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

By

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Thesis submitted to the
Othman Yeop Abdullah Graduate School of Business
Universiti Utara Malaysia

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


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

vii
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TABLE OF CONTENTS

TITLE PAGE ....................................................................................................................... i
CERTIFICATIONS OF THESIS ............................................................................................ ii
PERMISSION TO USE ........................................................................................................ iii
ABSTRACT .......................................................................................................................... iv
ABSTRAK ........................................................................................................................... v
ACKNOWLEDGEMENT ........................................................................................................ vi
TABLE OF CONTENTS ....................................................................................................... vii
LIST OF TABLES ................................................................................................................ xi
LIST OF FIGURES .............................................................................................................. xii
LIST OF ABBREVIATIONS ................................................................................................. xiii

CHAPTER ONE
INTRODUCTION .................................................................................................................. 1
1.1 Introduction ................................................................................................................ 1
1.2 Problem Statement .................................................................................................... 10
1.3 Research Questions .................................................................................................. 17
1.4 Research Objectives ................................................................................................ 19
1.5 Significance of the Study ........................................................................................ 19
  1.5.1 Theoretical Contribution .................................................................................. 19
  1.5.2 Practical Contribution ....................................................................................... 20
1.6 Scope of the Study .................................................................................................... 22
1.7 Definitions of Key Terms ....................................................................................... 23
1.8 Organization of the Thesis ..................................................................................... 24

CHAPTER TWO
LITERATURE REVIEW ....................................................................................................... 26
2.1 Introduction .............................................................................................................. 26
2.2 Empowerment ........................................................................................................ 27
  2.2.1 Conceptualization of Psychological Empowerment ............................................. 31
  2.2.2 Antecedents of Psychological Empowerment ...................................................... 34
    2.2.2.1 Transformational Leadership Style and Psychological Empowerment .......... 39
2.2.2.2 Organization structure and Psychological Empowerment...... 44
2.2.2.3 Job Characteristics and Psychological Empowerment .......... 47
2.2.3 Outcome of Psychological Empowerment................................. 52
   2.2.3.1 Job Involvement............................................................... 55
      2.2.3.1.1 Definition................................................................. 55
      2.2.3.1.2 Outcomes of Job Involvement.............................. 59
      2.2.3.1.3 Determinants of Job Involvement ......................... 61
   2.2.3.2 Psychological empowerment and Job Involvement............ 62
2.3 Trust.......................................................................................... 63
   2.3.1 Definition of Trust.............................................................. 66
   2.3.2 The Moderating Effect of Trust on the Relationship between the
      Antecedents Variables and Psychological Empowerment............ 69
2.4 Summary..................................................................................... 72

CHAPTER THREE
METHODOLOGY ................................................................................. 73
3.1 Introduction .................................................................................. 73
3.2 Theoretical Framework ................................................................. 73
3.3 Underpinning Theory..................................................................... 74
3.4 Statements of Hypotheses............................................................... 77
   3.4.1. Direct Effect......................................................................... 78
      3.4.1.1 Transformational Leadership and Psychological Empowerment
      ......................................................................................... 78
      3.4.1.2 Organizational Structure and Psychological Empowerment .. 79
      3.4.1.3 Job Characteristics and Psychological Empowerment .......... 80
      3.4.1.4 Psychological empowerment and Job Involvement............. 81
   3.4.2 Moderating Effect................................................................... 82
3.5 Research Design........................................................................... 83
3.6 Population and Sampling............................................................... 84
   3.6.1 Unit of analysis..................................................................... 84
   3.6.2 Sampling Technique and Sample Size.................................... 85
3.7 Variables and Measures................................................................. 86
   3.7.1 Psychological Empowerment............................................... 86
   3.7.2 The Antecedents factors....................................................... 89
CHAPTER FOUR

FINDINGS ................................................................. 113

4.1 Introduction ....................................................... 113

4.2 Response Rate .................................................... 113

4.3 Response Bias ..................................................... 115

4.3.1 Non Response Bias ........................................... 115

4.3.2 Common Method Variance ................................. 115

4.4 Profile of Respondents ........................................... 116

4.5 Descriptive Analysis .............................................. 117

4.6 Goodness of Measurement Model ............................. 118

4.6.1 Construct Reliability and Validity ......................... 122

4.6.2 Assessment of Reflective Measurement Model ........... 129

4.6.3 Assessment of Formative Construct ........................ 135

4.6.4 The Establishment of Second-Order Constructs .......... 136

4.7 Assessment of Structural Model .............................. 140

4.7.1 Direct Effect ................................................... 140
CHAPTER FIVE

DISCUSSION AND CONCLUSION ......................................................... 151

5.1 Introduction .................................................................................. 151
5.2 Recapitulation of the Study Findings ............................................. 152
5.3 Discussion ...................................................................................... 154

5.3.1 The Level of Psychological Empowerment among Bank Managers.... 154
5.3.2 The Direct Relations between Transformational Leadership and
Psychological Empowerment ................................................................. 155
5.3.3 The Direct Relations between Organization Structure and Psychological
Empowerment .................................................................................. 157
5.3.4 The Direct Relations between Job Characteristics and Psychological
Empowerment .................................................................................. 158
5.3.5 The Direct Relations between Psychological Empowerment and Job
Involvement ....................................................................................... 161
5.3.6 The moderating Effects of Trust .................................................. 162

5.4 Contributions of the Research ....................................................... 164

5.4.1 Theoretical Contribution .............................................................. 164
5.4.2 Methodological Contribution ....................................................... 165
5.4.3 Managerial Implications ............................................................... 167

5.5 Limitations and Future research Directions ..................................... 168
5.6 Conclusion ....................................................................................... 170

