanced the importance of having transformational leaders in an organization. Leaders may not realize the impact of their leadership style on the outcome of their employees however its effects are visible to others. Therefore, it is recommended that management of an organization should identify the leadership style of its leaders especially during the selection process. Those who do not align with transformational style should be trained to become one and should be made aware of the leadership style importance.

Secondly, the research result reported that organic structure has positive relationship with psychological empowerment. Therefore, it is wise for the management to consider organic structure in designing an organization. In the environment that is changing rather fast, an organic organization is expected to be more suitable. As in the banking industry, managers should be responding immediately to the needs and demand from the customers.

Thirdly, the five dimensions of job characteristics have an influence on the feeling of psychological empowerment. The findings of the present study provided additional empirical evidence on the relationships of these two variables. Therefore, it is crucial for the management to incorporate these five elements of job characteristics (task

significance, skill variety, task identity, autonomy, and feedback) into the managers' role.

Lastly, the relationship between psychological empowerment and job involvement, necessitates the management to come up with better ideas and knowledge on how to shape the attitude of the employees. Therefore, organizations that which requires employees who can take initiative and cope with uncertainty such as in the banking industry, could benefit from psychological empowerment. The result of this study gives evidence that those who experience psychological empowerment would become more involved with their job. According to Keller (1997) and Diefendorff et al. (2002), job involvement is a predictor to job performance. Hence, developing such attitudes about one's job is crucial.

Therefore, the model proposed in this study is suitable to be a guide especially for the organizational trainers and human resource personnel in their effort to develop empowered employees. However, cautions is needed because these are not the only contributors to psychological empowerment as it explains only 44.3% of the variance. There are other factors that would contribute to the development of psychological empowerment among the bank managers that need to be explored further.

5.5 Limitations and Future Research Directions

Like any other studies the present study also contains several limitation. Firstly, the study design uses cross-sectional data to test the hypotheses, therefore causal

inferences cannot be drawn. It is suggested that longitudinal studies to be conducted in the future. A longitudinal design would have enabled stronger evidence of the directional relationship between transformational leadership, organization structure, job characteristics and psychological empowerment; and between psychological empowerment and job involvement. Therefore, longitudinal studies can help determine the causal relationship in the model.

Secondly, the background of the respondents is consistent, i.e. managers in banking industry, does not allow generalization for all managers in other industries. Therefore, the findings of the study should be interpreted in the limited context of the studied respondents only. Thus, future study should extend to involve managers in other industries as well so that comparison can be made. Both private and public sectors should be included for further and in depth investigation regarding factors contributing to psychological empowerment. Apart from larger industry, study should also include respondents from different level of work operation; that is from lower level to higher level, from operation level to executives and managerial level.

Thirdly, many other individual and organizational variables could be taken into consideration in identifying the antecedents of psychological empowerment. For instance, organizational variables such as perceived organizational support, organizational politics, organizational justice, different types of leadership, human resource practices or communication process would be something of great contribution to the field of organizational behavior. Individual variables such as personality traits or comparison between male and female should also be considered to get the more insightful picture of psychological empowerment.

Other attitudinal and behavioral consequences could also be included in the model. It is recommended to consider testing other work attitudes such as job satisfaction, organization commitment, including job involvement simultaneously in one model. At the same time discriminant validity of the three attitudinal constructs could be examined. Besides, moderating and mediating factor should also be considered in order to further understand the concept of psychological empowerment.

Fourthly, the study was conducted at the individual level of analysis. Therefore, the result is only applicable to the individual manager. Future research should be carried out to study at team, unit, or department level in assessing the antecedents and consequences of psychological empowerment.

Lastly, the respondents were asked to evaluate their trust towards top management while evaluation on transformational leadership was referred to their immediate supervisor (for instance the regional manager). This may lead to some confusion among the respondent regarding who should they referred to when evaluating trust. Future research should be more careful when addressing this issue.

5.6 Conclusion

This study has provided empirical evidence on the relationships between transformational leadership, organizational structure, and job characteristics in influencing psychological empowerment. In addition, this study examines the interaction between psychological empowerment and job involvement, and trust. Hence, it appears that management should promote transformational leadership style, being organic in structure and having job characteristics that are motivating, in their

effort to develop higher level of psychological empowerment among the managers. In addition, psychological empowerment is found to influence job involvement of the managers. Job involvement is considered as work related attitude that could affect work related behavior such as turnover, absenteeism and performance. As such, meaning, competence, self-determination, and impact are all four dimensions of psychological empowerment that management should pay attention.

Although there are plenty social science research examining psychological empowerment, the present research still contributed to the literature on psychological empowerment particularly in the Malaysian context. The Social Exchange Theory has been drawn as a foundation for this study. Besides theoretical contributions, the research results do provide some practical implications, especially to the management of an organization. Overall, this study added to the present knowledge in psychological empowerment, and its effects on employees' attitude specifically job involvement.

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UUM
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Dear Respondent,

**RESEARCH ON THE PSYCHOLOGICAL EMPOWERMENT AND JOB INVOLVEMENT
OF BANK MANAGERS**

Referring to the above matter, I would like to obtain your invaluable response and support in affiliation with my study. I am a lecturer from Universiti Utara Malaysia and currently doing a PhD in organizational behavior.


As part of my PhD research, I am conducting a survey to examine of how factors such as leadership style, job design, and structure of the organization influence psychological empowerment of the managers, as well as their level of job involvement. I have undertaken this study because of the belief that psychological empowerment play a role in determining work attitudes such as job involvement.

Your help in completing and returning this questionnaire is most appreciated! Completing the questionnaire would take no more than **15 minutes** of your time. All responses to this questionnaire will be kept confidential. Results will be used only for academic purposes with no specific individuals identified. In view of the demands on your time and since questionnaires that are not completed tend to be forgotten, I am most grateful if you could complete the attached questionnaire at your earliest, hopefully, within the next seven days. Please return the questionnaire in the self-addressed envelope provided or return it to the designated contact person in your organization.

When the study has been completed, a copy of the report can be made available to you. If you would like a copy, please provide your name and address on the last page of the questionnaire.

Thank you very much for your time and assistance.

Kind regards


HANISSAH A. RAZAK
Doctoral Researcher
Universiti Utara Malaysia
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DR NORSLAH MAT
PhD Supervisor
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APPENDIX B

SECTION A

Please indicate your perception of your immediate supervisor by ticking(/) the numbers.

| Q1 | My boss..... | Strongly Disagree (1) ____ Strongly Agree(5) | | | | |
|----|---|--|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 1 | Instill pride in me for being associated with him/her. | | | | | |
| 2 | Goes beyond self-interest for the good of the group. | | | | | |
| 3 | Acts in ways that builds my respect for him/her | | | | | |
| 4 | Displays a sense of power and confidence | | | | | |
| 5 | Talks about his/her most important values and beliefs. | | | | | |
| 6 | Specifies the importance of having a strong sense of purpose. | | | | | |
| 7 | Considers the moral and ethical consequences of decisions. | | | | | |
| 8 | Emphasizes the importance of having a collective sense of mission. | | | | | |
| 9 | Talks optimistically about the future. | | | | | |
| 10 | Talks enthusiastically about what needs to be accomplished. | | | | | |
| 11 | Articulates a compelling vision of the future. | | | | | |
| 12 | Expresses confidence that goals will be achieved. | | | | | |
| 13 | Re-examines critical assumptions, to question whether they are appropriate. | | | | | |
| 14 | Seek differing perspectives when solving problems. | | | | | |
| 15 | Gets me to look at problems from many different angles. | | | | | |
| 16 | Suggest new ways of looking at how to complete assignments. | | | | | |
| 17 | Spend time teaching and coaching subordinates. | | | | | |
| 18 | Treat me as an individual rather than just as a member of a work group. | | | | | |
| 19 | Considers me as having different needs, abilities, and aspirations from others. | | | | | |
| 20 | Helps me develop my strength. | | | | | |