REFERENCES ...................................................................................... 172

APPENDICES ...................................................................................... 195
## LIST OF TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 3.1</td>
<td>Total Number of Conventional Banks in Peninsular Malaysia</td>
<td>85</td>
</tr>
<tr>
<td>Table 3.2</td>
<td>Measurement of Psychological Empowerment</td>
<td>88</td>
</tr>
<tr>
<td>Table 3.3</td>
<td>Measurement of Transformational Leadership</td>
<td>91</td>
</tr>
<tr>
<td>Table 3.4</td>
<td>Measurement of Organization Structure</td>
<td>94</td>
</tr>
<tr>
<td>Table 3.5</td>
<td>Measurement of Job Characteristics</td>
<td>95</td>
</tr>
<tr>
<td>Table 3.6</td>
<td>Measurement of Job Involvement</td>
<td>99</td>
</tr>
<tr>
<td>Table 3.7</td>
<td>Measurement of Trust</td>
<td>100</td>
</tr>
<tr>
<td>Table 3.8</td>
<td>Layout of the Questionnaire</td>
<td>103</td>
</tr>
<tr>
<td>Table 3.9</td>
<td>Assessing Measurement Model</td>
<td>109</td>
</tr>
<tr>
<td>Table 3.10</td>
<td>Assessing Structural Model</td>
<td>111</td>
</tr>
<tr>
<td>Table 4.1</td>
<td>Questionnaires Distribution</td>
<td>114</td>
</tr>
<tr>
<td>Table 4.2</td>
<td>Profile of Respondents</td>
<td>116</td>
</tr>
<tr>
<td>Table 4.3</td>
<td>Descriptive Statistics for the Studied Variables</td>
<td>118</td>
</tr>
<tr>
<td>Table 4.4</td>
<td>Loadings and Cross Loadings</td>
<td>124</td>
</tr>
<tr>
<td>Table 4.5</td>
<td>Results Summary for Reliability and Validity of Constructs</td>
<td>130</td>
</tr>
<tr>
<td>Table 4.6</td>
<td>Fornell-Larcker Criterion Analysis for Checking</td>
<td>134</td>
</tr>
<tr>
<td>Table 4.7</td>
<td>Second-order of PE, TL, JC and Trust construct and its relationship with first-order constructs</td>
<td>139</td>
</tr>
<tr>
<td>Table 4.8</td>
<td>Summary of the Direct Effect</td>
<td>142</td>
</tr>
<tr>
<td>Table 4.9</td>
<td>$R^2$ of Endogenous latent variables</td>
<td>142</td>
</tr>
<tr>
<td>Table 4.10</td>
<td>The Effect Size of the Model</td>
<td>143</td>
</tr>
<tr>
<td>Table 4.11</td>
<td>Summary of Result for Moderating Effect</td>
<td>145</td>
</tr>
<tr>
<td>Table 4.12</td>
<td>Summary of Hypotheses Testing</td>
<td>147</td>
</tr>
<tr>
<td>Table 4.13</td>
<td>Predictive Relevance for Endogenous Variables</td>
<td>148</td>
</tr>
</tbody>
</table>
# LIST OF FIGURES

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>The Research Framework</td>
<td>74</td>
</tr>
<tr>
<td>3.2</td>
<td>Difference between Reflective and Formative Measurement Model</td>
<td>109</td>
</tr>
<tr>
<td>4.1</td>
<td>Example of a PLS Path Model</td>
<td>120</td>
</tr>
<tr>
<td>4.2</td>
<td>Research Model of the Study</td>
<td>123</td>
</tr>
<tr>
<td>4.2</td>
<td>The Structural Model</td>
<td>144</td>
</tr>
<tr>
<td>4.3</td>
<td>Two-Stage Approach: Moderating Effects Model (Bootstrapping)</td>
<td>146</td>
</tr>
<tr>
<td>4.4</td>
<td>The Predictive Relevance of the Endogenous Latent Variables ($Q^2$)</td>
<td>150</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Description</td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>-------------</td>
<td></td>
</tr>
<tr>
<td>AVE</td>
<td>Average Variance Extract</td>
<td></td>
</tr>
<tr>
<td>BAFIA</td>
<td>Banking and Financial Institutions Act</td>
<td></td>
</tr>
<tr>
<td>BNM</td>
<td>Bank Negara Malaysia</td>
<td></td>
</tr>
<tr>
<td>CFA</td>
<td>Confirmatory Factor Analysis</td>
<td></td>
</tr>
<tr>
<td>CR</td>
<td>Composite Reliability</td>
<td></td>
</tr>
<tr>
<td>EFA</td>
<td>Exploratory Factor Analysis</td>
<td></td>
</tr>
<tr>
<td>FSA</td>
<td>Financial Services Act</td>
<td></td>
</tr>
<tr>
<td>PLS</td>
<td>Partial Least Square</td>
<td></td>
</tr>
<tr>
<td>PLS-SEM</td>
<td>Partial Least Square Structural Equation Modelling</td>
<td></td>
</tr>
<tr>
<td>SD</td>
<td>Standard Deviation</td>
<td></td>
</tr>
<tr>
<td>SE</td>
<td>Standard Error</td>
<td></td>
</tr>
<tr>
<td>SEM</td>
<td>Structural Equation Modelling</td>
<td></td>
</tr>
<tr>
<td>SET</td>
<td>Social Exchange Theory</td>
<td></td>
</tr>
<tr>
<td>SDT</td>
<td>Self-Determination Theory</td>
<td></td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Science</td>
<td></td>
</tr>
<tr>
<td>VIF</td>
<td>Variance Inflation Factor</td>
<td></td>
</tr>
</tbody>
</table>
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.
The contents of the thesis is for internal user only
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