| Q2 | Please circle the response best describe your job. | Very Little (1) ____ Very Much(5) | | | | |
|----|--|--------------------------------------|---|---|---|---|
| 1 | How much autonomy in your job? That is, to what extent does your job permit you to decide on how to go about doing the work? | 1 | 2 | 3 | 4 | 5 |
| 2 | To what extent does your job involve doing a “whole” an identifiable piece of work? That is, is the job a complete piece of work that has an obvious beginning and end? | 1 | 2 | 3 | 4 | 5 |
| 3 | How much variety is there in your job? That is, to what extent does the job require you to do many different things at work, using a variety of your skills and talents? | 1 | 2 | 3 | 4 | 5 |
| 4 | In general, how significant or important is your job? That is, are the result of your work likely to significantly affect the lives or well being of other people? | 1 | 2 | 3 | 4 | 5 |
| 5 | To what extent does doing the job itself provide you with information about your work performance? That is, does the actual work itself provide clues about how well you are doing aside from any “feedback” co-workers or supervisors may provide? | 1 | 2 | 3 | 4 | 5 |

| | How accurately each of the Following statements describe your job- regardless of whether you like or dislike your job. | Very Inaccurate (1) ____ Very Accurate (5) | | | | |
|----|--|--|---|---|---|---|
| 6 | The job requires me to use a number of complex or high-level skills. | 1 | 2 | 3 | 4 | 5 |
| 7 | The job is arranged so that I do not have the chance to do an entire piece of work from beginning to end. | 1 | 2 | 3 | 4 | 5 |
| 8 | Just doing the work required by the job provides many chances for me to figure out how well I am doing. | 1 | 2 | 3 | 4 | 5 |
| 9 | The job is quite difficult and involves no repetitiveness. | 1 | 2 | 3 | 4 | 5 |
| 10 | The job is one where a lot of other people can be affected by how well the work gets done. | 1 | 2 | 3 | 4 | 5 |
| 11 | The job gives me a chance to use my personal initiative or judgement in carrying out the work. | 1 | 2 | 3 | 4 | 5 |
| 12 | The job provides me the chance to completely finish the pieces of work I begin. | 1 | 2 | 3 | 4 | 5 |
| 13 | After I finish a job, I know whether I performed well. | 1 | 2 | 3 | 4 | 5 |
| 14 | The job gives me considerable opportunity for independence and freedom in how I do the work. | 1 | 2 | 3 | 4 | 5 |
| 15 | The job itself is very significant or important in the broader scheme of things. | 1 | 2 | 3 | 4 | 5 |

| Q3 | How strongly do you agree or disagree with each of the Following statements about the <u>structure of your organization</u> ? | Strongly Disagree (1) | | | | |
|----|--|-----------------------|---|---|---|---|
| | | Strongly Agree(5) | | | | |
| 1 | Goals are well defined for total unit. | 1 | 2 | 3 | 4 | 5 |
| 2 | Lines of authority are precisely defined. | 1 | 2 | 3 | 4 | 5 |
| 3 | Communications on job related matters are predominantly vertical. | 1 | 2 | 3 | 4 | 5 |
| 4 | Most tasks performed at the lower levels of the total units are well defined. | 1 | 2 | 3 | 4 | 5 |
| 5 | Routine solutions exist to perform many tasks. | 1 | 2 | 3 | 4 | 5 |
| 6 | It is relatively easy to predict in advance how each job is to be performed. | 1 | 2 | 3 | 4 | 5 |

SECTION B

Please answer the following questions by ticking (/) the number that best represents your opinion with the following statements.

| Q4 | How strongly do you agree or disagree with each of the Following statements about <u>your job</u> in your organization ? | Strongly Disagree (1) | | | | |
|----|---|-----------------------|---|---|---|---|
| | | Strongly Agree(5) | | | | |
| 1 | The work that I do is very important to me. | 1 | 2 | 3 | 4 | 5 |
| 2 | My job activities are very personally meaningful to me. | 1 | 2 | 3 | 4 | 5 |
| 3 | The work I do is meaningful to me. | 1 | 2 | 3 | 4 | 5 |
| 4 | I have significant autonomy in determining how I do my job. | 1 | 2 | 3 | 4 | 5 |
| 5 | I can decide on my own on how to go about doing my work. | 1 | 2 | 3 | 4 | 5 |
| 6 | I have considerable opportunity for independence and freedom in how I do my job. | 1 | 2 | 3 | 4 | 5 |
| 7 | I am confident about my ability to do my job. | 1 | 2 | 3 | 4 | 5 |
| 8 | My job is well within the scope of my abilities. | 1 | 2 | 3 | 4 | 5 |
| 9 | I have mastered the skills necessary for my job. | 1 | 2 | 3 | 4 | 5 |
| 10 | My impact on what happens in my department is large. | 1 | 2 | 3 | 4 | 5 |
| 11 | I have a great deal of control over what happens in my department. | 1 | 2 | 3 | 4 | 5 |
| 12 | I have significance influence over what happens in my department. | 1 | 2 | 3 | 4 | 5 |

| | | | | | | |
|-----------------|---|---|---|---|---|---|
| Q5 13 | I like to be absorbed in my job most of the time. | 1 | 2 | 3 | 4 | 5 |
| 14 | The most important things that happen to me involve my present job. | 1 | 2 | 3 | 4 | 5 |
| 15 | To me, my job is only a small part of who I am. | 1 | 2 | 3 | 4 | 5 |
| 16 | I am very much involved personally in my job. | 1 | 2 | 3 | 4 | 5 |
| 17 | I live, eat, and breath my job. | 1 | 2 | 3 | 4 | 5 |
| 18 | Most of my interests are centered around my job. | 1 | 2 | 3 | 4 | 5 |
| 19 | I have very strong ties with my present job which would be very difficult to break. | 1 | 2 | 3 | 4 | 5 |
| 20 | Usually I feel detached from my job. | 1 | 2 | 3 | 4 | 5 |
| 21 | Most of my personal life goals are job-oriented. | 1 | 2 | 3 | 4 | 5 |
| 22 | I consider my job to be very central to my existence. | 1 | 2 | 3 | 4 | 5 |

SECTION C

| Q6 | How strongly do you agree or disagree with each of the Following statements about your top management (e.g. CEO, BOD, VC) ? | StronglyDisagree (1) _____ Strongly Agree(7) | | | | | | |
|-----------|--|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1 | Top management is very capable of performing its job. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 2 | Top management is known to be successful at the things it tries to do. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 3 | Top management has much knowledge about the work that needs to be done. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 4 | I feel very confident about top management's skill. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 5 | Top management has specialized capabilities that can increase or improve performance. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 6 | Top management is well qualified. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 7 | Top management is very concerned about my welfare. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | My needs and desires are very important to top management. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 9 | Top management would not knowingly do anything to hurt me. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 10 | Top management really looks out for what is important to me. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 11 | Top management will go out of its way to help me. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 12 | Top management has a strong sense of justice | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 13 | I never have to wonder whether top management will stick to its word. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 14 | Top management tries hard to be fair in dealings with others. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 15 | Top management's action and behaviours are not very consistent. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 16 | I like top management's value. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 17 | Sounds principles seem to guide top management's behaviour. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 18 | If I had my way, I wouldn't let top management have any influence over issues that are important to me. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

| | | | | | | | | |
|----|---|---|---|---|---|---|---|---|
| 19 | I would be willing to let top management have complete control over my future in this company. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 20 | I really wish I had a good way to keep an eye on top management. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 21 | I would be comfortable giving top management a task or problem which was critical to me, even if I could not monitor their actions. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

SECTION D

Please tick (/) or fill in the blank where appropriate.

| | | | | | | |
|---|---|--|--|---|---|---|
| 1 | What is your current position in the company? | | | | | |
| 2 | How long have you been in the current position? | | years | | | |
| 3 | How long have you been with the company ? | | years | | | |
| 4 | How long have you been experienced with this industry ? | | years | | | |
| 5 | Your gender: Male (M) or Female (F) | | (Please state M or F in a given box) | | | |
| 6 | Your age is: | | years | | | |
| 7 | Your highest level of education is: | | Masters or higher | | | |
| | | | Degree | | | |
| | | | Diploma | | | |
| | | | SPM/STPM | | | |
| | | No _____ Full Knowledge (1) Knowledge(5) | | | | |
| 8 | To what extent do you feel you possess knowledge regarding the questions asked in this questionnaire? | 1 | 2 | 3 | 4 | 5 |
| 9 | To what extent do you believe the responses given by you accurately reflect the 'realities' of your job and organization? | 1 | 2 | 3 | 4 | 5 |

Please use this space to write any comment you wish to make.

If you would like a copy of the report, please provide your name and address:



End of Question

THANK YOU VERY MUCH FOR YOUR KIND COOPERATION

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Universiti Utara Malaysia

APPENDIX C

Descriptive Statistics

| | N | Minimum | Maximum | Mean | Std. Deviation |
|--------------------|-----|---------|---------|--------|----------------|
| TLii | 151 | 2.38 | 5.00 | 3.7541 | .53510 |
| Tlim | 151 | 2.00 | 5.00 | 3.7334 | .63814 |
| Tlis | 151 | 1.50 | 5.00 | 3.6247 | .66931 |
| Tlic | 151 | 1.75 | 5.00 | 3.5116 | .72066 |
| TL | 151 | 2.22 | 5.00 | 3.6560 | .56504 |
| Valid N (listwise) | 151 | | | | |

Descriptive Statistics

| | N | Minimum | Maximum | Mean | Std. Deviation |
|--------------------|-----|---------|---------|--------|----------------|
| OS | 151 | 2.25 | 5.00 | 3.7569 | .55684 |
| JI | 151 | 1.80 | 5.00 | 3.3733 | .63759 |
| Valid N (listwise) | 151 | | | | |

Descriptive Statistics

| | N | Minimum | Maximum | Mean | Std. Deviation |
|--------------------|-----|---------|---------|--------|----------------|
| Jca | 151 | 2.00 | 5.00 | 3.6618 | .60566 |
| JCsv | 151 | 1.50 | 5.00 | 3.7806 | .69222 |
| JCfb | 151 | 1.50 | 6.00 | 3.5636 | .62067 |
| JCts | 151 | 2.00 | 5.00 | 3.8816 | .64042 |
| Jctid | 151 | 1.50 | 5.00 | 3.3640 | .61997 |
| JC | 151 | 2.65 | 4.70 | 3.6503 | .41764 |
| Valid N (listwise) | 151 | | | | |

APPENDIX C (continued)

Descriptive Statistics

| | N | Minimum | Maximum | Mean | Std. Deviation |
|--------------------|-----|---------|---------|--------|----------------|
| Tri | 151 | 1.00 | 7.00 | 4.1654 | 1.20170 |
| TRA | 151 | 1.33 | 7.00 | 4.7865 | 1.15448 |
| TRB | 151 | 1.40 | 7.00 | 4.0206 | 1.20451 |
| Trust | 151 | 1.87 | 6.67 | 4.3242 | 1.08360 |
| Valid N (listwise) | 151 | | | | |

Descriptive Statistics

| | N | Minimum | Maximum | Mean | Std. Deviation |
|--------------------|-----|---------|---------|--------|----------------|
| PEm | 151 | 2.00 | 5.00 | 4.0241 | .69826 |
| PEimp | 151 | 1.67 | 5.00 | 3.7170 | .67762 |
| PEsd | 151 | 2.00 | 5.00 | 3.7895 | .64958 |
| PEc | 151 | 2.33 | 5.00 | 3.9607 | .60306 |
| PE | 151 | 2.50 | 5.00 | 3.8728 | .51753 |
| Valid N (listwise) | 151 | | | | |

APPENDIX D: VIF

Coefficients^a

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|--------------|-----------------------------|------------|---------------------------|--------|------|-------------------------|-------|
| | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 (Constant) | 1.107 | .492 | | 2.249 | .026 | | |
| JCa1 | .106 | .084 | .105 | 1.262 | .209 | .613 | 1.631 |
| JCtid1 | .139 | .080 | .147 | 1.739 | .084 | .598 | 1.671 |
| JCsv1 | .161 | .084 | .177 | 1.922 | .057 | .506 | 1.978 |
| JCts1 | -.053 | .100 | -.051 | -.529 | .597 | .455 | 2.200 |
| JCfb1 | .095 | .095 | .086 | 1.003 | .318 | .584 | 1.713 |
| JCsv2 | .238 | .085 | .252 | 2.790 | .006 | .524 | 1.908 |
| JCtid2 | -.018 | .058 | -.022 | -.305 | .761 | .833 | 1.201 |
| JCfb2 | .081 | .065 | .098 | 1.248 | .214 | .696 | 1.437 |
| JCsv3 | -.092 | .057 | -.114 | -1.607 | .110 | .845 | 1.183 |
| JCts2 | .173 | .077 | .183 | 2.247 | .026 | .648 | 1.543 |
| JCa2 | -.074 | .093 | -.079 | -.790 | .431 | .425 | 2.355 |
| JCtid3 | -.034 | .095 | -.031 | -.359 | .721 | .561 | 1.782 |
| JCfb3 | -.118 | .061 | -.162 | -1.943 | .054 | .619 | 1.616 |
| JCa3 | .123 | .079 | .130 | 1.553 | .123 | .614 | 1.628 |
| JCts3 | .090 | .070 | .109 | 1.279 | .203 | .588 | 1.700 |

a. Dependent Variable: PEm1

APPENDIX E: CMV

Common method Variance

| Total Variance Explained | | | | | | |
|--------------------------|---------------------|---------------|--------------|-------------------------------------|---------------|--------------|
| Component | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | | |
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1 | 19.650 | 24.562 | 24.562 | 19.650 | 24.562 | 24.562 |
| 2 | 7.298 | 9.123 | 33.685 | | | |
| 3 | 5.996 | 7.495 | 41.180 | | | |
| 4 | 4.220 | 5.275 | 46.456 | | | |
| 5 | 2.582 | 3.228 | 49.683 | | | |
| 6 | 2.370 | 2.963 | 52.646 | | | |
| 7 | 2.267 | 2.834 | 55.481 | | | |
| 8 | 1.940 | 2.424 | 57.905 | | | |
| 9 | 1.857 | 2.321 | 60.226 | | | |
| 10 | 1.769 | 2.212 | 62.437 | | | |
| 11 | 1.729 | 2.161 | 64.598 | | | |
| 12 | 1.535 | 1.918 | 66.517 | | | |
| 13 | 1.348 | 1.685 | 68.202 | | | |
| 14 | 1.283 | 1.604 | 69.806 | | | |
| 15 | 1.236 | 1.545 | 71.351 | | | |
| 16 | 1.185 | 1.481 | 72.832 | | | |
| 17 | 1.144 | 1.430 | 74.262 | | | |
| 18 | 1.117 | 1.396 | 75.658 | | | |
| 19 | 1.033 | 1.292 | 76.949 | | | |
| 20 | .984 | 1.230 | 78.180 | | | |
| 21 | .934 | 1.167 | 79.347 | | | |
| 22 | .886 | 1.108 | 80.455 | | | |
| 23 | .869 | 1.086 | 81.540 | | | |
| 24 | .784 | .980 | 82.521 | | | |
| 25 | .734 | .918 | 83.438 | | | |
| 26 | .690 | .863 | 84.301 | | | |
| 27 | .687 | .858 | 85.159 | | | |
| 28 | .643 | .803 | 85.963 | | | |
| 29 | .599 | .749 | 86.712 | | | |
| 30 | .576 | .719 | 87.431 | | | |
| 31 | .557 | .697 | 88.128 | | | |
| 32 | .528 | .660 | 88.788 | | | |

APPENDIX E: continued

| | | | | | | |
|----|------|------|--------|--|--|--|
| 33 | .511 | .639 | 89.427 | | | |
| 34 | .481 | .601 | 90.028 | | | |
| 35 | .455 | .569 | 90.597 | | | |
| 36 | .433 | .541 | 91.138 | | | |
| 37 | .419 | .523 | 91.661 | | | |
| 38 | .408 | .510 | 92.171 | | | |
| 39 | .377 | .471 | 92.642 | | | |
| 40 | .369 | .461 | 93.103 | | | |
| 41 | .364 | .455 | 93.558 | | | |
| 42 | .337 | .421 | 93.979 | | | |
| 43 | .333 | .416 | 94.395 | | | |
| 44 | .289 | .361 | 94.757 | | | |
| 45 | .284 | .355 | 95.111 | | | |
| 46 | .274 | .342 | 95.453 | | | |
| 47 | .260 | .325 | 95.778 | | | |
| 48 | .244 | .305 | 96.083 | | | |
| 49 | .232 | .290 | 96.373 | | | |
| 50 | .219 | .273 | 96.647 | | | |
| 51 | .206 | .257 | 96.903 | | | |
| 52 | .188 | .235 | 97.138 | | | |
| 53 | .184 | .229 | 97.368 | | | |
| 54 | .171 | .213 | 97.581 | | | |
| 55 | .161 | .202 | 97.783 | | | |
| 56 | .153 | .191 | 97.974 | | | |
| 57 | .149 | .186 | 98.160 | | | |
| 58 | .140 | .175 | 98.334 | | | |
| 59 | .131 | .164 | 98.498 | | | |
| 60 | .127 | .158 | 98.656 | | | |
| 61 | .116 | .145 | 98.802 | | | |
| 62 | .100 | .125 | 98.927 | | | |
| 63 | .095 | .119 | 99.046 | | | |
| 64 | .091 | .113 | 99.159 | | | |
| 65 | .087 | .108 | 99.267 | | | |
| 66 | .074 | .093 | 99.360 | | | |
| 67 | .072 | .089 | 99.450 | | | |
| 68 | .061 | .076 | 99.526 | | | |
| 69 | .053 | .066 | 99.592 | | | |
| 70 | .050 | .063 | 99.655 | | | |

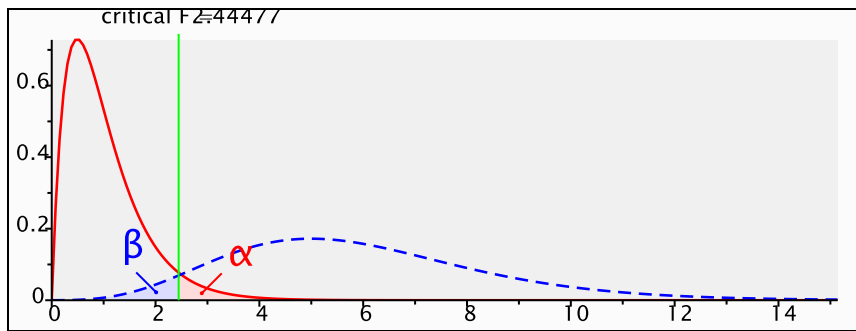
APPENDIX E: continued

| | | | | | | |
|----|------|------|---------|--|--|--|
| 71 | .045 | .057 | 99.712 | | | |
| 72 | .042 | .052 | 99.764 | | | |
| 73 | .038 | .048 | 99.812 | | | |
| 74 | .036 | .044 | 99.856 | | | |
| 75 | .026 | .033 | 99.889 | | | |
| 76 | .022 | .027 | 99.916 | | | |
| 77 | .021 | .026 | 99.942 | | | |
| 78 | .018 | .022 | 99.964 | | | |
| 79 | .017 | .021 | 99.984 | | | |
| 80 | .012 | .016 | 100.000 | | | |

Extraction Method: Principal Component Analysis.



APPENDIX F: G-Power Analysis



F tests - Linear multiple regression: Fixed model, R^2 deviation from zero

Analysis: A priori: Compute required sample size

Input: Effect size f^2 = 0.15

α err prob = 0.05

Power ($1-\beta$ err prob) = 0.95

Number of predictors = 4

Output: Noncentrality parameter λ = 19.3500000

Critical F = 2.4447662

Numerator df = 4

Denominator df = 124

Total sample size = 129

Actual power = 0.9505747